

# **PUBLIC DISCLOSURE**

**August 25, 2003**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Bank**

**Warrior, Alabama**

**RSSD ID Number: 358635**

**FEDERAL RESERVE BANK OF ATLANTA**

**1000 PEACHTREE STREET, N.E.**

**ATLANTA, GEORGIA 30309-4470**

**Note:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion of opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## DEFINITIONS AND ABBREVIATIONS

### **Performance Definitions Regarding Lending**

- Excellent* - This rating is assigned to an institution with lending performance that substantially exceeds the characteristics of demographic data and aggregate performance.
- Good* - This rating is assigned to an institution with lending performance that slightly exceeds the characteristics of demographic data and aggregate performance.
- Adequate* - This rating is assigned to an institution with lending performance that is comparable to the characteristics of demographic data and aggregate performance.
- Poor* - This rating is assigned to an institution with lending performance that is significantly below the characteristics of demographic data and aggregate performance.
- Consistent* - This term is used to describe the performance of an institution in an assessment area reviewed not using full scope procedures when the performance is comparable to the performance in the state overall.
- \*Not Consistent* - This term is used to describe the performance of an institution in an assessment area reviewed not using full scope procedures when the performance is not comparable to the performance in the state overall.

\*A “not consistent” rating only illustrates the performance of an assessment area in comparison to the performance in the state as a whole. It does not necessarily indicate that the performance is less than satisfactory.

<b>DEFINITIONS AND ABBREVIATIONS (Continued)</b>
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**Abbreviations**

ATMs -	Automated Teller Machines
CRA -	Community Reinvestment Act (Regulation BB)
FDIC -	Federal Deposit Insurance Corporation
FHLMC -	Federal Home Loan Mortgage Corporation
HMDA -	Home Mortgage Disclosure Act (Regulation C)
HUD -	Department of Housing and Urban Development
LTD -	Loan-to-Deposit Ratio
LTV-	Loan-to-Value
MSA -	Metropolitan Statistical Area
REIS-	Regional Economic Information Systems
SBA -	Small Business Administration
USDA -	United States Department of Agriculture

<b>ROUNDING CONVENTION</b>
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Because percentages presented in tables were rounded to the nearest whole number in most cases, some columns may not total exactly 100 percent.

<b>GENERAL INFORMATION</b>
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The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **The Bank** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **August 25, 2003**. 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 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 228.

<b>INSTITUTION</b>
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**INSTITUTION'S CRA RATING:** This institution is rated Satisfactory.

Based on a review of the bank's lending record, qualified investments, and services, The Bank meets the standards for a satisfactory level of performance in its assessment areas; however, more emphasis should be placed on levels of qualified investments and community development lending and services.

- Lending Test – The Bank's lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. A **SUBSTANTIAL MAJORITY** of the bank's lending is inside its assessment areas. The distribution of loans reflects **GOOD** penetration among borrowers of different income levels, and businesses of different reserve sizes. A review of the bank's HMDA and small business lending activity reflects **ADEQUATE** penetration throughout the assessment areas. The bank has **MADE A LOW LEVEL** of community development loans. The Bank originated three community development loans totaling \$794,775 in its assessment areas. The bank makes **LIMITED USE** of innovative and flexible lending practices in serving assessment area credit needs.
- Investment Test – The Bank exhibits **ADEQUATE** responsiveness to credit and community development needs. Considering the level of opportunity and competition in the market, the bank participated in an **ADEQUATE** level of community development investments and grants, although **NOT** in a leadership position. Investments were limited to the purchase of regional mortgage backed securities totaling \$2.0 million and contributions totaling \$9,235 to nonprofit organizations.
- Service Test – The Bank's systems for delivering retail-banking services are **ACCESSIBLE** to **ESSENTIALLY ALL** segments of the assessment areas. Also, the bank's record of opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of its delivery systems throughout its assessment areas. Business hours and services **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment areas. Additionally, the bank provides a **LIMITED LEVEL** of financial services to organizations that promote community development.

**INSTITUTION (Continued)**

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

<b>PERFORMANCE LEVELS</b>	<b><u>The Bank</u></b>		
	<b>PERFORMANCE TESTS</b>		
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory	<b>X</b>		
Low Satisfactory		<b>X</b>	<b>X</b>
Needs to Improve			
Substantial Noncompliance			

\*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.



**INSTITUTION (Continued)**

**DESCRIPTION OF INSTITUTION**

The Bank is a large community bank located in Warrior, Alabama, with its corporate headquarters located in Birmingham, Alabama. The Bank is a wholly owned subsidiary of The Banc Corporation, a single bank holding company located in Birmingham, Alabama. Since the previous CRA examination conducted by the Federal Reserve Bank of Atlanta, Citizens Federal Savings Bank of Port St. Joe, Florida was merged into The Bank's operations in March 2002, adding three branches to its market presence in northern Florida. Prior to the merger, Citizens Federal Savings Bank was not a HMDA reporter. Also, since the previous examination, The Bank opened three additional branches in its northern Florida market, and closed two branches in Alabama. Wholly owned subsidiaries of The Bank are Emerald Coast Financial Management and TBNC Financial Management.

As of December 31, 2002, the bank operated 34 branches and 24 ATMs within its assessment areas. The branches and ATMs were distributed as follows: 20 branches and 11 ATMs in Alabama, and 14 branches and 13 ATMs in Florida. Since the previous examination, the bank has closed two branches (both in Alabama) and opened six branches (all in Florida).

According to the March 31, 2003 Consolidated Reports of Condition and Income (Call Report), the bank had total assets of \$1.1 billion. The composition of the loan portfolio according to the March 31, 2003, December 31, 2002, and December 31, 2001 Call Reports is displayed in the following table:

<b>COMPOSITION OF LOAN PORTFOLIO</b>						
<b>Loan Type</b>	<b>3/31/2003</b>		<b>12/31/2002</b>		<b>12/31/2001</b>	
	<b>\$ (000s)</b>	<b>Percent</b>	<b>\$ (000s)</b>	<b>Percent</b>	<b>\$ (000s)</b>	<b>Percent</b>
Construction and Development	\$222,711	19.5%	\$212,818	18.8%	\$200,250	20.1%
Secured by One- to Four- Family Dwellings	\$279,487	24.4%	\$272,899	24.1%	\$225,867	22.6%
Other Real Estate: Farmland	\$13,587	1.2%	\$13,603	1.2%	\$14,808	1.5%
Multifamily	\$27,220	2.4%	\$24,617	2.2%	\$9,332	0.9%
Nonfarm Nonresidential	\$346,050	30.3%	\$314,092	27.8%	\$194,535	19.5%
Commercial and Industrial	\$175,093	15.3%	\$204,619	18.1%	\$252,261	25.3%
Loans to Individuals	\$72,819	6.4%	\$79,398	7.0%	\$91,421	9.2%
Agricultural Loans	\$6,254	0.5%	\$8,591	0.8%	\$8,735	0.9%
<b>Total</b>	<b>\$1,143,221</b>	<b>100.0%</b>	<b>\$1,130,637</b>	<b>100.0%</b>	<b>\$997,209</b>	<b>100.0%</b>

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

<b>INSTITUTION (Continued)</b>
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As illustrated by the table, The Bank's loan portfolio is primarily composed of loans secured by nonfarm, nonresidential real estate, followed by loans secured by one- to four-family dwellings, and loans for construction and development.

According to the table, the bank experienced significant loan growth in loans secured by nonfarm, nonresidential real estate, which grew by \$151.5 million (77.9 percent) from December 31, 2001 to March 31, 2003. During the same time period, loans secured by 1- 4 family dwellings grew by \$53.6 million (23.7 percent), while commercial and industrial loans decreased by \$77.2 million (30.6 percent).

According to The Bank's CRA public file, product offerings include traditional deposit and loan products. The Bank offers a variety of loan products to meet the credit needs of its assessment areas, such as fixed and adjustable rate residential mortgage loans, small business loans, and consumer purpose loans.

The Bank generally complies with the CRA. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment areas. The bank received a satisfactory CRA rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated September 4, 2001, using the large bank CRA examination procedures.

**INSTITUTION (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The table below shows selected demographic information for The Bank. In addition, The Bank's lending performance for the overall institution is shown on the following page.

WHOLE BANK ASSESSMENT AREA								
DEMOGRAPHICS								
Income Categories	Tract Distribution		Families					
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	23	6.7%	18,330	4.8%	8,011	43.7%	80,328	20.9%
Moderate	75	22.0%	70,418	18.3%	13,727	19.5%	66,656	17.3%
Middle	167	49.0%	196,110	50.9%	20,708	10.6%	82,249	21.4%
Upper	76	22.3%	100,300	26.0%	4,101	4.1%	155,925	40.5%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>341</b>	<b>100.0%</b>	<b>385,158</b>	<b>100.0%</b>	<b>46,547</b>	<b>12.1%</b>	<b>385,158</b>	<b>100.0%</b>
Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	32,617	9,758	2.7%	29.9%	18,729	57.4%	4,130	12.7%
Moderate	117,065	57,208	16.1%	48.9%	45,863	39.2%	13,994	12.0%
Middle	309,140	189,715	53.3%	61.4%	80,118	25.9%	39,307	12.7%
Upper	154,034	99,262	27.9%	64.4%	36,657	23.8%	18,115	11.8%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>612,856</b>	<b>355,943</b>	<b>100.0%</b>	<b>58.1%</b>	<b>181,367</b>	<b>29.6%</b>	<b>75,546</b>	<b>12.3%</b>
Total Businesses by Tract and Revenue Size								
Income Categories	Total Businesses by Tract		Businesses by Tract and Revenue Size					
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	6,452	7.3%	5,099	7.6%	683	11.7%	670	4.5%
Moderate	14,259	16.2%	11,064	16.4%	1,111	19.0%	2,084	13.9%
Middle	43,166	49.0%	32,731	48.6%	2,418	41.5%	8,017	53.7%
Upper	24,251	27.5%	18,460	27.4%	1,621	27.8%	4,170	27.9%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>88,128</b>	<b>100.0%</b>	<b>67,354</b>	<b>100.0%</b>	<b>5,833</b>	<b>100.0%</b>	<b>14,941</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>76.4%</b>		<b>6.6%</b>		<b>17.0%</b>

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

**INSTITUTION (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST**

WHOLE BANK ASSESSMENT AREA								
LENDING								
Income Categories	By Tract Income				By Borrower Income			
	HMDA				HMDA			
	Home Purchase				Home Purchase			
	#	%	\$	%	#	%	\$	%
Low	22	1.7%	1,138	0.9%	60	4.8%	2,518	1.9%
Moderate	92	7.3%	6,551	5.0%	125	9.9%	6,767	5.2%
Middle	741	58.7%	66,492	50.9%	228	18.1%	17,486	13.4%
Upper	408	32.3%	56,535	43.3%	701	55.5%	90,172	69.0%
NA	0	0.0%	0	0.0%	149	11.8%	13,773	10.5%
<b>Total</b>	<b>1,263</b>	<b>100.0%</b>	<b>130,716</b>	<b>100.0%</b>	<b>1,263</b>	<b>100.0%</b>	<b>130,716</b>	<b>100.0%</b>
Refinance								
	#	%	\$	%	#	%	\$	%
Low	1	0.1%	66	0.1%	67	6.6%	2,739	2.7%
Moderate	57	5.6%	3,363	3.3%	134	13.2%	7,888	7.8%
Middle	642	63.4%	52,445	52.1%	197	19.5%	14,014	13.9%
Upper	312	30.8%	44,719	44.5%	569	56.2%	72,488	72.1%
NA	0	0.0%	0	0.0%	45	4.4%	3,464	3.4%
<b>Total</b>	<b>1,012</b>	<b>100.0%</b>	<b>100,593</b>	<b>100.0%</b>	<b>1,012</b>	<b>100.0%</b>	<b>100,593</b>	<b>100.0%</b>
Home Improvement								
	#	%	\$	%	#	%	\$	%
Low	1	0.4%	42	1.0%	40	14.5%	190	4.5%
Moderate	12	4.3%	197	4.6%	46	16.7%	289	6.8%
Middle	212	76.8%	3,273	77.2%	66	23.9%	1,112	26.2%
Upper	51	18.5%	728	17.2%	111	40.2%	2,375	56.0%
NA	0	0.0%	0	0.0%	13	4.7%	274	6.5%
<b>Total</b>	<b>276</b>	<b>100.0%</b>	<b>4,240</b>	<b>100.0%</b>	<b>276</b>	<b>100.0%</b>	<b>4,240</b>	<b>100.0%</b>
Multi-Family								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	13	65.0%	2,194	32.5%	0	0.0%	0	0.0%
Middle	6	30.0%	3,863	57.3%	0	0.0%	0	0.0%
Upper	1	5.0%	688	10.2%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	20	100.0%	6,745	100.0%
<b>Total</b>	<b>20</b>	<b>100.0%</b>	<b>6,745</b>	<b>100.0%</b>	<b>20</b>	<b>100.0%</b>	<b>6,745</b>	<b>100.0%</b>
SMALL BUSINESS								
By Tract Income								
	#	%	\$	%	#	%	\$	%
Low	62	1.4%	8,756	2.6%				
Moderate	379	8.7%	28,400	8.3%				
Middle	2,978	68.2%	215,783	63.3%				
Upper	948	21.7%	87,854	25.8%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>4,367</b>	<b>100.0%</b>	<b>340,793</b>	<b>100.0%</b>				
By Loan Size and Revenue								
Loan Size:	#	%	\$	%	#	%	\$	%
\$100,000 or less	3,499	80.1%	106,369	31.2%				
\$100,001 - \$250,000	555	12.7%	91,526	26.9%				
\$250,001 - \$1 Million	313	7.2%	142,898	41.9%				
<b>Total</b>	<b>4,367</b>	<b>100.0%</b>	<b>340,793</b>	<b>100.0%</b>				
Revenue:	#	%	\$	%	#	%	\$	%
\$1 Million or Less	3,819	87.5%	271,950	79.8%				
Over \$1 Million	533	12.2%	66,929	19.6%				
Not Known	15	0.3%	1,914	0.6%				
<b>Total</b>	<b>4,367</b>	<b>100.0%</b>	<b>340,793</b>	<b>100.0%</b>				

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

<b>INSTITUTION (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**SCOPE OF EXAMINATION**

The examination review period covered HMDA and small business loans originated from January 1, 2001, through December 31, 2002. The Gadsden and Marshall Assessment Areas in Alabama and the Panama City and Franklin-Gulf Assessment Areas in Florida were reviewed using full scope examination procedures. The following assessment areas were reviewed using limited scope examination procedures: Birmingham, Covington, Decatur, Huntsville, Marshall, Monroe, and Talladega Assessment Areas in Alabama; and Calhoun, Liberty, Okaloosa, and Walton County Assessment Areas in Florida.

For purposes of CRA, HMDA loans are those loans that are defined in the Federal Reserve Board's Regulation C. The loan categories are home purchase, home refinance, multifamily, and home improvement loans. Small business loans are loans with original amounts of \$1 million or less. A community development loan is a loan to an entity for the purpose of providing affordable housing to or community services for low- and moderate-income persons, revitalization or stabilization of low- and moderate-income areas through the creation or retention of jobs for low- and moderate-income persons, or economic development through the financing of small businesses and farms that meet certain eligibility standards.

During the review period, small business loans by number and dollar volume exceeded the number and dollar volume of HMDA loans. Therefore, small business loans were given more weight in determining the lending test rating. Because the greater percentage of the bank's total assets, lending activity, and branch offices were in the Alabama Assessment Areas, greater weight was given to the state of Alabama CRA rating in determining the institution rating. The overall rating of the institution for the lending test is **HIGH SATISFACTORY**.

**INSTITUTION (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Lending Activity**

Considering the bank's market share of deposits in its assessment areas, information gathered from community contacts, and demographic information, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. According to community contacts, affordable housing and small business financing were primary credit needs. The Bank originated 4,367 small business loans totaling \$340.8 million in its assessment areas. In addition, The Bank originated 2,571 HMDA loans representing \$242.3 million within the assessment areas. Of the 2,571 HMDA loans, 1,263 (49.1 percent) were home purchase loans; 1,012 (34.3 percent) were home refinance loans; 276 (10.9 percent) were home improvement loans; and 20 (0.7 percent) were multifamily housing loans.

**Assessment Area Concentration**

A **SUBSTANTIAL MAJORITY** of the bank's lending occurred inside its assessment areas. The table below shows, by loan type, the number and percentage of loans that were located inside and outside the bank's assessment areas.

<b>LENDING INSIDE AND OUTSIDE ASSESSMENT AREA</b>				
<b>Loan Type</b>	<b>IN</b>			
	#	%	\$ (000s)	%
Small Business	4,367	85.6%	\$340,793	80.2%
HMDA	2,571	87.0%	\$242,294	87.8%
<i>Total In</i>	<i>6,938</i>	<i>86.1%</i>	<i>\$583,087</i>	<i>83.2%</i>
	<b>OUT</b>			
	#	%	\$ (000s)	%
Small Business	737	14.4%	\$84,290	19.8%
HMDA	384	13.0%	\$33,680	12.2%
<i>Total Out</i>	<i>1,121</i>	<i>13.9%</i>	<i>\$117,970</i>	<i>16.8%</i>

<b>INSTITUTION (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

As indicated by the previous table, 86.1 percent of the bank's HMDA-reportable and small business loans were made inside the bank's assessment areas. Also, a high percentage of the loan volume by dollar amount was inside the bank's assessment areas.

**Geographic and Borrower Distribution**

The Bank's performance with regard to the geographic distribution of loans is **ADEQUATE**. This conclusion was based upon the bank's performance in each assessment area in comparison to demographic lending data for small business and HMDA-reportable lending. The analysis of small business and HMDA-reportable lending within each assessment area is discussed in greater detail later in the report.

Small business lending to businesses of different revenue sizes and HMDA lending to borrowers of different income levels is **GOOD**. This conclusion was based upon the bank's performance in each assessment area in comparison to demographic lending data for small business and HMDA lending. The analysis of small business and HMDA lending within each assessment area is discussed in greater detail later in the report.

**INSTITUTION (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

The Bank makes **LIMITED USE** of flexible lending practices in serving the credit needs of its assessment areas. Some of the bank's major flexible affordable housing products are listed below with the corresponding assessment area where the program is available.

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>ASSESSMENT AREA AVAILABLE</b>
<i>Alabama Multifamily Loan Consortium</i>	Provides permanent financing on multifamily housing for low- and moderate-income borrowers.	Alabama Assessment Area
<i>AmeriDream Charity Downpayment Gift Program</i>	Provides down payment assistance to low- and moderate-income buyers who have a need for financial assistance.	Bank-wide
<i>Countrywide Correspondent Lending MyCommunity 100 Plus and FNMA Flex 100</i>	Program designed to aid low- and moderate-income homebuyers with limited cash resources by providing loans with low down payments and down payment assistance.	Bank-wide
<i>Rural Development Guaranteed Housing Loan Program</i>	USDA sponsored loan program that has no downpayment, no mortgage insurance, and discount points for low-income applicants only.	Bank-wide
<i>State Housing Initiatives Partnership (SHIP Program)</i>	Program designed to allow for downpayment and closing cost assistance to low- and moderate-income homebuyers.	Florida Assessment Area
<i>Wells Fargo Emerging Markets National Program</i>	Program designed to aid low- and moderate-income homebuyers with limited cash resources by providing low or no down payment options and higher than conforming LTVs.	Bank-wide



<b>INSTITUTION (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**Community Development Lending**

The Bank makes a **LOW LEVEL** of community development loans. The bank originated three community development loans in and around its assessment areas totaling \$794,775, all of which were in the Alabama Assessment Areas. Strong competition may have contributed to the bank's difficulty in originating a significant level of community development loans that meet the CRA definition.

**INVESTMENT TEST**

The bank's performance under the investment test is **LOW SATISFACTORY**. The bank participated in an **ADEQUATE** level of community development investments. However, the bank was **NOT** in a leadership position. Qualified investments made during the review period were limited to the bank-wide purchase of two mortgage-backed security pools from the FHLMA in the amount of \$2,012,623. The mortgage-backed security pools were used to provide affordable housing opportunities for low- and moderate-income individuals in Alabama and Florida. In addition, contributions to community development organizations totaled \$9,235. Competition and resource requirements have somewhat hampered the bank's ability to engage in qualified investments. Based on an evaluation of the performance context, area demographics, and contacts made within the community, the bank's investments exhibit **ADEQUATE** responsiveness to credit and community development needs. The bank **RARELY USES** complex or innovative investments to support community development initiatives.

**SERVICE TEST**

The overall rating of the institution under the service test is **LOW SATISFACTORY**. Delivery systems, including ATMs and branch locations, are considered **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. Five of the bank's 14 branches (14.7 percent) are located in low- and moderate-income census tracts or BNAs. In addition to ATMs, The Bank offers 24 hour toll-free telephone banking as an alternative system for delivering retail-banking services. The bank's record of opening or closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems, particularly to LMI

**INSTITUTION (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

geographies and to LMI individuals. In addition, banking services **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. A branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991. The distribution of The Bank's branch offices and ATMs is summarized in the table below.

<b>THE BANK – DISTRIBUTION OF BRANCHES AND ATMS WHOLE BANK ASSESSMENT AREA</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF BUSINESSES</b>
Low-Income	2	5.8%	0	0%	4.8%	7.3%
Moderate-Income	3	8.8%	2	8.3%	18.3%	16.2%
Middle-Income	21	61.8%	15	62.5%	50.9%	49.0%
Upper-Income	8	23.6%	7	29.2%	26.0%	27.5%
<i>Total</i>	<i>34</i>	<i>100%</i>	<i>24</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

**Community Development Services**

The bank **PROVIDES A LIMITED LEVEL** of community development services throughout most of its assessment areas. Please refer to the specific assessment areas for descriptions of the community development services provided by the bank.

**Compliance with Antidiscrimination Laws**

The Bank solicits applications from all segments of its communities, including low- and moderate-income areas. The bank's policies and internal control procedures are adequate to ensure that the evaluation of credit applications is based solely on financial and economic considerations. No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.

<b>STATE: Alabama</b>
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**CRA RATING FOR ALABAMA:**            **Satisfactory**

**The Lending Test is rated:**            **High Satisfactory**

**The Investment Test is rated:**        **Low Satisfactory**

**The Service Test is rated:**            **Low Satisfactory**

## **SCOPE OF EXAMINATION**

The Alabama Assessment Area, in relation to The Bank's total assessment area, consists of 77.7 percent of the geographies, 76.5 percent of the low- and moderate-income geographies, 75.6 percent of the population, and 75.4 percent of the low- and moderate-income families. Of the total lending reviewed for this examination, 48.9 percent of the HMDA loans and 72.9 percent of the small business loans were originated in the Alabama Assessment Area.

The Bank's performance in Alabama was evaluated by reviewing the Gadsden Assessment Area and the Marshall Assessment Area using full-scope examination procedures. Other metropolitan and nonmetropolitan areas were not reviewed using full-scope examination procedures; however, through the use of available facts and data, including performance and demographic information, conclusions regarding performance, which did not impact the overall rating, are found on page 42.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA**

### **Overview**

The Bank operates 20 branches in the Alabama Assessment Area, which comprised eight assessment areas. In addition to the Gadsden Assessment Area and the Marshall County Assessment Area, the Alabama Assessment Area includes the following areas: Birmingham Assessment Area (portions of Jefferson, Blount, and Walker Counties), Decatur Assessment Area (portions of Morgan County), Huntsville Assessment Area (portions of Madison County), Covington Assessment Area (all of Covington, and portions of Geneva and Coffee Counties), Monroe Assessment Area (all of Monroe County), and Talladega Assessment Area (portion of Talladega and all of Coosa Counties). As of June 30, 2002, the bank had \$700.2 million in deposits in the Alabama Assessment Area, representing a market deposit share of 1.3 percent in the state of Alabama.

<b>STATE: Alabama (Continued)</b>
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**DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA (Continued)**

**Competition**

The Alabama Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. The competition comes mainly from FDIC-Insured institutions with branches located throughout the assessment area. Many of these banks are statewide, multi-regional, or national banks. Local competition does not seem to adversely affect the bank's ability to serve the credit needs of its assessment area, but does adversely affect the bank's ability to find and purchase qualified investments.

**Community Contacts**

As a part of the CRA examination, information was obtained from community leaders regarding local economic conditions and community credit needs. The contacts stated that the local banks should become more proactive in meeting the affordable housing and small business development needs of the assessment area. They also indicated that with the slowdown in the state's economy, the need for affordable housing in particular has increased.

**STATE: Alabama (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA**

The Alabama Assessment Area table shows selected demographic information. In addition, The Bank's lending performance for the Alabama Assessment Area is shown on the following page.

ALABAMA ASSESSMENT AREA								
DEMOGRAPHICS								
Income Categories	Tract Distribution		Families					
	#	%	Families by Tract		Families<Poverty as a % of Families by Tract		Families by Family Income	
			#	%	#	%	#	%
Low	21	7.9%	17,389	6.0%	7,625	43.8%	62,851	21.6%
Moderate	54	20.4%	50,033	17.2%	10,158	20.3%	47,944	16.5%
Middle	125	47.2%	142,937	49.1%	15,541	10.9%	60,777	20.9%
Upper	65	24.5%	80,846	27.8%	3,166	3.9%	119,633	41.1%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>265</b>	<b>100.0%</b>	<b>291,205</b>	<b>100.0%</b>	<b>36,490</b>	<b>12.5%</b>	<b>291,205</b>	<b>100.0%</b>
Housing Units by Tract								
Income Categories	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	30,490	9,056	3.3%	29.7%	17,571	57.6%	3,863	12.7%
Moderate	85,223	41,035	15.1%	48.2%	34,816	40.9%	9,372	11.0%
Middle	213,933	139,683	51.5%	65.3%	57,425	26.8%	16,825	7.9%
Upper	117,059	81,215	30.0%	69.4%	29,513	25.2%	6,331	5.4%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>446,705</b>	<b>270,989</b>	<b>100.0%</b>	<b>60.7%</b>	<b>139,325</b>	<b>31.2%</b>	<b>36,391</b>	<b>8.1%</b>
Total Businesses by Tract and Revenue Size								
Income Categories	Total Businesses by Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	5,417	9.5%	4,349	9.5%	614	13.7%	454	6.9%
Moderate	9,533	16.8%	7,651	16.7%	925	20.6%	957	14.5%
Middle	24,787	43.6%	20,051	43.8%	1,623	36.1%	3,113	47.1%
Upper	17,096	30.1%	13,680	29.9%	1,332	29.6%	2,084	31.5%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>56,833</b>	<b>100.0%</b>	<b>45,731</b>	<b>100.0%</b>	<b>4,494</b>	<b>100.0%</b>	<b>6,608</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>80.5%</b>	<b>7.9%</b>		<b>11.6%</b>	

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

**STATE: Alabama (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA (Continued)**

ALABAMA ASSESSMENT AREA								
LENDING								
Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	19	3.1%	808	2.0%	31	5.1%	1,024	2.6%
Moderate	70	11.4%	4,341	11.0%	71	11.6%	3,094	7.8%
Middle	383	62.6%	21,453	54.4%	107	17.5%	5,771	14.6%
Upper	140	22.9%	12,867	32.6%	278	45.4%	20,152	51.1%
NA	0	0.0%	0	0.0%	125	20.4%	9,428	23.9%
<b>Total</b>	<b>612</b>	<b>100.0%</b>	<b>39,469</b>	<b>100.0%</b>	<b>612</b>	<b>100.0%</b>	<b>39,469</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	33	8.0%	805	3.1%
Moderate	36	8.7%	2,021	7.9%	58	14.1%	2,192	8.5%
Middle	294	71.4%	16,028	62.4%	83	20.1%	3,670	14.3%
Upper	82	19.9%	7,639	29.7%	211	51.2%	17,387	67.7%
NA	0	0.0%	0	0.0%	27	6.6%	1,634	6.4%
<b>Total</b>	<b>412</b>	<b>100.0%</b>	<b>25,688</b>	<b>100.0%</b>	<b>412</b>	<b>100.0%</b>	<b>25,688</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	1	0.5%	42	1.2%	29	13.6%	136	4.0%
Moderate	11	5.1%	193	5.6%	40	18.7%	259	7.6%
Middle	155	72.4%	2,535	74.0%	45	21.0%	931	27.2%
Upper	47	22.0%	656	19.1%	90	42.1%	1,843	53.8%
NA	0	0.0%	0	0.0%	10	4.7%	257	7.5%
<b>Total</b>	<b>214</b>	<b>100.0%</b>	<b>3,426</b>	<b>100.0%</b>	<b>214</b>	<b>100.0%</b>	<b>3,426</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	13	65.0%	2,194	32.5%	0	0.0%	0	0.0%
Middle	6	30.0%	3,863	57.3%	0	0.0%	0	0.0%
Upper	1	5.0%	688	10.2%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	20	100.0%	6,745	100.0%
<b>Total</b>	<b>20</b>	<b>100.0%</b>	<b>6,745</b>	<b>100.0%</b>	<b>20</b>	<b>100.0%</b>	<b>6,745</b>	<b>100.0%</b>
	SMALL BUSINESS							
	By Tract Income							
	#	%	\$	%	#	%	\$	%
Low	57	1.8%	8,481	3.9%				
Moderate	355	11.2%	24,819	11.4%				
Middle	2,001	62.9%	121,907	55.9%				
Upper	770	24.2%	62,739	28.8%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>3,183</b>	<b>100.0%</b>	<b>217,946</b>	<b>100.0%</b>				
	By Loan Size and Revenue							
<b>Loan Size:</b>	#	%	\$	%	#	%	\$	%
\$100,000 or less	2,621	82.3%	79,643	36.5%				
\$100,001 - \$250,000	386	12.1%	63,636	29.2%				
\$250,001 - \$1 Million	176	5.5%	74,667	34.3%				
<b>Total</b>	<b>3,183</b>	<b>100.0%</b>	<b>217,946</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	2,749	86.4%	176,230	80.9%				
Over \$1 Million	429	13.5%	41,496	19.0%				
Not Known	5	0.2%	220	0.1%				
<b>Total</b>	<b>3,183</b>	<b>100.0%</b>	<b>217,946</b>	<b>100.0%</b>				

Originations and purchases  
Small Business loans are loan sizes that are \$1 million or less.

<b>STATE: Alabama (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA (Continued)**

**LENDING TEST**

The lending test rating for the Alabama Assessment Area is rated **HIGH SATISFACTORY**.

**Lending Activity**

Considering the bank's market share of deposits in its assessment areas, information gathered from community contacts, and demographic information, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. The Bank originated 3,183 small business loans totaling \$217.9 million in the Alabama Assessment Areas. In addition, The Bank originated 1,258 HMDA loans representing \$75.3 million within the Alabama Assessment Areas. Of the 1,258 HMDA loans, 612 (48.6 percent) were home purchase loans; 412 (32.7 percent) were home refinance loans; 214 (17.0 percent) were home improvement loans; and 20 (1.7 percent) were multifamily housing loans.

**Geographic and Borrower Distribution**

The Bank's performance with regard to the geographic distribution of loans is **ADEQUATE**. This conclusion was based upon the bank's performance in each assessment area in comparison to demographic lending data for small business and HMDA-reportable lending. The analysis of small business and HMDA-reportable lending within each assessment area is discussed in greater detail later in the report.

Overall, lending to businesses of different revenue sizes and HMDA lending to borrowers of different income levels is **GOOD**. This conclusion was based upon the bank's performance in each assessment area in comparison to demographic lending data for small business and HMDA lending. The analysis of small business and HMDA lending within each assessment area is discussed in greater detail later in the report. Based upon the number of small business loans originated in amounts of \$100,000 or less, the bank has a good record of serving the needs of small businesses within its assessment areas. However, the Bank exhibits a marginally adequate record of serving the credit needs of low-income individuals.

<b>STATE: Alabama (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA (Continued)**

**Lending Test (Continued)**

**Community Development Lending**

The bank has made a **LOW LEVEL** of community development loans. Three community development loans totaling \$794,775 were originated in the Alabama Assessment Areas. The Bank exhibits a **GOOD** record of serving the needs of small businesses and low-income individuals in the Alabama Assessment Areas.

**INVESTMENT TEST**

The investment test rating for the Alabama Assessment Area is rated **LOW SATISFACTORY**. The only investment in the Alabama Assessment Areas was a regional FHLMC mortgage-backed security totaling \$991,199. Grants and donations totaled \$3,260. The bank has participated in an **ADEQUATE** level of community development investments and grants, however, **NOT**, in a leadership position. The Bank has exhibited **ADEQUATE** responsiveness to credit and community development needs through its investment activities. The bank **RARELY USES** innovative or complex investments to support community development initiatives. Please refer to the Investment Test section of the overall institution on page 13 of the evaluation for greater detail.

**SERVICE TEST**

The service test rating for the Alabama Assessment Area is rated **LOW SATISFACTORY**. Delivery systems, including ATMs and branch locations, are considered **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the bank's assessment area. Services and hours of operation **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. During the review period, the bank closed two branches in middle-income census tracts in the Alabama Assessment Areas. The closing of the branches has **NOT ADVERSELY AFFECTED** the accessibility of retail delivery systems in the assessment area. The bank **PROVIDES A LIMITED LEVEL** of community development services that benefit residents of the assessment area.



<b>STATE: Alabama (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA (Continued)**

As stated earlier, The Bank's performance in Alabama was evaluated by reviewing the Gadsden Assessment Area and the Marshall Assessment Area using full-scope examination procedures. For a further detailed analysis, please refer to the Gadsden Assessment Area section on the following page and the Marshall County Assessment Area section beginning on page 32.

<b>METROPOLITAN AREA: GADSDEN, ALABAMA</b>
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## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN GADSDEN, ALABAMA**

### **Overview**

The Gadsden Assessment Area, in relation to The Bank's total assessment area, consisted of 8.5 percent of the geographies, 10.2 percent of the low- and moderate-income geographies, 7.2 percent of the population, and 7.4 percent of the low- and moderate-income families. The assessment area also included 9.1 percent of the HMDA loans and 7.7 percent of the small business loans.

The Bank operates two branches in the Gadsden Assessment Area (Etowah County), which is the Gadsden MSA. The branches are located in Gadsden and Rainbow City. In the Gadsden Assessment Area, The Bank appears to serve the credit needs of both residential and commercial customers, based on lending numbers and dollar volume.

### **Demographic Data by Census Tract**

The Gadsden Assessment Area consists of 29 census tracts: 0 low-income tracts, 10 moderate-income tracts (34.5 percent), 14 middle-income tracts (48.3 percent), and 5 upper-income tracts (17.2 percent). The Bank has not arbitrarily excluded any low- and moderate-income census tracts and the assessment area complies with the requirements of the CRA.

The tables on pages 24 and 25 provide demographic and lending data that were used in analyzing the bank's CRA performance. Except where noted, the demographic data are from the 1990 Census. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

### **Population Characteristics**

At the time of the 1990 Census, the population of the Gadsden Assessment Area was 99,840 persons, which represented 2.4 percent of the population for the state of Alabama. According to the July 1, 1999 County Population Estimates issued by the U.S. Census, total population in the Gadsden MSA increased by 3.6 percent to 103,472 persons, which is 2.3 percent of the total population in the state of Alabama.

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**Income Characteristics**

At the time of the 1990 Census, there were 28,585 families in the assessment area. Of those families, 21.4 percent were low-income, 17.4 percent were moderate-income, 21.1 percent were middle-income, and 40.2 percent were upper-income. In addition, 3,783 families (13.2 percent) in the assessment area had incomes below the poverty level. A high level of poverty is noted in moderate-income census tracts, where 24.4 percent of the families (1,285) had incomes below the poverty level. Typically, families with incomes below the poverty level have difficulty qualifying for HMDA loans without flexible or innovative loan underwriting standards. According to HUD, the estimated 2001 and 2002 median family incomes for the MSA were \$39,200 for each year.

**Housing Characteristics**

According to the 1990 Census there were 41,787 housing units in the Gadsden Assessment Area, 68.5 percent of which were owner-occupied units. Owner-occupied housing units were generally more affordable in this assessment area than in the state overall. 1990 Census data show that the median housing value for owner-occupied units in the assessment area was \$44,694, which was 16.0 percent lower than the median housing value for the state of Alabama at \$53,205.

The data also indicated that 83.4 percent of owner-occupied housing units were located in the middle- and upper-income census tracts, where 81.6 percent of the families resided. Conversely, only 16.6 percent of owner-occupied housing units are located in moderate-income tracts, where 18.4 percent of the families resided. In addition, there was a high poverty level in moderate-income census tracts, which could affect the bank's ability to originate HMDA loans in these tracts. As a result, it can be expected that the greater percentage of HMDA loans would be originated in middle- and upper-income census tracts.

<b>METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)</b>
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**Employment Statistics**

The Gadsden Assessment Area's economy is primarily dependent on the manufacturing and service industry sectors. The assessment area contains a branch of the National Aeronautics and Space Administration, a major aircraft builder, state government, city government, an institution of higher learning, and small service related businesses. According to the January 2001 issue of Expansion Management Magazine, Gadsden ranks 3<sup>rd</sup> for the number of new technology jobs created. In addition, it ranks 19<sup>th</sup> among the nation's most popular cities for business expansion and relocation. The 2001 and 2002 annualized unemployment rates (not seasonally adjusted) for the Gadsden Assessment Area were 7.3 percent and 6.1 percent, respectively. The 2001 and 2002 annualized unemployment rates for the state of Alabama were 5.3 percent and 5.9 percent, respectively.

**Business Size Characteristics**

The table on page 24 provides key assessment area demographic business data by revenue size and census tract income type. The table illustrates that in 2002, according to Dun & Bradstreet, 81.9 percent of the businesses in the assessment area that reported annual revenues had total annual revenues of less than \$1 million and, therefore, are considered small businesses.

**Competition**

The Gadsden Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. According to the June 30, 2002 FDIC/OTS Summary of Deposits Report, there are nine other financial institutions operating 25 offices in the Gadsden Assessment Area. Many of these banks are statewide, multi-regional, or national banks, such as AmSouth Bank, Compass Bank, Regions Bank, SouthTrust Bank, and Colonial Bank. The Bank operated two (7.4 percent) of the branches with a deposit market share of 9.8 percent. The Bank ranked 6<sup>th</sup> in deposit market share. Southtrust Bank had the highest deposit market share at 22.4 percent. Exchange Bank of Alabama had the most branches at six in the Gadsden Assessment Area. Local competition did not seem to adversely affect the bank's ability to serve the credit needs of its assessment area, but might affect the bank's ability to compete for community development loans and qualified investments.

**Community Contacts**

As a part of the CRA examination, information was obtained from community leaders regarding local economic conditions and community credit needs. The contacts stated that the local banks should become more proactive in meeting the affordable housing and small business development needs of the assessment area.

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The following table shows selected demographic information. In addition, The Bank's lending performance in the Gadsden Assessment Area is shown on the following page.

GADSDEN ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (MSA): <b>\$39,200</b> Income Categories	Tract Distribution		Families					
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	6,106	21.4%
Moderate	10	34.5%	5,262	18.4%	1,285	24.4%	4,967	17.4%
Middle	14	48.3%	15,513	54.3%	1,936	12.5%	6,023	21.1%
Upper	5	17.2%	7,810	27.3%	562	7.2%	11,489	40.2%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>29</b>	<b>100.0%</b>	<b>28,585</b>	<b>100.0%</b>	<b>3,783</b>	<b>13.2%</b>	<b>28,585</b>	<b>100.0%</b>
Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	0	0	0.0%	0	0.0%	0	0.0%	0
Moderate	9,034	4,757	16.6%	52.7%	3,386	37.5%	891	9.9%
Middle	22,716	15,344	53.6%	67.5%	5,615	24.7%	1,757	7.7%
Upper	10,037	8,511	29.7%	84.8%	1,062	10.6%	464	4.6%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>41,787</b>	<b>28,612</b>	<b>100.0%</b>	<b>68.5%</b>	<b>10,063</b>	<b>24.1%</b>	<b>3,112</b>	<b>7.4%</b>
Total Businesses by Tract and Revenue Size								
	Total Businesses by Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1,285	28.7%	1,068	29.1%	93	32.2%	124	23.6%
Middle	2,319	51.7%	1,903	51.8%	140	48.4%	276	52.6%
Upper	881	19.6%	700	19.1%	56	19.4%	125	23.8%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>4,485</b>	<b>100.0%</b>	<b>3,671</b>	<b>100.0%</b>	<b>289</b>	<b>100.0%</b>	<b>525</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>81.9%</b>	<b>6.4%</b>		<b>11.7%</b>	

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

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

GADSDEN ASSESSMENT AREA								
LENDING								
Income Categories	By Tract Income				By Borrower Income			
	HMDA				HMDA			
	Home Purchase				Home Purchase			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	5	4.2%	167	2.1%
Moderate	15	12.7%	427	5.4%	12	10.2%	527	6.6%
Middle	61	51.7%	4,182	52.6%	20	16.9%	971	12.2%
Upper	42	35.6%	3,348	42.1%	75	63.6%	6,055	76.1%
NA	0	0.0%	0	0.0%	6	5.1%	237	3.0%
<b>Total</b>	<b>118</b>	<b>100.0%</b>	<b>7,957</b>	<b>100.0%</b>	<b>118</b>	<b>100.0%</b>	<b>7,957</b>	<b>100.0%</b>
Refinance								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	4	4.7%	109	1.7%
Moderate	9	10.5%	264	4.2%	10	11.6%	538	8.6%
Middle	43	50.0%	2,903	46.5%	17	19.8%	762	12.2%
Upper	34	39.5%	3,077	49.3%	52	60.5%	4,696	75.2%
NA	0	0.0%	0	0.0%	3	3.5%	139	2.2%
<b>Total</b>	<b>86</b>	<b>100.0%</b>	<b>6,244</b>	<b>100.0%</b>	<b>86</b>	<b>100.0%</b>	<b>6,244</b>	<b>100.0%</b>
Home Improvement								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	2	7.7%	32	5.0%
Moderate	3	11.5%	68	10.7%	5	19.2%	48	7.5%
Middle	15	57.7%	435	68.4%	4	15.4%	117	18.4%
Upper	8	30.8%	133	20.9%	15	57.7%	439	69.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>26</b>	<b>100.0%</b>	<b>636</b>	<b>100.0%</b>	<b>26</b>	<b>100.0%</b>	<b>636</b>	<b>100.0%</b>
Multi-Family								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	33.3%	65	3.4%	0	0.0%	0	0.0%
Middle	1	33.3%	1,150	60.4%	0	0.0%	0	0.0%
Upper	1	33.3%	688	36.2%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	3	100.0%	1,903	100.0%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>1,903</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>1,903</b>	<b>100.0%</b>
SMALL BUSINESS								
By Tract Income								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	139	19.7%	9,252	18.2%	0	0.0%	0	0.0%
Middle	319	45.3%	24,399	48.1%	0	0.0%	0	0.0%
Upper	246	34.9%	17,085	33.7%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>704</b>	<b>100.0%</b>	<b>50,736</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
By Loan Size and Revenue								
Loan Size:	#	%	\$	%	#	%	\$	%
\$100,000 or less	557	79.1%	17,116	33.7%	0	0.0%	0	0.0%
\$100,001 - \$250,000	101	14.3%	15,566	30.7%	0	0.0%	0	0.0%
\$250,001 - \$1 Million	46	6.5%	18,054	35.6%	0	0.0%	0	0.0%
<b>Total</b>	<b>704</b>	<b>100.0%</b>	<b>50,736</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
Revenue:	#	%	\$	%	#	%	\$	%
\$1 Million or Less	609	86.5%	39,277	77.4%	0	0.0%	0	0.0%
Over \$1 Million	94	13.4%	11,304	22.3%	0	0.0%	0	0.0%
Not Known	1	0.1%	155	0.3%	0	0.0%	0	0.0%
<b>Total</b>	<b>704</b>	<b>100.0%</b>	<b>50,736</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Overview**

In the Gadsden Assessment Area, The Bank's number and dollar volume of small business lending significantly exceeded both the number and the dollar volume of HMDA lending for the review period. Therefore, appropriate weighting was given to small business lending in determining the lending test rating for Gadsden. The Bank generally offers small farm loans; however, the volume of small farm loans was minimal and therefore, was not considered in the lending test evaluation.

The Bank's performance in the Gadsden Assessment Area is **HIGH SATISFACTORY**.

**Lending Activity**

Considering the bank's market share of deposits (9.8 percent), product offerings, and branch networking system as a percent of total branches (7.4 percent) in the assessment area, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. Lending in the Gadsden Assessment Area represented the largest portion of the bank's overall lending activity in the Alabama Assessment Area. Of the 4,367 small business loans made by the institution during the review period, 704 loans (16.1 percent) totaling \$50.7 million were originated in the Gadsden Assessment Area, representing 14.9 percent of the bank's small business lending by dollar amount. In 2001, 32 financial entities subject to the CRA reporting requirements reported at least one small business loan origination or purchase in the assessment area. The Bank ranked 1<sup>st</sup> by number of loans with a market share of 17.4 percent. The Bank also ranked 1<sup>st</sup> by dollar amount with a market share of 26.7 percent. Aggregate data for 2002 were not available.

Of the 2,571 HMDA originations made by the institution, 233 loans (9.1 percent) totaling \$16.7 million were originated in the Gadsden Assessment Area. Of the 233 HMDA loans, 118 (50.6 percent) were home purchase loans, 86 (36.9 percent) were home refinance loans, and 26 (11.2 percent) were home improvement loans. Three multifamily home loans were made in the assessment area. In 2001, 144 financial entities subject to the HMDA reporting requirements reported at least one HMDA reportable origination or purchase in the Gadsden Assessment Area. The Bank ranked 9<sup>th</sup> by number of loans with a market share of 3.2 percent. Countrywide Home Loans ranked 1<sup>st</sup> with a market share of 8.7 percent. The Bank ranked 10<sup>th</sup> by dollar amount with a market share of 2.9 percent. Countrywide Home Loans ranked 1<sup>st</sup> by dollar amount with a market share of 9.5 percent. Aggregate data for 2002 were not available.

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Geographic Distribution**

For this analysis, the geographic distribution of small business and HMDA lending was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks.

In the Gadsden Assessment Area, there are no low-income census tracts. The percentage of small business loans originated in moderate-income census tracts at 19.7 percent was below the percentage of businesses at 28.7 percent in those tracts. The 2001 aggregate lending comparison table for the Gadsden Assessment Area in Appendix D shows that The Bank performed slightly below the aggregate in small business lending in moderate-income tracts. The Bank made 20.8 percent of its small business loans in moderate-income tracts compared to the aggregate at 23.1 percent. Aggregate lending data for 2002 were not available.

The bank's percentage of HMDA lending in the Gadsden Assessment Area in moderate-income tracts at 12.0 percent was below the percentage of owner-occupied units at 16.6 percent in these tracts. Of the 5,262 families in the moderate-income tracts, 1,285, or 24.4 percent, have incomes below poverty level, leaving 3,977 non-poverty families. The non-poverty families represent 13.9 percent of total families in this assessment area. The bank's lending level is slightly below this percentage. The 2001 aggregate lending comparison table for the Gadsden Assessment Area in Appendix D shows that The Bank performed significantly above the aggregate in HMDA lending in moderate-income tracts. The Bank made 14.2 percent of its HMDA loans in moderate-income tracts compared to the aggregate at 8.8 percent. Aggregate lending data for 2002 was not available.

Based on these factors, The Bank's performance with regard to the geographic distribution of small business and HMDA lending reflects **ADEQUATE** penetration throughout the assessment area.



**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Distribution by Borrower Income and Business Revenue Size**

For this analysis, the distribution of small business lending by business revenue sizes and HMDA lending by borrower income levels was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks.

Of the 704 business loans made in the assessment area, 609 (86.5 percent) were extended to businesses with revenues of \$1 million or less, which exceeded the percentage of businesses in the assessment area with annual revenues of \$1 million or less at 81.9 percent. Additionally, 79.1 percent of the bank's small business loans were in amounts of \$100,000 or less. The 2001 aggregate lending comparison table for the Gadsden Assessment Area in Appendix D revealed that The Bank's small business lending to small businesses at 87.3 percent was significantly higher than the aggregate at 59.2 percent. Aggregate lending data for 2002 were not available.

Based on demographic and loan data from the review period, low-income families represented 21.4 percent of families in the Gadsden Assessment Area, but only 4.7 percent of the bank's HMDA loans were originated to low-income borrowers. A possible reason for the lending disparity is that 13.2 percent of families in the assessment area had incomes below the poverty level. Assuming that the 3,783 poverty level families in the assessment area are categorized as low-income, there are 2,323 non-poverty, low-income families in the Gadsden Assessment Area, representing 8.1 percent of total families. The bank's lending to low-income borrowers at 4.7 percent is significantly lower than this percentage. Lending to moderate-income borrowers at 11.6 percent was below the percentage of moderate-income families at 17.4 percent in the Gadsden Assessment Area. HMDA lending to middle-income borrowers at 17.6 percent was below the percentage of moderate-income families at 21.1 percent, and HMDA lending to upper-income borrowers was significantly above the percentage of high-income families in the assessment area. The 2001 aggregate lending comparison table for the Gadsden Assessment Area in Appendix D shows that The Bank's lending performance was below the aggregate in lending to low- and moderate-income borrowers. The Bank made 3.1 percent of its HMDA loans to low-income borrowers compared to the aggregate at 6.8 percent. 11.8 percent of the bank's HMDA loans were made to moderate-income borrowers compared to the aggregate at 16.3 percent. Aggregate lending data for 2002 were not available.

<b>METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)</b>
--------------------------------------------------------

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

Based on these factors, The Bank's overall lending performance reflects **GOOD** penetration among borrowers of different income levels and businesses of different revenue sizes. Although the Bank exhibits a marginally adequate record of serving the credit needs of low-income individuals, a good record of serving the needs of small businesses within the Gadsden Assessment Area was noted and heavier weight was placed upon small business lending.

**Community Development Lending**

The Bank **MAKES FEW, IF ANY**, any community development loans in the Gadsden Assessment Area.

**INVESTMENT TEST**

The bank's performance in the Gadsden Assessment Area is **LOW SATISFACTORY**. The bank has made an **ADEQUATE** level of community development investment and grants, although **NOT** in a leadership position, particularly those not routinely provided by the private sector. As indicated in the state of Alabama discussion, the only investment by the bank in Alabama was a state-wide mortgage backed security for \$991,199. No direct investments were made by the bank in the Gadsden Assessment Area. The bank had grants and donations totaling \$1,500 with a purpose of community development in the Gadsden Assessment Area. Based on communication with community contacts, opportunities for grants and donations did exist in the Gadsden Assessment Area. The bank **RARELY USES** innovative or complex investments to support community development initiatives. The bank's investments exhibit **ADEQUATE RESPONSIVENESS** to credit and community development needs.

**METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST**

The Bank's performance in the Gadsden Assessment Area is **LOW SATISFACTORY**.

**Retail Services**

The bank's branches are **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. The Bank operates 2 branches in the assessment area. The distribution of the bank's branches was compared to the distribution of families and businesses by census tract income level and is displayed in the table below. The bank has one branch in a moderate-income census tract and one in a middle-income tract. There are no low-income tracts in the Gadsden Assessment Area. In addition to branches and ATMs, The Bank offers Touch-Tone-Teller as an alternative system for delivering retail banking services to low- and moderate-income individuals and areas.

<b>THE BANK – DISTRIBUTION OF BRANCHES AND ATMS GADSDEN ASSESSMENT AREA</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF BUSINESSES</b>
Low-Income	N/A	N/A	N/A	N/A	N/A	N/A
Moderate-Income	1	50%	0	0%	18.4%	28.7%
Middle-Income	1	50%	1	100%	54.3%	51.7%
Upper-Income	0	0%	0	0%	27.3%	19.6%
<i>Total</i>	2	100%	1	100%	100%	100%

Since the previous examination, the bank has not opened or closed any branches in the Gadsden Assessment Area. Therefore, the bank's record of opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems in the assessment area. Availability of banking services and hours of operations **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. The level of branch services and hours offered by The Bank is basically the same throughout the assessment area.

<b>METROPOLITAN AREA: GADSDEN, ALABAMA (Continued)</b>
--------------------------------------------------------

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

**Community Development Services**

The bank **PROVIDES FEW, IF ANY**, community development services in the assessment area. A review of data did not indicate any provision of financial services provided by the bank that meet the definition of community development in the Gadsden Assessment Area.

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN MARSHALL COUNTY, ALABAMA**

**Overview**

The Marshall Assessment Area, in relation to The Bank's total assessment area, consists of 3.5 percent of the geographies, no low- and moderate-income geographies, 4.6 percent of the population, and 4.7 percent of the low- and moderate-income families. The assessment area also included 7.7 percent of the HMDA loans and 14.9 percent of the small business loans made by the bank in its total assessment area.

The Marshall County Assessment Area includes significant portions of Marshall County. The Bank operates three branches in the assessment area, which are located in the cities of Albertville, Boaz, and Guntersville. The banking operations in the assessment area are primarily commercial with a large volume of small business lending; however, there is a moderate volume of mortgage lending in the assessment area.

**Demographic Data by Census Tract**

The Marshall County Assessment Area consists of 12 BNAs, of which none are low- or moderate-income; nine are middle-income (75.0 percent), and three are upper-income BNAs. The assessment area meets the requirements of the CRA.

The tables on pages 35 and 36 provide demographic and lending data that were used in analyzing the bank's CRA performance. Except where noted, the demographic data are from the 1990 Census. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

**Population Characteristics**

At the time of the 1990 Census, the population of the Marshall County Assessment Area was 64,387 persons. This figure represented 1.6 percent of the population for the state of Alabama. According to the July 1, 1999 County Population Estimates, Marshall County's population increased by 15.7 percent to 81,992 persons, representing 1.9 percent of the population of the state of Alabama.

**Income Characteristics**

According to the 1990 Census, 19,016 families resided in the Marshall County Assessment Area. Of these families, 20.9 percent were low-income, 15.1 percent were moderate-income, 20.1 percent were middle-income, and 44.0 percent were upper-income.

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**DESCRIPTION OF OPERATIONS IN MARSHALL COUNTY, ALABAMA (Continued)**

According to HUD, the 2001 and 2002 state nonmetropolitan median family incomes were \$38,500 and \$39,300, respectively.

**Housing Characteristics**

According to the 1990 Census, there were 27,573 housing units in the Marshall County Assessment Area, 67.6 percent of which were owner-occupied units. Owner-occupied housing units were more affordable in this assessment area than in the state overall. 1990 Census data show that the median housing value for owner-occupied units in the assessment area was \$47,877, which is 10.0 percent lower than the state of Alabama at \$53,205.

**Employment Statistics**

A review of REIS data as of 1995 indicate that the manufacturing and retail trade sectors were the largest employers in the assessment area. The 2001 and 2002 annual unemployment rates (not seasonally adjusted) for Marshall County were 6.1 percent and 6.2 percent compared with the rates for the state of Alabama at 5.3 percent and 5.9 percent, respectively for the same time period.

**Business Size Characteristics**

The table on page 35 provides key demographic business data by revenue size and census tracts in the assessment area. The table illustrates that in 2002, according to Dun & Bradstreet, 80.9 percent of the businesses in the assessment area that reported annual revenues had total annual revenues of less than \$1 million and were therefore considered small businesses.

**Competition**

The Marshall County Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. According to the June 30, 2002 FDIC/OTS Summary of Deposits Report, there are 12 other financial institutions operating 32 offices in the Marshall County Assessment Area. Many of these banks are statewide, multi-regional, or national banks, such as AmSouth Bank, Compass Bank, Regions Bank, and SouthTrust Bank. The Bank operated three (8.6 percent) of the branches with a deposit market share of 6.3 percent. The Bank ranked 7<sup>th</sup> in deposit market share. Southtrust Bank had the highest deposit market share at 17.7 percent. Peoples Bank of North Alabama had the most branches at seven in the Marshall County

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

Assessment Area. Local competition did not seem to adversely affect the bank's ability to serve the credit needs of its assessment area, but might affect the bank's ability to compete for community development loans and qualified investments.

**Community Contacts**

As a part of the CRA examination, information was obtained from a community contact regarding local economic conditions and community credit needs. The contact stated that the banks in the assessment area were meeting the needs of the assessment area, while another stated that banks should advertise more of their products to the members of the community.

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The following table shows selected demographic information. In addition, The Bank's lending performance in the Marshall County Assessment Area is shown on the following page.

MARSHALL ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (State Nonmetro) <b>\$39,300</b> <b>Income Categories</b>	Tract Distribution		Families						
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	3,965	20.9%	
Moderate	0	0.0%	0	0.0%	0	0.0%	2,864	15.1%	
Middle	9	75.0%	15,363	80.8%	2,504	16.3%	3,817	20.1%	
Upper	3	25.0%	3,653	19.2%	378	10.3%	8,370	44.0%	
NA	0	0.0%	0	0.0%	0	0.0%	-	-	
<b>Total</b>	<b>12</b>	<b>100.0%</b>	<b>19,016</b>	<b>100.0%</b>	<b>2,882</b>	<b>15.2%</b>	<b>19,016</b>	<b>100.0%</b>	
	Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
	#	#	%	#	%	#	%		
Low	0	0	0.0%	0	0.0%	0	0.0%		
Moderate	0	0	0.0%	0	0.0%	0	0.0%		
Middle	22,514	14,745	79.2%	65.5%	5,738	25.5%	2,031	9.0%	
Upper	5,059	3,883	20.8%	76.8%	884	17.5%	292	5.8%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>27,573</b>	<b>18,628</b>	<b>100.0%</b>	<b>67.6%</b>	<b>6,622</b>	<b>24.0%</b>	<b>2,323</b>	<b>8.4%</b>	
	Total Businesses by Tract		Businesses by Tract and Revenue Size						
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Middle	3,102	80.8%	2,484	80.1%	191	85.3%	427	83.7%	
Upper	735	19.2%	619	19.9%	33	14.7%	83	16.3%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>3,837</b>	<b>100.0%</b>	<b>3,103</b>	<b>100.0%</b>	<b>224</b>	<b>100.0%</b>	<b>510</b>	<b>100.0%</b>	
	<b>Percentage of Total Businesses:</b>			<b>80.9%</b>		<b>5.8%</b>		<b>13.3%</b>	

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



**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST**

MARSHALL ASSESSMENT AREA								
LENDING								
Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	Home Purchase							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	6	6.5%	99	2.0%
Moderate	0	0.0%	0	0.0%	8	8.6%	291	5.9%
Middle	75	80.6%	3,536	72.0%	15	16.1%	715	14.6%
Upper	18	19.4%	1,372	28.0%	57	61.3%	3,467	70.6%
NA	0	0.0%	0	0.0%	7	7.5%	336	6.8%
<b>Total</b>	<b>93</b>	<b>100.0%</b>	<b>4,908</b>	<b>100.0%</b>	<b>93</b>	<b>100.0%</b>	<b>4,908</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	4	5.8%	117	2.7%
Moderate	0	0.0%	0	0.0%	7	10.1%	313	7.3%
Middle	58	84.1%	3,569	82.7%	10	14.5%	495	11.5%
Upper	11	15.9%	744	17.3%	46	66.7%	3,323	77.0%
NA	0	0.0%	0	0.0%	2	2.9%	65	1.5%
<b>Total</b>	<b>69</b>	<b>100.0%</b>	<b>4,313</b>	<b>100.0%</b>	<b>69</b>	<b>100.0%</b>	<b>4,313</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	2	5.7%	39	6.5%
Middle	32	91.4%	581	97.2%	12	34.3%	251	42.0%
Upper	3	8.6%	17	2.8%	17	48.6%	293	49.0%
NA	0	0.0%	0	0.0%	4	11.4%	15	2.5%
<b>Total</b>	<b>35</b>	<b>100.0%</b>	<b>598</b>	<b>100.0%</b>	<b>35</b>	<b>100.0%</b>	<b>598</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	112	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	1	100.0%	112	100.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>112</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>112</b>	<b>100.0%</b>
	SMALL BUSINESS							
	By Tract Income							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	543	83.3%	35,041	82.6%	0	0.0%	0	0.0%
Upper	109	16.7%	7,402	17.4%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>652</b>	<b>100.0%</b>	<b>42,443</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	By Loan Size and Revenue							
Loan Size:	#	%	\$	%	#	%	\$	%
\$100,000 or less	540	82.8%	16,707	39.4%	0	0.0%	0	0.0%
\$100,001 - \$250,000	82	12.6%	14,017	33.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million	30	4.6%	11,719	27.6%	0	0.0%	0	0.0%
<b>Total</b>	<b>652</b>	<b>100.0%</b>	<b>42,443</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
Revenue:	#	%	\$	%	#	%	\$	%
\$1 Million or Less	568	87.1%	32,924	77.6%	0	0.0%	0	0.0%
Over \$1 Million	83	12.7%	9,514	22.4%	0	0.0%	0	0.0%
Not Known	1	0.2%	5	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>652</b>	<b>100.0%</b>	<b>42,443</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Originations and purchases  
Small Business loans are loan sizes that are \$1 million or less.

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST (Continued)**

**Overview**

In the Marshall County Assessment Area, The Bank's number and dollar volume of small business lending was above both the number and the dollar volume of HMDA lending for the review period. Therefore, small business lending was given more weight than HMDA lending in determining the bank's lending test rating for the Marshall County Assessment Area. The Bank generally offers small farm loans; however, the volume of small farm loans was minimal and therefore, was not considered in the lending test evaluation.

The Bank's performance in the Marshall County Assessment Area is **HIGH SATISFACTORY**.

**Lending Activity**

Considering the bank's market share of deposits (6.3 percent), product offerings, and branch networking system as a percent of total branches (8.6 percent) in the assessment area, lending levels reflect **GOOD** responsiveness to assessment area credit needs. Of the 4,367 small business loans made by the institution, 652 loans (14.9 percent) totaling \$42.4 million were originations in the Marshall County Assessment Area representing 12.5 percent of the bank's small business lending by dollar amount. In 2001, 35 financial entities subject to the CRA reporting requirements reported at least one small business loan origination or purchase in the assessment area. The Bank ranked 3<sup>rd</sup> by number of loans with a market share of 11.2 percent. The Bank also ranked 3<sup>rd</sup> by dollar amount with a market share of 26.7 percent. Bancorpsouth Bank ranked 1<sup>st</sup> by number of loans with a market share of 17.3 percent and ranked 1<sup>st</sup> with a market share of 21.6 percent. Aggregate data for 2002 were not available.

Of the 2571 HMDA originations made by the institution, 198 loans (7.7 percent) totaling \$9.9 million were in the Marshall County Assessment Area. Of the 198 HMDA loans, 93 (47.0 percent) were home purchase loans, 69 (34.9 percent) were home refinance loans, and 35 (17.7 percent) were home improvement loans. One multifamily home loan was made in the assessment area. In 2001, 138 financial entities subject to the HMDA reporting requirements reported at least one HMDA reportable origination or purchase in the Marshall County Assessment Area. The Bank ranked 10<sup>th</sup> by number of loans with a market share of 3.0 percent. Bancorpsouth Bank ranked 1<sup>st</sup> with a market share of 8.2 percent. The Bank ranked 17<sup>th</sup> by dollar amount with a market share

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

of 1.9 percent. Regions Mortgage Inc. ranked 1<sup>st</sup> by dollar amount with a market share of 11.4 percent. Aggregate data for 2002 were not available.

**Geographic Distribution**

The Marshall County Assessment area does not contain any low- or moderate-income BNAs. Therefore, an analysis of the geographic distribution of loans was not performed.

**Distribution by Borrower Income and Business Revenue Size**

For this analysis, the distribution of small business and other small business lending by business revenue sizes and HMDA lending by borrower income levels was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks.

Of the 652 business loans made in the assessment area that reported annual revenues, 568 (87.1 percent) were extended to businesses with revenues of \$1 million or less. In comparison, 80.9 percent of the businesses in the assessment area have annual revenues of \$1 million or less. Additionally, 82.8 percent of the bank's small business loans were in amounts of \$100,000 or less. The 2001 aggregate lending comparison table for the Marshall County Assessment Area in Appendix D revealed that The Bank's small business lending to small businesses at 88.9 percent was significantly higher than the aggregate at 67.7 percent. Aggregate lending data for 2002 were not available.

Low-income families represented 20.9 percent of families in the Marshall County Assessment Area and low-income borrowers received 5.1 percent of the bank's HMDA loans. A possible reason for the lending disparity is that 15.2 percent of families in the assessment area have incomes below the poverty level. Assuming that the 2,882 poverty level families in the assessment area are categorized as low-income, there are 1,083 non-poverty, low-income families in the Marshall County Assessment Area, representing 5.7 percent of total families. The bank's lending to low-income borrowers at 5.1 percent is slightly lower than this percentage. Lending to moderate-income borrowers at 8.6 percent was significantly below the percentage of moderate-income families at 15.1 percent in the Marshall County Assessment Area. HMDA lending to middle-income borrowers at 18.7 percent was slightly below the percentage of moderate-income families at 20.1 percent, and HMDA lending to upper-income borrowers was significantly above the percentage of upper-income families in the assessment area. The 2001 aggregate lending comparison table for the Marshall County Assessment Area in Appendix D shows that The Bank made 5.9 percent of its HMDA loans to low-income borrowers compared to the aggregate at 6.1 percent. 10.8 percent of the bank's HMDA loans were made to moderate-income borrowers compared to

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

the aggregate at 14.8 percent. HMDA aggregate data for 2001 were not available. Aggregate lending data for 2002 were not available.

Based on these factors, The Bank's overall performance with regard to the distribution of loans by borrower's income and revenue sizes of businesses is **GOOD**.

**Community Development Lending**

The Bank **MAKES FEW, IF ANY** community development loans in the Marshall County Assessment Area.

**INVESTMENT TEST**

The bank's performance in the Marshall County Assessment Area is **LOW SATISFACTORY**. The bank has made an **ADEQUATE** level of community development investments and grants, although **NOT** in a leadership position, particularly those not routinely provided by the private sector. As indicated in the state of Alabama discussion, the only investment by the bank in Alabama was a regional mortgage backed security for \$991,199. No investments were made by the bank in the Marshall County Assessment Area. The bank had grants and donations totaling \$1,760 with a purpose of community development in the Marshall County Assessment Area. Based on communication with community contacts, opportunities for grants and donations did exist in the Marshall County Assessment Area. The bank **RARELY USES** innovative or complex investments to support community development initiatives. The bank's investments exhibit **ADEQUATE RESPONSIVENESS** to credit and community development needs.

**SERVICE TEST**

The Bank's performance in the Marshall County Assessment Area is **HIGH SATISFACTORY**.

**Retail Services**

The bank's branches are **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. The Bank operates three branches and three ATMs in the assessment area. All of the branches are located in middle-income BNAs, and the ATMs are attached to each of the branches in the assessment area. In addition

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

to branches and ATMs, The Bank offers Touch-Tone-Teller as an alternative system for delivering retail banking services to low- and moderate-income individuals and areas. The bank's branches and ATMs were compared to the distribution of families and businesses by census tract income level and are displayed in the table below.

<b>THE BANK – DISTRIBUTION OF BRANCHES AND ATMS MARSHALL COUNTY ASSESSMENT AREA</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF BUSINESSES</b>
Low-Income	N/A	N/A	N/A	N/A	N/A	N/A
Moderate-Income	N/A	N/A	N/A	N/A	N/A	N/A
Middle-Income	2	66.7%	2	66.7%	80.8%	80.8%
Upper-Income	1	33.3%	1	33.3%	19.2%	19.2%
<i>Total</i>	3	100%	3	100%	100%	100%

Since the previous examination, the bank has not opened or closed any branches in the Marshall County Assessment Area. Therefore, the bank's record of opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems in the assessment area. Availability of banking services and hours of operations **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. The level of branch services and hours offered by The Bank is basically the same throughout the assessment area.

**Community Development Services**

The bank **PROVIDES A RELATIVELY HIGH LEVEL** of community development services. Bank personnel have used their financial and managerial expertise in various community development services to benefit the assessment area. The purpose of most community development services is to provide financial expertise to community development organizations. The following table illustrates some of the bank's most significant activities during the review period.

**NONMETROPOLITAN STATEWIDE AREA: MARSHALL COUNTY, ALABAMA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

<b>COMMUNITY DEVELOPMENT SERVICES FOR MARSHALL ASSESSMENT AREA</b>	
<b>ORGANIZATION</b>	<b>POSITION/SERVICE</b>
Alabama Council for Affordable Housing	A bank officer serves on this council which develops and promotes affordable housing programs and services throughout the area.
Arab Chamber of Commerce	A bank officer is the current president of the chamber, which fosters economic development and recruits new businesses into the area.
Guntersville Chamber of Commerce	A bank officer currently serves on the board of directors of the chamber, which fosters economic development and recruits new businesses into the area.
Guntersville Housing Authority	A bank officer is a compliant resolution officer with the authority which deals with affordable housing issues for the city.
United Way – Marshall County	A bank officer served as campaign chairman of this organization that houses several charitable organizations under its umbrella that benefit low- and moderate-income persons and families. The bank officer provided financial and fund-raising expertise to the organization.

**METROPOLITAN AND NONMETROPOLITAN STATEWIDE AREAS (LIMITED REVIEWS)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

The following assessment areas were not reviewed using full-scope examination procedures; however, through the use of available facts and data, including performance and demographic information, conclusions regarding performance, which did not impact the overall rating are provided. Please refer to the tables in Appendices B and E for information regarding these areas.

The following table compares the bank's overall statewide performance to the assessment areas.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Birmingham	Not Consistent (-)	Consistent	Consistent
Covington	Consistent	Consistent	Consistent
Decatur	Not Consistent (-)	Consistent	Consistent
Huntsville	Not Consistent (-)	Consistent	Consistent
Monroe	Consistent	Consistent	Consistent
Talladega	Consistent	Consistent	Consistent

<b>STATE: Florida</b>
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**CRA RATING FOR FLORIDA: Low Satisfactory**

**The Lending Test is rated: Low Satisfactory**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: Low Satisfactory**

### **SCOPE OF EXAMINATION**

The Florida Assessment Area, in relation to The Bank's total assessment area, consists of 22.3 percent of the geographies, 23.5 percent of the low- and moderate-income geographies, 24.2 percent of the population, and 24.6 percent of the low- and moderate-income families. The assessment area also included 51.1 percent of the HMDA loans and 27.1 percent of the small business loans made by the bank in its total assessment area.

The Bank's performance in Florida was evaluated by reviewing the Panama City and Franklin-Gulf Counties Assessment Areas using full-scope examination procedures. Other metropolitan and nonmetropolitan areas were not reviewed using full-scope examination procedures; however, through the use of available facts and data, including performance and demographic information, conclusions regarding performance, which did not impact the overall rating, are found on page 71.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA**

#### **Overview**

The Bank operates 14 branches in the Florida Assessment Area, which comprises six assessment areas. In addition to the Panama City and Franklin-Gulf Counties Assessment Areas, the Florida Assessment Area also includes the following assessment areas: Calhoun (Calhoun County), Liberty (Liberty County, Okaloosa (Okaloosa County), and Walton (Walton County). Since the previous examination, the bank has opened seven branches in the Florida Assessment Areas. The bank has not closed any branches in the Florida Assessment Areas. As of June 30, 2002, the bank had \$392.8 million in deposits in the Florida Assessment Area, representing The Bank's market share of 0.2 percent in the state of Florida.



<b>STATE: Florida (Continued)</b>
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**DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA (Continued)**

**Competition**

The Florida Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. The competition comes mainly from FDIC-Insured institutions with branches located in the assessment area. Many of these banks are statewide, multi-regional, or national banks. Local competition does not seem to adversely affect the bank's ability to serve the credit needs of its assessment area.

**Community Contacts**

As a part of the CRA examination, information was obtained from community leaders regarding local economic conditions and community credit needs. Both of the contacts stated that local financial institutions should execute more efforts targeting affordable housing needs for low- and moderate-income individuals living in the assessment area.

**STATE: Florida (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA**

The Florida Assessment Area shows selected demographic information. In addition, The Bank's lending performance for the Florida Assessment Area is shown on the following page.

FLORIDA ASSESSMENT AREA								
DEMOGRAPHICS								
Income Categories	Tract Distribution		Families					
	#	%	Families by Tract		Families <Poverty as a % of Families by Tract		Families by Family Income	
			#	%	#	%	#	%
Low	2	2.6%	941	1.0%	386	41.0%	17,477	18.6%
Moderate	21	27.6%	20,385	21.7%	3,569	17.5%	18,712	19.9%
Middle	42	55.3%	53,173	56.6%	5,167	9.7%	21,472	22.9%
Upper	11	14.5%	19,454	20.7%	935	4.8%	36,292	38.6%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>76</b>	<b>100.0%</b>	<b>93,953</b>	<b>100.0%</b>	<b>10,057</b>	<b>10.7%</b>	<b>93,953</b>	<b>100.0%</b>
Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	2,127	702	0.8%	33.0%	1,158	54.4%	267	12.6%
Moderate	31,842	16,173	19.0%	50.8%	11,047	34.7%	4,622	14.5%
Middle	95,207	50,032	58.9%	52.6%	22,693	23.8%	22,482	23.6%
Upper	36,975	18,047	21.2%	48.8%	7,144	19.3%	11,784	31.9%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>166,151</b>	<b>84,954</b>	<b>100.0%</b>	<b>51.1%</b>	<b>42,042</b>	<b>25.3%</b>	<b>39,155</b>	<b>23.6%</b>
Total Businesses by Tract								
	Tract		Businesses by Tract and Revenue Size					
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	1,035	3.3%	750	3.5%	69	5.2%	216	2.6%
Moderate	4,726	15.1%	3,413	15.8%	186	13.9%	1,127	13.5%
Middle	18,379	58.7%	12,680	58.6%	795	59.4%	4,904	58.9%
Upper	7,155	22.9%	4,780	22.1%	289	21.6%	2,086	25.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>31,295</b>	<b>100.0%</b>	<b>21,623</b>	<b>100.0%</b>	<b>1,339</b>	<b>100.0%</b>	<b>8,333</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>69.1%</b>			<b>4.3%</b>	<b>26.6%</b>

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

**STATE: Florida (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA (Continued)**

FLORIDA ASSESSMENT AREA								
LENDING								
Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	3	0.5%	330	0.4%	29	4.5%	1,494	1.6%
Moderate	22	3.4%	2,210	2.4%	54	8.3%	3,673	4.0%
Middle	358	55.0%	45,039	49.4%	121	18.6%	11,715	12.8%
Upper	268	41.2%	43,668	47.9%	423	65.0%	70,020	76.7%
NA	0	0.0%	0	0.0%	24	3.7%	4,345	4.8%
<b>Total</b>	<b>651</b>	<b>100.0%</b>	<b>91,247</b>	<b>100.0%</b>	<b>651</b>	<b>100.0%</b>	<b>91,247</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	1	0.2%	66	0.1%	34	5.7%	1,934	2.6%
Moderate	21	3.5%	1,342	1.8%	76	12.7%	5,696	7.6%
Middle	348	58.0%	36,417	48.6%	114	19.0%	10,344	13.8%
Upper	230	38.3%	37,080	49.5%	358	59.7%	55,101	73.6%
NA	0	0.0%	0	0.0%	18	3.0%	1,830	2.4%
<b>Total</b>	<b>600</b>	<b>100.0%</b>	<b>74,905</b>	<b>100.0%</b>	<b>600</b>	<b>100.0%</b>	<b>74,905</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	11	17.7%	54	6.6%
Moderate	1	1.6%	4	0.5%	6	9.7%	30	3.7%
Middle	57	91.9%	738	90.7%	21	33.9%	181	22.2%
Upper	4	6.5%	72	8.8%	21	33.9%	532	65.4%
NA	0	0.0%	0	0.0%	3	4.8%	17	2.1%
<b>Total</b>	<b>62</b>	<b>100.0%</b>	<b>814</b>	<b>100.0%</b>	<b>62</b>	<b>100.0%</b>	<b>814</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income							
	#	%	\$	%	#	%	\$	%
Low	5	0.4%			275	0.2%		
Moderate	24	2.0%			3,581	2.9%		
Middle	977	82.5%			93,876	76.4%		
Upper	178	15.0%			25,115	20.4%		
NA	0	0.0%			0	0.0%		
<b>Total</b>	<b>1,184</b>	<b>100.0%</b>			<b>122,847</b>	<b>100.0%</b>		
	By Loan Size and Revenue							
<b>Loan Size:</b>	#	%	\$	%	#	%	\$	%
\$100,000 or less	878	74.2%	26,726	21.8%				
\$100,001 - \$250,000	169	14.3%	27,890	22.7%				
\$250,001 - \$1 Million	137	11.6%	68,231	55.5%				
<b>Total</b>	<b>1,184</b>	<b>100.0%</b>	<b>122,847</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	1,070	90.4%	95,720	77.9%				
Over \$1 Million	104	8.8%	25,433	20.7%				
Not Known	10	0.8%	1,694	1.4%				
<b>Total</b>	<b>1,184</b>	<b>100.0%</b>	<b>122,847</b>	<b>100.0%</b>				

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**STATE: Florida (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA (Continued)**

**LENDING TEST**

The lending test rating for the Florida Assessment Area is rated **LOW SATISFACTORY**. The geographic distribution of bank's HMDA and small business lending and the distribution of lending by income and business revenue size in 2001 does not compare favorably with the performance of the aggregate in all aspects of the analysis. This is noted particularly in the Franklin – Gulf assessment area. It should be noted that the bank entered the Florida market in late 2000. This fact seems to have contributed to the bank's performance during 2001.

**Performance Context**

The geographic distribution of bank's HMDA and small business lending and the distribution of lending by income and business revenue size in 2001 does not compare favorably with the performance of the aggregate in all aspects of the analysis. This is noted particularly in the Franklin – Gulf assessment area. It should be noted that the bank entered the Florida market in late 2000. This fact seems to have contributed to the bank's performance during 2001.

**Lending Activity**

Considering the bank's market share of deposits in its assessment areas, information gathered from community contacts, and demographic information, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. The Bank originated 1,164 small business loans totaling \$122.8 million in the Florida Assessment Areas. In addition, The Bank originated 1,313 HMDA loans representing \$166.9 million within the Florida Assessment Areas. Of the 1,313 HMDA loans, 651 (49.6 percent) were home purchase loans; 600 (45.7 percent) were home refinance loans; 62 (4.7 percent) were home improvement loans. The bank made no multifamily housing loans.

**Geographic and Borrower Distribution**

The Bank's performance with regard to the geographic distribution of loans is **POOR**. This conclusion was based upon the bank's performance in each assessment area in comparison to demographic lending data for small business and HMDA-reportable lending. The analysis of small business and HMDA-reportable lending within each assessment area is discussed in greater detail later in the report.

Overall, small business lending to businesses of different revenue sizes and HMDA lending to borrowers of different income levels is **ADEQUATE**. This conclusion was based upon the bank's performance in each

**STATE: Florida (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA (Continued)**

assessment area in comparison to demographic lending data for small business and HMDA lending. The analysis of small business and HMDA lending within each assessment area is discussed in greater detail later in the report.

**Community Development Loans**

The bank did not originate any community development loans that meet the purpose of community development under the CRA in the Florida Assessment Areas.

**INVESTMENT TEST**

The investment test rating for the Florida Assessment Area is rated **LOW SATISFACTORY**. The bank made an **ADEQUATE** level of community development investments and grants, although **NOT** in a leadership position. The only investment in the Florida Assessment Areas was a FHLMC mortgage-backed security totaling \$1.0 million. Grants and donations with a purpose of community development totaling \$5,975 were made in the Florida Assessment Areas. The Bank has exhibited **ADEQUATE** responsiveness to credit and community development needs through its investment activities. The bank **RARELY USES** innovative or complex investments to support community development initiatives. Please refer to the Investment Test section of the overall institution on page 13 of the evaluation for greater detail.

**SERVICE TEST**

The service test rating for the Florida Assessment Area is **LOW SATISFACTORY**. Delivery systems, including ATMs and branch locations, are considered **REASONABLY ACCESSIBLE** to **ESSENTIALLY ALL** portions of the bank's assessment area, and the hours of operation **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. Since the previous examination, the bank has opened six branches and closed no branches in the Florida Assessment Areas. The bank's record of opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems, particularly to low- and moderate-income geographies and individuals. The bank **PROVIDES A LIMITED LEVEL** of community development services that benefit residents of the assessment area.

As stated earlier, The Bank's performance in Florida was evaluated by reviewing the Panama City and Franklin-Gulf Assessment Areas using full-scope examination procedures. For a further detailed analysis, please refer to the individual sections for these assessment areas in this report.

**METROPOLITAN AREA: PANAMA CITY, FLORIDA**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN PANAMA CITY, FLORIDA**

**Overview**

The Panama City Assessment Area, in relation to The Bank's total assessment area, consists of 7.6 percent of the geographies, 10.2 percent of the low- and moderate-income geographies, 8.9 percent of the population, and 9.2 percent of the low- and moderate-income families. The assessment area also included 27.2 percent of the HMDA loans and 5.3 percent of the small business loans originated by the bank in its total assessment area.

The Bank operates four branches and three ATMs in the Panama City Assessment Area, which is located in Bay County, Florida and includes most of the Panama MSA. One branch and ATM are located in Mexico Beach, two branches and one ATM are located in Panama City, and one branch and one ATM are located in Panama City Beach.

**Demographic Data by Census Tract**

The Panama City Assessment Area, which encompasses all of Bay County except one tract that had no income designation, consists of 26 census tracts: 2 low-income census tracts (7.7 percent), 8 moderate-income census tracts (30.8 percent), 12 middle-income census tracts (46.2 percent), and 4 upper-income census tracts (15.4 percent). The Bank has not arbitrarily excluded any low- and moderate-income census tracts and the assessment area complies with the requirements of the CRA.

The tables on pages 51 and 52 provides demographic and lending data that were used in analyzing the bank's CRA performance. Except where noted, the demographic data are from the 1990 Census. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

**Population Characteristics**

At the time of the 1990 Census, the population of the Panama City Assessment Area was 126,839 persons. This figure represented 1.0 percent of the population of the state of Florida. According to the July 1, 1999 population estimates from the Census Bureau, Bay County's population has increased by 16.7 percent to 148,149 persons, representing less than 1.0 percent of the population of the state of Florida.

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**DESCRIPTION OF INSTITUTION OPERATIONS IN PANAMA CITY, FLORIDA (Continued)**

**Income Characteristics**

At the time of the 1990 Census, there were 35,726 families in the assessment area, 18.8 percent of which were low-income, 19.1 percent were moderate-income, 22.8 percent were middle-income, and 39.3 percent were upper-income. Of total families, 4,015 families (11.2 percent) had incomes below the poverty level. A high level of poverty was noted in low-income census tracts, where 41.0 percent of the families had incomes below poverty level. A moderate level of poverty was noted in moderate-income census tracts, where 21.0 percent of the families had incomes below the poverty level. Typically, families with incomes below the poverty level have difficulty qualifying for HMDA loans without flexible or innovative loan underwriting standards. According to HUD, the estimated 2001 and 2002 median family incomes for the Panama MSA were \$44,800 and \$46,300, respectively.

**Housing Characteristics**

According to the 1990 Census there were 65,999 housing units in the Panama City Assessment Area, 48.6 percent of which were owner-occupied. Owner-occupied housing units were more affordable in this assessment area than in the state overall. 1990 Census data show that the median housing value for owner-occupied units in the assessment area was \$63,041, which is 17.6 percent lower than the median housing value for the state of Florida, at \$76,487.

Census data indicated that 80.5 percent of owner-occupied housing units were located in the middle- and upper-income census tracts, where 77.4 percent of families resided. Conversely, only 19.5 percent of owner-occupied housing units were located in low- and moderate-income tracts, where 22.6 percent of families resided. There is a high level of poverty in low- and moderate-income census tracts, which could affect the bank's ability to originate HMDA loans in these areas.

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**DESCRIPTION OF INSTITUTION OPERATIONS IN PANAMA CITY, FLORIDA (Continued)**

**Employment Statistics**

A review of REIS data as of 1995 indicates that the government and services sectors were the largest employers in the assessment area. According to the REIS, from 1990 to 1995 the assessment area experienced a 10.7 percent increase in total full- and part-time employment, with the greatest increase (17.8 percent) occurring in the service industries. The annual unemployment rates (not seasonally adjusted) for Bay County in 2001 and 2002 were 5.9 percent for each year. The annual unemployment rates for 2001 and 2002 for the state of Florida were 4.8 percent and 5.5 percent, respectively.

**Business Size Characteristics**

The table on page 52 provides key demographic business data by revenue size and census tracts in the assessment area. The table illustrates that in 2002, according to Dun & Bradstreet, 69.5 percent of the businesses in the assessment area that reported annual revenues had total annual revenues of less than \$1 million and, therefore, were considered small businesses.

**Competition**

The Panama Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. According to the June 30, 2002 FDIC/OTS Summary of Deposits Report, there are nine other financial institutions operating 38 offices in the Panama Assessment Area. Many of these banks are statewide, multi-regional, or national banks, such as AmSouth Bank, Regions Bank, SunTrust Bank, and Peoples First Community Bank. The Bank operates four (9.5 percent) of the branches with a deposit market share of 6.9 percent. The Bank ranked 6<sup>th</sup> in deposit market share in the assessment area. Peoples First Community Bank had the highest deposit market share at 27.9 percent and the most branches at eight in the Panama Assessment Area. Local competition did not seem to adversely affect the bank's ability to serve the credit needs of its assessment area, but might affect the bank's ability to compete for community development loans and qualified investments.

**Community Contacts**

As a part of the CRA examination, information was obtained from community leaders regarding local economic conditions and community credit needs. Both of the contacts stated that local financial institutions should execute more efforts targeting affordable housing needs for low- and moderate-income individuals living in the assessment area.



**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The following table shows selected demographic information. In addition, The Bank's lending performance in the Panama City Assessment Area is shown on the following page.

PANAMA CITY ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): <b>\$46,300</b> Income Categories	Tract Distribution		Families						
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	2	7.7%	941	2.6%	386	41.0%	6,731	18.8%	
Moderate	8	30.8%	7,139	20.0%	1,498	21.0%	6,818	19.1%	
Middle	12	46.2%	17,922	50.2%	1,602	8.9%	8,132	22.8%	
Upper	4	15.4%	9,724	27.2%	529	5.4%	14,045	39.3%	
NA	0	0.0%	0	0.0%	0	0.0%	-	-	
<b>Total</b>	<b>26</b>	<b>100.0%</b>	<b>35,726</b>	<b>100.0%</b>	<b>4,015</b>	<b>11.2%</b>	<b>35,726</b>	<b>100.0%</b>	
	Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
	#	#	%	#	%	#	%		
Low	2,127	702	2.2%	33.0%	1,158	54.4%	267	12.6%	
Moderate	10,835	5,533	17.3%	51.1%	3,917	36.2%	1,385	12.8%	
Middle	34,754	16,557	51.6%	47.6%	8,096	23.3%	10,101	29.1%	
Upper	18,283	9,280	28.9%	50.8%	3,695	20.2%	5,308	29.0%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>65,999</b>	<b>32,072</b>	<b>100.0%</b>	<b>48.6%</b>	<b>16,866</b>	<b>25.6%</b>	<b>17,061</b>	<b>25.9%</b>	
	Total Businesses by Tract		Businesses by Tract and Revenue Size						
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported		
	#	%	#	%	#	%	#	%	
Low	1,035	9.4%	750	9.8%	69	12.9%	216	7.6%	
Moderate	1,502	13.6%	1,016	13.2%	65	12.2%	421	14.8%	
Middle	5,225	47.2%	3,618	47.1%	234	43.9%	1,373	48.3%	
Upper	3,298	29.8%	2,303	30.0%	165	31.0%	830	29.2%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>11,060</b>	<b>100.0%</b>	<b>7,687</b>	<b>100.0%</b>	<b>533</b>	<b>100.0%</b>	<b>2,840</b>	<b>100.0%</b>	
	Percentage of Total Businesses:			69.5%		4.8%		25.7%	

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

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST**

PANAMA CITY ASSESSMENT AREA								
LENDING								
Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	Home Purchase		Refinance		Home Improvement		Multi-Family	
	#	%	\$	%	#	%	\$	%
Low	3	0.8%	330	0.7%	16	4.4%	1,166	2.4%
Moderate	13	3.6%	1,200	2.5%	37	10.2%	2,941	6.2%
Middle	180	49.5%	21,811	45.7%	83	22.8%	9,118	19.1%
Upper	168	46.2%	24,393	51.1%	219	60.2%	33,098	69.3%
NA	0	0.0%	0	0.0%	9	2.5%	1,411	3.0%
<b>Total</b>	<b>364</b>	<b>100.0%</b>	<b>47,734</b>	<b>100.0%</b>	<b>364</b>	<b>100.0%</b>	<b>47,734</b>	<b>100.0%</b>
Low	1	0.3%	66	0.2%	22	6.6%	1,476	3.5%
Moderate	17	5.1%	1,072	2.6%	45	13.5%	4,089	9.7%
Middle	156	46.8%	18,749	44.7%	63	18.9%	6,420	15.3%
Upper	159	47.7%	22,063	52.6%	196	58.9%	28,999	69.1%
NA	0	0.0%	0	0.0%	7	2.1%	966	2.3%
<b>Total</b>	<b>333</b>	<b>100.0%</b>	<b>41,950</b>	<b>100.0%</b>	<b>333</b>	<b>100.0%</b>	<b>41,950</b>	<b>100.0%</b>
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	50.0%	8	24.2%
Middle	2	100.0%	33	100.0%	1	50.0%	25	75.8%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>33</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>33</b>	<b>100.0%</b>
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>SMALL BUSINESS</b>								
	<b>By Tract Income</b>							
	#	%	\$	%	#	%	\$	%
Low	5	2.2%	275	0.8%				
Moderate	8	3.5%	694	2.0%				
Middle	137	59.3%	21,109	61.5%				
Upper	81	35.1%	12,226	35.6%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>231</b>	<b>100.0%</b>	<b>34,304</b>	<b>100.0%</b>				
	<b>By Loan Size and Revenue</b>							
<b>Loan Size:</b>	#	%	\$	%				
\$100,000 or less	147	63.6%	6,044	17.6%				
\$100,001 - \$250,000	46	19.9%	7,724	22.5%				
\$250,001 - \$1 Million	38	16.5%	20,536	59.9%				
<b>Total</b>	<b>231</b>	<b>100.0%</b>	<b>34,304</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	197	85.3%	26,842	78.2%				
Over \$1 Million	33	14.3%	7,454	21.7%				
Not Known	1	0.4%	8	0.0%				
<b>Total</b>	<b>231</b>	<b>100.0%</b>	<b>34,304</b>	<b>100.0%</b>				

Originations and purchases  
Small Business loans are loan sizes that are \$1 million or less.

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Overview**

In the Panama City Assessment Area, The Bank's number and dollar volume of HMDA lending exceeded both the number and the dollar volume of small business lending for the review period. Therefore, HMDA lending was weighted more heavily than small business lending in determining the bank's lending test rating for the Panama City Assessment Area. The Bank generally offers small farm loans; however, the volume of small farm loans was minimal and therefore, was not considered in the lending test evaluation.

The Bank's performance in the Panama City Assessment Area is **LOW SATISFACTORY**.

**Lending Activity**

Considering the bank's market share of deposits (6.9 percent), product offerings, and branch networking system as a percent of total branches (7.3 percent) in the assessment area, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. Of the 2,571 HMDA loan originations made by the institution during the review period, 699 loans (27.2 percent) totaling \$89.7 million were originated in the Panama City Assessment Area. Of the 699 HMDA loans, 364 (52.1 percent) were home purchase loans, 333 (47.6 percent) were home refinance loans, and 2 (0.3 percent) were home improvement loans. In 2001, 300 financial entities subject to the HMDA reporting requirements reported at least one HMDA reportable origination or purchase in the Panama Assessment Area. The Bank ranked 8<sup>th</sup> by number of loans with a market share of 3.0 percent. Peoples First Community Bank ranked 1<sup>st</sup> with a market share of 8.9 percent. The Bank ranked 8<sup>th</sup> by dollar amount with a market share of 1.9 percent. Countrywide Home Loans ranked 1<sup>st</sup> by dollar amount with a market share of 8.9 percent. Aggregate data for 2002 were not available.

Of the 4,367 small business loans made by the institution, 231 loans (5.3 percent) totaling \$34.3 million were originated in the Panama City Assessment Area. In 2001, 58 financial entities subject to the CRA reporting requirements reported at least one small business loan origination or purchase in the assessment area. The Bank ranked 11<sup>th</sup> by number of loans with a market share of 2.9 percent. GE Capital Financial, Inc. ranked 1<sup>st</sup> by number of loans with a market share of 20.8 percent. The Bank also ranked 4<sup>th</sup> by dollar amount with a market

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

share of 10.3 percent. Amsouth Bank ranked 1<sup>st</sup> by dollar amount with a market share of 23.2 percent. Aggregate data for 2002 was not available.

**Geographic Distribution**

For this analysis, the geographic distribution of small business and HMDA lending was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks.

The bank's percentage of HMDA lending in the Panama City Assessment Area in low-income tracts at 0.6 percent was below the percentage of owner-occupied units at 2.2 percent in those tracts. Of the 941 families in the low-income tracts, 386, or 41.0 percent, have incomes below poverty level, leaving 555 non-poverty families. The non-poverty families represent 1.6 percent of total families in this assessment area. The bank's lending level is below this percentage. The bank's HMDA lending in moderate-income tracts at 4.3 percent was below the percentage of owner-occupied units at 17.3 percent in those tracts. Of the 7,139 families in the moderate-income tracts, 1,498, or 21.0 percent, have incomes below poverty level, leaving 5,641 non-poverty families. The non-poverty families represent 15.8 percent of total families in this assessment area. The bank's lending level is below this percentage. HMDA lending in middle- and upper-income census tracts exceeded the percentage of owner-occupied units in those tracts. The 2001 aggregate lending comparison table for the Panama City Assessment Area in Appendix D shows that The Bank performance at 0.6 percent was comparable to the aggregate at 0.6 percent in HMDA lending in low-income tracts. Regarding HMDA lending in moderate-income tracts, The Bank's lending level at 4.4 percent was significantly below the aggregate at 9.1 percent. Aggregate lending data for 2002 was not available.

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

The percentage of small business loans in low-income census tracts at 2.2 percent was significantly below the percentage of businesses at 9.4 percent in those tracts. In addition, the percentage of small business loans made in moderate-income census tracts at 3.5 percent was significantly below the percentage of businesses at 13.6 percent in those tracts. Small business lending in middle-income census tracts was significantly above the percentage of businesses located in those tracts, and small business lending in upper-income census tracts was also above the percentage of businesses located in these tracts. The 2001 aggregate lending comparison table for the Panama City Assessment Area in Appendix D shows that The Bank performed significantly below the aggregate in small business lending in low- and moderate-income tracts. The Bank made 1.5 percent of its small business loans in low-income tracts compared to the aggregate at 7.1 percent. The Bank originated 2.3 percent of its small business loans in moderate-income tracts compared to the aggregate at 13.6 percent. Aggregate lending data for 2002 were not available.

Based on these factors, The Bank's geographic distribution of HMDA and small business lending reflects **POOR** penetration throughout the assessment area.

**Distribution by Borrower Income and Business Revenue Size**

For this analysis, the distribution of small business lending by business revenue sizes, and HMDA lending by borrower income levels was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks.

Low-income families represented 18.8 percent of families in the Panama City Assessment Area, while 5.4 percent of the bank's HMDA loans were originated to low-income borrowers. A possible reason for the lending disparity is 11.2 percent of families in the Panama City Assessment Area had incomes below the poverty level. Assuming that the 4,015 poverty level families in the assessment area are categorized as low-income, there are 2,716 non-poverty, low-income families in the Panama City Assessment Area, representing 7.6 percent of total families. The bank's lending to low-income borrowers at 5.4 percent is below this percentage. Moderate-income borrowers received 11.9 percent of the HMDA loans and moderate-income families comprised 19.1 percent of total families in the assessment area. HMDA lending to middle-income borrowers at 21.0 percent was below the percentage of middle-income families in the assessment area at 22.8 percent. However, HMDA lending to upper-income borrowers at 59.4 percent was above the percentage of upper-income families. The

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

2001 aggregate lending comparison table for the Panama City Assessment Area in Appendix D shows that The Bank performed comparably to the aggregate in lending to low- and moderate-income borrowers. The Bank originated 4.7 percent of its HMDA loans to low-income borrowers compared to the aggregate at 5.6 percent. The Bank originated 9.4 percent of its HMDA loans to moderate-income borrowers compared to the aggregate at 11.9 percent. Aggregate lending data for 2002 were not available.

Of the 230 business loans made in the assessment area with reported annual revenues, 197 (85.7 percent) were extended to businesses with revenues of \$1 million or less. In comparison, 69.5 percent of the businesses in the assessment area have annual revenues of \$1 million or less. Additionally, 63.6 percent of the bank's small business loans were in amounts of \$100,000 or less. The 2001 aggregate lending comparison table for the Panama City Assessment Area in Appendix D revealed that The Bank's small business lending to small businesses at 84.0 percent was significantly higher than the aggregate at 45.0 percent. Aggregate lending data for 2002 were not available.

**Based on these factors, the distribution of borrowers reflects ADEQUATE penetration among customers of different income levels and businesses of different sizes.**

**Community Development Lending**

The Bank **MAKES FEW, IF ANY** community development loans in the Panama City Assessment Area.

**INVESTMENT TEST**

The bank's performance in the Panama City Assessment Area is **LOW SATISFACTORY**. The bank made an **ADEQUATE** level of qualified community development investments and grants, although **NOT** in a leadership position, particularly those not routinely provided by the private sector. As indicated in the state of Florida discussion, the only investment by the bank in Florida was a statewide mortgage backed security for \$1.0 million. No direct investments were made by the bank in the Panama Assessment Area. Grants and donations with a purpose of community development in the Panama Assessment Area totaled \$5,500. Based on communication with community contacts, opportunities for grants and donations did exist in the Panama

**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**INVESTMENT TEST (Continued)**

Assessment Area. The bank **RARELY USES** innovative or complex investments to support community development initiatives. The bank's investments exhibit **ADEQUATE** responsiveness to credit and community development needs.

**SERVICE TEST**

The Bank's performance in the Panama City Assessment Area is **LOW SATISFACTORY**.

**Retail Services**

The bank's branches are **REASONABLY ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. The Bank operates four branches in the assessment area. The distribution of the bank's branches was compared to the distribution of families and businesses by census tract income level and is displayed in the table below. The bank has one branch in a low-income census tract, one branch in a middle-income tract, and two in upper-income tracts. All of the branches are located within a reasonable distance of all tracts in the assessment area. In addition to branches and ATMs, The Bank offers Touch-Tone-Teller as an alternative system for delivering retail banking services to low- and moderate-income individuals and areas.

<b>THE BANK – DISTRIBUTION OF BRANCHES AND ATMS PANAMA CITY ASSESSMENT AREA</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF BUSINESSES</b>
Low-Income	1	25.0%	1	33.3%	2.6%	9.4%
Moderate-Income	0	0.0%	0	0.0%	20.0%	13.6%
Middle-Income	1	25.0%	0	33.3%	50.2%	47.2%
Upper-Income	2	50.0%	2	66.7%	27.2%	29.8%
<i>Total</i>	<b>4</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)</b>
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

Since the previous examination, the bank has opened two branches in the Panama City Assessment Area. The branches were opened in middle-income census tracts in Panama City. The opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems in the assessment area. Availability of banking services and hours of operations **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. The level of branch services and hours offered by The Bank is basically the same throughout the assessment area.



**METROPOLITAN AREA: PANAMA CITY, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**SERVICE TEST (Continued)**

**Community Development Services**

The bank **PROVIDES A LIMITED LEVEL** of community development services. Bank personnel have provided limited financial and managerial expertise to various community development services to benefit the assessment area. The purpose of most community development services is to provide financial expertise to community development organizations. The table below illustrates the bank's most significant activity during the review period.

<b>COMMUNITY DEVELOPMENT SERVICE FOR PANAMA CITY ASSESSMENT AREA</b>	
<b>ORGANIZATION</b>	<b>POSITION/SERVICE</b>
Bay County Chamber of Commerce	A bank officer currently serves on the board of directors of the chamber, which fosters economic development and recruits new businesses into the area.
Panama City Beaches Chamber of Commerce	A bank officer currently serves on business and industry committee of the chamber, which fosters economic development and recruits new businesses into the area.

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN FRANKLIN-GULF COUNTIES, FLORIDA**

**Overview**

The Franklin-Gulf Assessment Area, in relation to The Bank's total assessment area, consists of 1.8 percent of the geographies, 2.0 percent of the low- and moderate-income geographies, 1.5 percent of the population, and 1.7 percent of the low- and moderate-income families. The assessment area also included 3.2 percent of the HMDA loans and 1.2 percent of the small business loans made by the bank in its total assessment area.

The Bank operates three branches and three ATMs in the Franklin-Gulf Assessment Area. The branches are located in Apalachicola, Carrabelle, and Port St. Joe, Florida, with an ATM located at each branch.

**Demographic Data by Census Tract**

The Franklin-Gulf Assessment Area, which includes all of Franklin and Gulf Counties, consists of 6 BNAs: 2 moderate-income BNAs (33.3 percent), 3 middle-income BNAs (50.0 percent) and 1 upper-income BNA (16.7 percent). There are no low-income BNAs in the assessment area. The Bank has not arbitrarily excluded any low- or moderate-income BNAs and the assessment area complies with the requirements of the CRA.

The tables on pages 64 and 65 provide demographic and lending data that were used in analyzing the bank's CRA performance. Except where noted, the demographic data are from the 1990 Census. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

**Population Characteristics**

At the time of the 1990 Census, the population of the Franklin-Gulf Assessment Area was 20,471 persons. This figure represented less than one percent of the population of the state of Florida. According to the 1999 County Population Estimates provided by the U. S. Census Bureau, the combined Franklin and Gulf County population had increased by 15.0 percent to 23,553 persons, which represented less than one percent of the population of the state of Florida.

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA**

**Income Characteristics**

At the time of the 1990 Census, there were 5,837 families in the assessment area. Of those families, 24.4 percent were low-income, 18.6 percent were moderate-income, 19.8 percent were middle-income, and 37.1 percent were upper-income. In addition, 1,045 families (17.9 percent) in the assessment area had incomes below the poverty level. A high level of poverty was noted in moderate-income BNAs, where 717 families (24.5 percent) had incomes below the poverty level. Also, a moderate-level of poverty (13.7 percent) was noted in middle-income BNAs. Typically, families with incomes below the poverty level have difficulty qualifying for HMDA loans without flexible or innovative loan underwriting standards. According to HUD, the estimated 2001 and 2002 median family incomes for non-metropolitan state areas in Florida were \$38,400 and \$40,200, respectively.

**Housing Characteristics**

According to the 1990 Census there were 12,230 housing units in the Franklin-Gulf Assessment Area, of which 51.7 percent were owner-occupied units. Owner-occupied housing units are generally more affordable in this assessment area than in the state overall. 1990 Census data show that the median housing value for owner-occupied units in the assessment area was \$44,995, which is 41.2 percent lower than the median housing value for the state of Florida, at \$76,487.

The data also indicated that 75.0 percent of owner-occupied housing units were located in the middle- and upper-income BNAs, where 77.1 percent of families resided. Conversely, 25.0 percent of owner-occupied housing units were located in moderate-income BNAs, where 22.9 percent of families reside. There is a high level of poverty in moderate-income BNAs, which could affect the bank's ability to originate HMDA loans in these areas.

**Employment Statistics**

A review of REIS data as of 1995 indicates that the services and government sectors are the largest employers in the assessment area. According to the REIS, from 1990 to 1995 the assessment area experienced a 12.7 percent increase in total full- and part-time employment, with the greatest increase (19.3 percent) occurring in the government sector. The 2001 and 2002 annual unemployment rates (not seasonally adjusted) for Franklin County were 2.6 percent and 3.8 percent, while the rates for Gulf County were 5.7 percent and 5.4 percent, respectively. The 2001 and 2002 unemployment rates for the state of Florida were 4.8 and 5.5 percent, respectively.

<b>NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA</b>
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**Business Size Characteristics**

The table on page 64 provides key demographic business data by revenue size and census tracts in the assessment area. The table illustrates that in 2002, according to Dun & Bradstreet, 72.0 percent of the businesses in the assessment area that reported annual revenues had total annual revenues of less than \$1 million and, therefore, were considered small businesses.

**Competition**

The Franklin-Gulf Assessment Area is a highly competitive banking market due to the significant presence of banks in this market. According to the June 30, 2002 FDIC/OTS Summary of Deposits Report, there are four other financial institutions operating 12 offices in the Franklin-Gulf Assessment Area. Most of these banks are community or regional banks with a majority of their operations in the assessment area, as well as one multi-state commercial bank. The Bank operates two (14.2 percent) of the branches with a deposit market share of 27.3 percent. The Bank ranked 1<sup>st</sup> in deposit market share in the assessment area. Coastal Community Bank operates the most branches at four in the assessment area. Local competition did not seem to adversely affect the bank's ability to serve the credit needs of its assessment area.

**Community Contacts**

As a part of the CRA examination, information was obtained from community leaders regarding local economic conditions and community credit needs. The contact stated that local financial institutions should execute more efforts targeting affordable housing needs for low- and moderate-income individuals living in the assessment area.

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The following table shows selected demographic information. In addition, The Bank's lending performance in the Franklin-Gulf Assessment Area is shown on the following page.

FRANKLIN-GULF ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (State Nonmetro): <b>\$40,200</b> <b>Income Categories</b>	Tract Distribution		Families						
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	1,426	24.4%	
Moderate	2	33.3%	1,335	22.9%	327	24.5%	1,086	18.6%	
Middle	3	50.0%	3,325	57.0%	612	18.4%	1,157	19.8%	
Upper	1	16.7%	1,177	20.2%	106	9.0%	2,168	37.1%	
NA	0	0.0%	0	0.0%	0	0.0%	-	-	
<b>Total</b>	<b>6</b>	<b>100.0%</b>	<b>5,837</b>	<b>100.0%</b>	<b>1,045</b>	<b>17.9%</b>	<b>5,837</b>	<b>100.0%</b>	
	Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
	#	#	%	#	%	#	%		
Low	0	0	0.0%	0	0.0%	0	0.0%		
Moderate	3,167	1,580	25.0%	49.9%	304	9.6%	1,283	40.5%	
Middle	6,747	3,559	56.3%	52.7%	1,018	15.1%	2,170	32.2%	
Upper	2,316	1,178	18.6%	50.9%	313	13.5%	825	35.6%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>12,230</b>	<b>6,317</b>	<b>100.0%</b>	<b>51.7%</b>	<b>1,635</b>	<b>13.4%</b>	<b>4,278</b>	<b>35.0%</b>	
	Total Businesses by Tract		Businesses by Tract and Revenue Size						
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Moderate	383	20.5%	293	21.8%	9	13.4%	81	17.8%	
Middle	1,250	67.0%	870	64.7%	51	76.1%	329	72.3%	
Upper	233	12.5%	181	13.5%	7	10.4%	45	9.9%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>1,866</b>	<b>100.0%</b>	<b>1,344</b>	<b>100.0%</b>	<b>67</b>	<b>100.0%</b>	<b>455</b>	<b>100.0%</b>	
	Percentage of Total Businesses:			72.0%		3.6%		24.4%	

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

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

FRANKLIN-GULF ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	2.1%	47	0.5%
Moderate	8	16.7%	887	9.3%	2	4.2%	70	0.7%
Middle	25	52.1%	6,239	65.1%	7	14.6%	532	5.5%
Upper	15	31.3%	2,463	25.7%	34	70.8%	7,921	82.6%
NA	0	0.0%	0	0.0%	4	8.3%	1,019	10.6%
<b>Total</b>	<b>48</b>	<b>100.0%</b>	<b>9,589</b>	<b>100.0%</b>	<b>48</b>	<b>100.0%</b>	<b>9,589</b>	<b>100.0%</b>
<b>Refinance</b>								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	3	9.7%	136	3.3%
Moderate	3	9.7%	245	6.0%	4	12.9%	269	6.6%
Middle	19	61.3%	2,032	49.8%	9	29.0%	974	23.9%
Upper	9	29.0%	1,805	44.2%	14	45.2%	2,607	63.9%
NA	0	0.0%	0	0.0%	1	3.2%	96	2.4%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>4,082</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>4,082</b>	<b>100.0%</b>
<b>Home Improvement</b>								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	25.0%	4	6.8%	0	0.0%	0	0.0%
Middle	1	25.0%	1	1.7%	1	25.0%	19	32.2%
Upper	2	50.0%	54	91.5%	2	50.0%	39	66.1%
NA	0	0.0%	0	0.0%	1	25.0%	1	1.7%
<b>Total</b>	<b>4</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>	<b>4</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>
<b>Multi-Family</b>								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>SMALL BUSINESS</b>								
<b>By Tract Income</b>								
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	13	24.5%	2,552	36.4%	13	24.5%	2,552	36.4%
Middle	37	69.8%	3,619	51.6%	37	69.8%	3,619	51.6%
Upper	3	5.7%	849	12.1%	3	5.7%	849	12.1%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>
<b>By Loan Size and Revenue</b>								
<b>Loan Size:</b>	#	%	\$	%	#	%	\$	%
\$100,000 or less	31	58.5%	829	11.8%	31	58.5%	829	11.8%
\$100,001 - \$250,000	15	28.3%	2,959	42.2%	15	28.3%	2,959	42.2%
\$250,001 - \$1 Million	7	13.2%	3,232	46.0%	7	13.2%	3,232	46.0%
<b>Total</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>
<b>Revenue:</b>	#	%	\$	%	#	%	\$	%
\$1 Million or Less	49	92.5%	5,360	76.4%	49	92.5%	5,360	76.4%
Over \$1 Million	2	3.8%	1,246	17.7%	2	3.8%	1,246	17.7%
Not Known	2	3.8%	414	5.9%	2	3.8%	414	5.9%
<b>Total</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>	<b>53</b>	<b>100.0%</b>	<b>7,020</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

**Overview**

In the Franklin-Gulf Assessment Area, The Bank's number and dollar volume of HMDA lending exceeded both the number and the dollar volume of small business lending for the review period. Therefore, HMDA lending was weighted more heavily than small business lending in determining the bank's lending test rating for the Franklin-Gulf Assessment Area. The Bank generally offers small farm loans; however, the volume of small farm loans was minimal and therefore, was not considered in the lending test evaluation.

The Bank's performance in the Franklin-Gulf Counties Assessment Area is **LOW SATISFACTORY**.

**Lending Activity**

Considering the bank's market share of deposits (27.3 percent), product offerings, and branch networking system as a percent of total branches (20.0 percent) in the assessment area, lending levels reflect **ADEQUATE** responsiveness to assessment area credit needs.

Of the 2,571 HMDA loan originations made by the institution during the review period, 83 loans (3.2 percent) totaling \$13.7 million were originated in the Franklin-Gulf Assessment Area. Of the 83 HMDA loans, 48 (57.8 percent) were home purchase loans, 31 (37.4 percent) were home refinance loans, and 4 (4.8 percent) were home improvement loans. In 2001, 150 financial entities subject to the HMDA reporting requirements reported at least one HMDA reportable origination or purchase in the Franklin-Gulf Assessment Area. The Bank ranked 33<sup>rd</sup> by number of loans with a market share of 0.7 percent. Capital City Bank ranked 1<sup>st</sup> with a market share of 14.4 percent. The Bank ranked 41<sup>st</sup> by dollar amount with a market share of 0.5 percent. Capital City Bank ranked 1<sup>st</sup> by dollar amount with a market share of 10.8 percent. Aggregate data for 2002 were not available.

Of the 4,367 small business loans made by the institution, 53 loans (1.2 percent) totaling \$7.0 million were originated in the Franklin-Gulf Assessment Area. In 2001, 37 financial entities subject to the CRA reporting requirements reported at least one small business loan origination or purchase in the assessment area. The Bank ranked 8<sup>th</sup> by number of loans with a market share of 3.7 percent. GE Capital Financial Inc. ranked 1<sup>st</sup> with a

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

market share of 22.3 percent. The Bank also ranked 4<sup>th</sup> by dollar amount with a market share of 7.2 percent. Capital City Bank ranked 1<sup>st</sup> by dollar amount with a market share of 29.2 percent. Aggregate data for 2002 were not available.

**Geographic Distribution**

For this analysis, the geographic distribution of small business and HMDA lending was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks. Regarding the bank's 2001 lending in comparison to the aggregate it should be noted that the bank entered the Florida market in late 2000. This contributed to the absence of lending overall, including in moderate-income tracts. Lending from January 1, 2002 through the end of the review period indicates increasing penetration in all BNA categories.

As stated earlier, there are no low-income BNAs in the assessment area. The bank's percentage of HMDA lending in the Franklin-Gulf Assessment Area in moderate-income BNAs at 14.5 percent was below the percentage of owner-occupied units at 25.0 percent in those BNAs. Of the 1,335 families in the moderate-income tracts, 327, or 24.5 percent, have incomes below poverty level, leaving 1,008 non-poverty families. The non-poverty families represent 17.3 percent of total families in this assessment area. The bank's lending level is lower than this percentage. The percentage of HMDA lending in middle-income BNAs was below the percentage of owner-occupied units, while the percentage of HMDA lending in upper-income BNAs exceeded the percentage of owner-occupied units in those BNAs. The 2001 aggregate lending comparison table for the Franklin-Gulf Assessment Area in Appendix D shows that The Bank performance at 0.0 percent was significantly below the aggregate at 19.6 percent in HMDA lending in moderate-income tracts. Aggregate data for 2002 were not available.

The percentage of small business loans made in moderate-income BNAs at 24.5 percent exceeded the percentage of businesses at 20.5 percent in those BNAs. The percentage of small business lending in middle-income BNAs was also above the percentage of businesses located in those tracts, while the percentage of small business lending in upper-income census tracts was below the percentage of businesses located in these tracts. The 2001 aggregate lending comparison table for the Franklin-Gulf Assessment Area in Appendix D shows that The Bank performed significantly below the aggregate in small business lending in moderate-income tracts.



**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

The Bank made 0.0 percent of its small business loans in moderate-income tracts compared to the aggregate at 14.1 percent. Aggregate lending data for 2002 were not available.

Based on these factors, The Bank's geographic distribution of HMDA and small business lending reflects **POOR** penetration throughout the assessment area.

**Distribution by Borrower Income and Revenue Size of the Borrower**

For this analysis, the distribution of small business lending by business revenue sizes and HMDA lending by borrower income levels was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks.

The percentage of HMDA loans to low-income borrowers at 4.8 percent was significantly below the percentage of low-income families in the Franklin-Gulf Assessment Area. A possible reason for the lending disparity is that 17.9 percent of families in the Franklin-Gulf Assessment Area had incomes below the poverty level. Assuming that the 1,045 poverty level families in the assessment area are categorized as low-income, there are 381 non-poverty, low-income families in the Franklin-Gulf Assessment Area, representing 6.5 percent of total families. The bank's lending to low-income borrowers is below this percentage. The percentage of HMDA loans to moderate-income borrowers at 7.2 percent was also significantly below the percentage of moderate-income families at 18.6 percent in the assessment area. HMDA lending to middle-income borrowers at 20.5 percent was slightly above the percentage of middle-income families at 19.8 percent, and HMDA lending to upper-income borrowers at 60.2 percent was significantly above the percentage of upper-income families at 37.1 percent. The 2001 aggregate lending comparison table for the Franklin-Gulf Assessment Area in Appendix D shows that The Bank's performance was below the aggregate in lending to low-income borrowers and significantly above the aggregate in HMDA lending to moderate-income borrowers. The Bank originated 0.0 percent of its HMDA loans to low-income borrowers compared to the aggregate at 2.0 percent. The bank originated 12.5 percent of its HMDA loans to moderate-income borrowers compared to the aggregate at 6.9 percent. Aggregate lending data for 2002 were not available.

Of the 53 small business loans made in the Franklin-Gulf Assessment Area with reported annual revenues, 49 loans (92.5 percent) were extended to businesses with revenues of \$1 million or less, which significantly exceed

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST (Continued)**

the percentage of small businesses in the assessment area at 72.0 percent. The 2001 aggregate lending comparison table in Appendix D revealed that The Bank's small business lending to small businesses at 100.0 percent was significantly higher than the aggregate at 31.1 percent. Aggregate lending data for 2002 were not available.

Based on these factors, distribution of borrowers reflects **GOOD** penetration among customers of different incomes and businesses of different sizes.

**Community Development Lending**

The Bank **MAKES FEW, IF ANY** community development loans in the Franklin-Gulf Assessment Area.

**INVESTMENT TEST**

The bank's performance in the Panama Assessment Area is **LOW SATISFACTORY**. The bank made an **ADEQUATE** level of qualified community development investments, although **NOT** in a leadership position, particularly those not routinely provided by the private sector. As indicated in the state of Florida discussion, the only investment by the bank in Florida was a statewide mortgage backed security for \$1.0 million. No direct investments were made by the bank in the Franklin-Gulf Assessment Area. No grants and donations with a purpose of community development were made in the Panama Assessment Area. Based on communication with community contacts, opportunities for grants and donations did exist in the Franklin-Gulf Assessment Area. The bank **RARELY USES** innovative or complex investments to support community development initiatives. The bank's investments exhibit **ADEQUATE RESPONSIVENESS** to credit and community development needs.

**SERVICE TEST**

The Bank's performance in the Franklin-Gulf County Assessment Area is rated **LOW SATISFACTORY**.

**Retail Services**

The bank's branch and ATM are **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area.

**NONMETROPOLITAN STATEWIDE AREA: FRANKLIN-GULF COUNTIES, FLORIDA (Continued)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (continued)**

**SERVICE TEST (Continued)**

The distribution of the bank's retail delivery systems was compared to the distribution of families and businesses by BNA income level and is displayed in the table below. The bank has one branch in a moderate-income BNA, and two in middle-income BNAs. The branch in the moderate-income BNA is accessible to the other adjacent moderate-income BNA, as well as the surrounding middle- and upper-income BNAs. In addition to the branch and ATM, The Bank offers Touch-Tone-Teller as an alternative system for delivering retail-banking services to low- and moderate-income individuals and moderate-income areas.

<b>THE BANK – DISTRIBUTION OF BRANCHES AND ATMS FRANKLIN-GULF ASSESSMENT AREA</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF BUSINESSES</b>
Low-Income	N/A	N/A	N/A	N/A	N/A	N/A
Moderate-Income	1	33.3%	1	33.3%	22.9%	20.5%
Middle-Income	2	66.7%	2	66.7%	57.0%	67.0%
Upper-Income	0	0%	0	0%	20.1%	12.5%
<i>Total</i>	3	100%	0	0%	100%	100%

The bank opened the three offices in the Franklin-Gulf Assessment Area since the previous examination. At the previous examination, the bank did not have any branches in the Franklin-Gulf Assessment Area. Therefore, an assessment of the opening and closing of branches in the assessment area was not performed. Availability of banking services and hours of operations **DO NOT VARY IN A WAY THAT INCONVENIENCES PORTIONS** of the assessment area. The level of branch services and hours offered by The Bank is basically the same throughout the assessment area.

**Community Development Services**

The bank **PROVIDES FEW, IF ANY**, community development services in the assessment area. A review of data did not indicate any provision of financial services provided by the bank that meet the definition of community development in the Franklin-Gulf Assessment Area.

**METROPOLITAN AND NONMETROPOLITAN STATEWIDE AREAS (LIMITED REVIEWS)**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

The following assessment areas were not reviewed using full-scope examination procedures; however, through the use of available facts and data, including performance and demographic information, conclusions regarding performance, which did not impact the overall rating are provided. Please refer to the tables in Appendices C and D for information regarding these areas.

The following table compares the bank's overall statewide performance to the assessment areas.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Calhoun	Not Consistent ( + )	Consistent	Consistent
Liberty	Consistent	Consistent	Consistent
Okaloosa	Consistent	Consistent	Consistent
Walton	Consistent	Consistent	Consistent

**APPENDIX A – SCOPE OF EXAMINATION**

<b>TIME PERIOD REVIEWED</b>			
January 1, 2001 through December 31, 2002			
<b>FINANCIAL INSTITUTION</b>		<b>PRODUCTS REVIEWED</b>	
The Bank, Warrior, Alabama		Small Business and HMDA Loans	
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>	<b>PRODUCTS REVIEWED</b>	
Morris Avenue Management Group TBC Capital Statutory Trust Emerald Coast Financial Management	Subsidiaries	None	
<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>
Birmingham Assessment Area Portions of MSA 1000			
Covington Assessment Area			
Decatur Assessment Area Portions of MSA 2030			
Gadsden Assessment Area MSA 2880	Exam procedures used	Rainbow City Office Gadsden Office	
Huntsville Assessment Area Portions of MSA 3440			
Marshall Assessment Area	Exam procedures used	Boaz Office	
Monroe Assessment Area			
Talladega Assessment Area			
Calhoun Assessment Area			
Franklin-Gulf Assessment Area	Exam procedures used		
Liberty Assessment Area			
Okaloosa Assessment Area Portions of MSA 2750			
Panama City Assessment Area Portions of MSA 6015	Exam procedures used		
Walton Assessment Area			

**APPENDIX B**

**SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS**

<b>State Area Name</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall State Rating</b>
Alabama	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES**

BIRMINGHAM ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): <b>\$52,700</b> <b>Income Categories</b>	Tract Distribution		Families						
			Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
	Low	16	13.7%	14,500	10.5%	6,197	42.7%	31,990	23.2%
	Moderate	26	22.2%	30,358	22.0%	6,567	21.6%	23,283	16.9%
	Middle	43	36.8%	52,653	38.2%	4,459	8.5%	28,179	20.4%
	Upper	32	27.4%	40,291	29.2%	964	2.4%	54,350	39.4%
	NA	0	0.0%	0	0.0%	0	0.0%	-	-
	<b>Total</b>	<b>117</b>	<b>100.0%</b>	<b>137,802</b>	<b>100.0%</b>	<b>18,187</b>	<b>13.2%</b>	<b>137,802</b>	<b>100.0%</b>
	<b>Housing Units by Tract</b>								
		Owner Occupied		Rental Occupied		Vacant			
	Total Units	#	%	%	#	%	#	%	
Low	25,620	7,868	6.3%	30.7%	14,360	56.0%	3,392	13.2%	
Moderate	51,406	25,830	20.6%	50.2%	19,724	38.4%	5,852	11.4%	
Middle	79,584	52,085	41.5%	65.4%	22,343	28.1%	5,156	6.5%	
Upper	61,635	39,828	31.7%	64.6%	18,754	30.4%	3,053	5.0%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>218,245</b>	<b>125,611</b>	<b>100.0%</b>	<b>57.6%</b>	<b>75,181</b>	<b>34.4%</b>	<b>17,453</b>	<b>8.0%</b>	
<b>Total Businesses by Tract and Revenue Size</b>									
		Under \$1 Million		Over \$1 Million		Revenue not Reported			
	#	%	#	%	#	%	#	%	
Low	4,126	14.8%	3,251	14.7%	493	19.5%	382	12.2%	
Moderate	5,764	20.7%	4,581	20.6%	621	24.6%	562	17.9%	
Middle	7,836	28.1%	6,353	28.6%	529	21.0%	954	30.4%	
Upper	10,124	36.4%	8,002	36.1%	880	34.9%	1,242	39.6%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>27,850</b>	<b>100.0%</b>	<b>22,187</b>	<b>100.0%</b>	<b>2,523</b>	<b>100.0%</b>	<b>3,140</b>	<b>100.0%</b>	
<b>Percentage of Total Businesses:</b>				<b>79.7%</b>	<b>9.1%</b>		<b>11.3%</b>		

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

BIRMINGHAM ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	2	6.9%	82	2.4%
Moderate	3	10.3%	146	4.3%	5	17.2%	115	3.4%
Middle	14	48.3%	700	20.7%	4	13.8%	250	7.4%
Upper	12	41.4%	2,533	75.0%	18	62.1%	2,932	86.8%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>29</b>	<b>100.0%</b>	<b>3,379</b>	<b>100.0%</b>	<b>29</b>	<b>100.0%</b>	<b>3,379</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	3	16.7%	62	3.1%
Moderate	0	0.0%	0	0.0%	3	16.7%	68	3.4%
Middle	13	72.2%	823	41.0%	4	22.2%	216	10.8%
Upper	5	27.8%	1,186	59.0%	8	44.4%	1,663	82.8%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>18</b>	<b>100.0%</b>	<b>2,009</b>	<b>100.0%</b>	<b>18</b>	<b>100.0%</b>	<b>2,009</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	1	4.8%	42	11.2%	3	14.3%	8	2.1%
Moderate	1	4.8%	4	1.1%	8	38.1%	43	11.5%
Middle	18	85.7%	327	87.2%	4	19.0%	29	7.7%
Upper	1	4.8%	2	0.5%	6	28.6%	295	78.7%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>21</b>	<b>100.0%</b>	<b>375</b>	<b>100.0%</b>	<b>21</b>	<b>100.0%</b>	<b>375</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	20.0%	88	3.3%	0	0.0%	0	0.0%
Middle	4	80.0%	2,601	96.7%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	5	100.0%	2,689	100.0%
<b>Total</b>	<b>5</b>	<b>100.0%</b>	<b>2,689</b>	<b>100.0%</b>	<b>5</b>	<b>100.0%</b>	<b>2,689</b>	<b>100.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	33	6.4%	3,493	8.2%				
Moderate	93	18.1%	8,689	20.3%				
Middle	138	26.8%	7,982	18.6%				
Upper	251	48.7%	22,683	52.9%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>515</b>	<b>100.0%</b>	<b>42,847</b>	<b>100.0%</b>				
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	420	81.6%	14,627	34.1%				
\$100,001 - \$250,000	57	11.1%	9,929	23.2%				
\$250,001 - \$1 Million	38	7.4%	18,291	42.7%				
<b>Total</b>	<b>515</b>	<b>100.0%</b>	<b>42,847</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	357	69.3%	34,297	80.0%				
Over \$1 Million	158	30.7%	8,550	20.0%				
Not Known	0	0.0%	0	0.0%				
<b>Total</b>	<b>515</b>	<b>100.0%</b>	<b>42,847</b>	<b>100.0%</b>				

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.



**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

COVINGTON ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (State Nonmetro): <b>\$39,300</b> <b>Income Categories</b>	Tract Distribution		Families by Tract		Families		Families by Family Income	
	#	%	#	%	Families-Poverty as a % of Families by Tract	#	%	#
Low	0	0.0%	0	0.0%	0	0.0%	3,513	23.1%
Moderate	2	10.5%	1,091	7.2%	279	25.6%	2,628	17.3%
Middle	17	89.5%	14,109	92.8%	2,222	15.7%	3,316	21.8%
Upper	0	0.0%	0	0.0%	0	0.0%	5,743	37.8%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>15,200</b>	<b>100.0%</b>	<b>2,501</b>	<b>16.5%</b>	<b>15,200</b>	<b>100.0%</b>
<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	0	0	0.0%	0	0.0%	0	0.0%	0
Moderate	1,567	986	6.3%	62.9%	515	32.9%	66	4.2%
Middle	21,640	14,781	93.7%	68.3%	4,415	20.4%	2,444	11.3%
Upper	0	0	0.0%	0.0%	0	0.0%	0	0.0%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>23,207</b>	<b>15,767</b>	<b>100.0%</b>	<b>67.9%</b>	<b>4,930</b>	<b>21.2%</b>	<b>2,510</b>	<b>10.8%</b>
<b>Total Businesses by Tract and Revenue Size</b>								
	Total Businesses by Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	284	11.8%	217	11.5%	17	12.4%	50	12.7%
Middle	2,131	88.2%	1,666	88.5%	120	87.6%	345	87.3%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>2,415</b>	<b>100.0%</b>	<b>1,883</b>	<b>100.0%</b>	<b>137</b>	<b>100.0%</b>	<b>395</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>78.0%</b>	<b>5.7%</b>		<b>16.4%</b>	

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

COVINGTON ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	6	7.4%	198	6.4%
Moderate	7	8.6%	291	9.3%	22	27.2%	463	14.9%
Middle	74	91.4%	2,825	90.7%	11	13.6%	335	10.8%
Upper	0	0.0%	0	0.0%	40	49.4%	1,963	63.0%
NA	0	0.0%	0	0.0%	2	2.5%	157	5.0%
<b>Total</b>	<b>81</b>	<b>100.0%</b>	<b>3,116</b>	<b>100.0%</b>	<b>81</b>	<b>100.0%</b>	<b>3,116</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	15	12.9%	218	4.1%
Moderate	7	6.0%	431	8.1%	23	19.8%	645	12.1%
Middle	109	94.0%	4,896	91.9%	23	19.8%	1,073	20.1%
Upper	0	0.0%	0	0.0%	49	42.2%	3,046	57.2%
NA	0	0.0%	0	0.0%	6	5.2%	345	6.5%
<b>Total</b>	<b>116</b>	<b>100.0%</b>	<b>5,327</b>	<b>100.0%</b>	<b>116</b>	<b>100.0%</b>	<b>5,327</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	4	22.2%	18	4.9%
Moderate	1	5.6%	7	1.9%	2	11.1%	26	7.1%
Middle	17	94.4%	360	98.1%	1	5.6%	12	3.3%
Upper	0	0.0%	0	0.0%	10	55.6%	111	30.2%
NA	0	0.0%	0	0.0%	1	5.6%	200	54.5%
<b>Total</b>	<b>18</b>	<b>100.0%</b>	<b>367</b>	<b>100.0%</b>	<b>18</b>	<b>100.0%</b>	<b>367</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	79	10.1%	1,823	5.2%	79	10.1%	1,823	5.2%
Middle	703	89.9%	33,492	94.8%	703	89.9%	33,492	94.8%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	708	90.5%	18,662	52.8%	708	90.5%	18,662	52.8%
\$100,001 - \$250,000	56	7.2%	9,351	26.5%	56	7.2%	9,351	26.5%
\$250,001 - \$1 Million	18	2.3%	7,302	20.7%	18	2.3%	7,302	20.7%
<b>Total</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	715	91.4%	28,639	81.1%	715	91.4%	28,639	81.1%
Over \$1 Million	66	8.4%	6,653	18.8%	66	8.4%	6,653	18.8%
Not Known	1	0.1%	23	0.1%	1	0.1%	23	0.1%
<b>Total</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>	<b>782</b>	<b>100.0%</b>	<b>35,315</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

DECATUR ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): <b>\$52,800</b> <b>Income Categories</b>	Tract Distribution		Families						
			Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
	Low	1	7.7%	271	1.9%	93	34.3%	2,683	18.9%
	Moderate	2	15.4%	2,096	14.8%	485	23.1%	2,187	15.4%
	Middle	7	53.8%	7,802	55.1%	712	9.1%	3,046	21.5%
	Upper	3	23.1%	3,999	28.2%	109	2.7%	6,252	44.1%
	NA	0	0.0%	0	0.0%	0	0.0%	-	-
	<b>Total</b>	<b>13</b>	<b>100.0%</b>	<b>14,168</b>	<b>100.0%</b>	<b>1,399</b>	<b>9.9%</b>	<b>14,168</b>	<b>100.0%</b>
	<b>Housing Units by Tract</b>								
		Owner Occupied		Rental Occupied		Vacant			
Total Units	#	%	%	#	%	#	%		
Low	481	185	1.4%	38.5%	232	48.2%	64	13.3%	
Moderate	3,261	1,688	13.1%	51.8%	1,294	39.7%	279	8.6%	
Middle	11,922	6,942	53.8%	58.2%	4,152	34.8%	828	6.9%	
Upper	5,328	4,087	31.7%	76.7%	995	18.7%	246	4.6%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>20,992</b>	<b>12,902</b>	<b>100.0%</b>	<b>61.5%</b>	<b>6,673</b>	<b>31.8%</b>	<b>1,417</b>	<b>6.8%</b>	
<b>Total Businesses by Tract and Revenue Size</b>									
		Under \$1 Million		Over \$1 Million		Revenue not Reported			
Total Businesses by Tract	#	%	#	%	#	%	#	%	
Low	29	1.0%	26	1.1%	2	0.9%	1	0.3%	
Moderate	275	9.1%	216	8.9%	24	10.8%	35	9.9%	
Middle	2,320	77.0%	1,874	76.9%	183	82.1%	263	74.1%	
Upper	390	12.9%	320	13.1%	14	6.3%	56	15.8%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>3,014</b>	<b>100.0%</b>	<b>2,436</b>	<b>100.0%</b>	<b>223</b>	<b>100.0%</b>	<b>355</b>	<b>100.0%</b>	
<b>Percentage of Total Businesses:</b>			<b>80.8%</b>		<b>7.4%</b>		<b>11.8%</b>		

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

DECATUR ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	1	3.7%	29	1.2%	2	7.4%	74	3.1%
Moderate	2	7.4%	43	1.8%	3	11.1%	494	20.5%
Middle	21	77.8%	1,812	75.2%	7	25.9%	604	25.1%
Upper	3	11.1%	527	21.9%	12	44.4%	791	32.8%
NA	0	0.0%	0	0.0%	3	11.1%	448	18.6%
<b>Total</b>	<b>27</b>	<b>100.0%</b>	<b>2,411</b>	<b>100.0%</b>	<b>27</b>	<b>100.0%</b>	<b>2,411</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	5.0%	40	2.6%
Moderate	7	35.0%	271	17.5%	4	20.0%	223	14.4%
Middle	10	50.0%	615	39.7%	7	35.0%	391	25.2%
Upper	3	15.0%	664	42.8%	7	35.0%	869	56.1%
NA	0	0.0%	0	0.0%	1	5.0%	27	1.7%
<b>Total</b>	<b>20</b>	<b>100.0%</b>	<b>1,550</b>	<b>100.0%</b>	<b>20</b>	<b>100.0%</b>	<b>1,550</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	100.0%	11	100.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	11	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>11</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>11</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	4	10.3%	233	9.7%	4	10.3%	233	9.7%
Middle	30	76.9%	1,460	61.0%	30	76.9%	1,460	61.0%
Upper	5	12.8%	700	29.3%	5	12.8%	700	29.3%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>
	By Loan Size and Revenue							
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	32	82.1%	1,166	48.7%	32	82.1%	1,166	48.7%
\$100,001 - \$250,000	6	15.4%	947	39.6%	6	15.4%	947	39.6%
\$250,001 - \$1 Million	1	2.6%	280	11.7%	1	2.6%	280	11.7%
<b>Total</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	39	100.0%	2,393	100.0%	39	100.0%	2,393	100.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>	<b>39</b>	<b>100.0%</b>	<b>2,393</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

HUNTSVILLE ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (MSA): <b>\$60,600</b> <b>Income Categories</b>	Tract Distribution		Families					
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income	
			#	%	#	%	#	%
Low	4	7.1%	2,618	4.6%	1,335	51.0%	10,658	18.6%
Moderate	12	21.4%	10,214	17.8%	1,231	12.1%	8,898	15.5%
Middle	21	37.5%	23,776	41.5%	1,562	6.6%	12,720	22.2%
Upper	19	33.9%	20,694	36.1%	540	2.6%	25,026	43.7%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>56</b>	<b>100.0%</b>	<b>57,302</b>	<b>100.0%</b>	<b>4,668</b>	<b>8.1%</b>	<b>57,302</b>	<b>100.0%</b>
<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
		#	%	%	#	%	#	%
Low	4,389	1,003	2.0%	22.9%	2,979	67.9%	407	9.3%
Moderate	18,316	6,704	13.4%	36.6%	9,685	52.9%	1,927	10.5%
Middle	34,897	22,153	44.2%	63.5%	10,669	30.6%	2,075	5.9%
Upper	28,545	20,294	40.5%	71.1%	6,654	23.3%	1,597	5.6%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>86,147</b>	<b>50,154</b>	<b>100.0%</b>	<b>58.2%</b>	<b>29,987</b>	<b>34.8%</b>	<b>6,006</b>	<b>7.0%</b>
<b>Total Businesses by Tract</b>								
	Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	1,262	10.0%	1,072	10.4%	119	12.5%	71	5.2%
Moderate	1,861	14.7%	1,516	14.7%	166	17.5%	179	13.2%
Middle	5,126	40.5%	4,172	40.3%	361	38.0%	593	43.8%
Upper	4,400	34.8%	3,587	34.7%	303	31.9%	510	37.7%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>12,649</b>	<b>100.0%</b>	<b>10,347</b>	<b>100.0%</b>	<b>949</b>	<b>100.0%</b>	<b>1,353</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>81.8%</b>		<b>7.5%</b>		<b>10.7%</b>

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

HUNTSVILLE ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	18	8.3%	779	4.8%	6	2.8%	351	2.2%
Moderate	42	19.4%	3,419	21.1%	16	7.4%	1,033	6.4%
Middle	106	48.8%	7,451	46.0%	41	18.9%	2,623	16.2%
Upper	51	23.5%	4,563	28.1%	49	22.6%	4,057	25.0%
NA	0	0.0%	0	0.0%	105	48.4%	8,148	50.3%
<b>Total</b>	<b>217</b>	<b>100.0%</b>	<b>16,212</b>	<b>100.0%</b>	<b>217</b>	<b>100.0%</b>	<b>16,212</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	2	4.5%	198	5.7%
Moderate	11	25.0%	820	23.8%	2	4.5%	124	3.6%
Middle	22	50.0%	1,584	45.9%	5	11.4%	222	6.4%
Upper	11	25.0%	1,046	30.3%	22	50.0%	1,939	56.2%
NA	0	0.0%	0	0.0%	13	29.5%	967	28.0%
<b>Total</b>	<b>44</b>	<b>100.0%</b>	<b>3,450</b>	<b>100.0%</b>	<b>44</b>	<b>100.0%</b>	<b>3,450</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	6.3%	3	0.7%
Moderate	3	18.8%	49	12.1%	3	18.8%	37	9.1%
Middle	7	43.8%	160	39.4%	3	18.8%	230	56.7%
Upper	6	37.5%	197	48.5%	6	37.5%	104	25.6%
NA	0	0.0%	0	0.0%	3	18.8%	32	7.9%
<b>Total</b>	<b>16</b>	<b>100.0%</b>	<b>406</b>	<b>100.0%</b>	<b>16</b>	<b>100.0%</b>	<b>406</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	11	100.0%	2,041	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	11	100.0%	2,041	100.0%
<b>Total</b>	<b>11</b>	<b>100.0%</b>	<b>2,041</b>	<b>100.0%</b>	<b>11</b>	<b>100.0%</b>	<b>2,041</b>	<b>100.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	24	9.5%	4,988	17.9%				
Moderate	29	11.5%	3,372	12.1%				
Middle	129	51.0%	11,088	39.7%				
Upper	71	28.1%	8,475	30.4%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>253</b>	<b>100.0%</b>	<b>27,923</b>	<b>100.0%</b>				
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	174	68.8%	5,838	20.9%				
\$100,001 - \$250,000	46	18.2%	7,683	27.5%				
\$250,001 - \$1 Million	33	13.0%	14,402	51.6%				
<b>Total</b>	<b>253</b>	<b>100.0%</b>	<b>27,923</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	235	92.9%	24,078	86.2%				
Over \$1 Million	16	6.3%	3,808	13.6%				
Not Known	2	0.8%	37	0.1%				
<b>Total</b>	<b>253</b>	<b>100.0%</b>	<b>27,923</b>	<b>100.0%</b>				

Originations and purchases  
Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

MONROE ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (State Nonmetro): <b>\$39,300</b>	Tract Distribution		Families				Families by Family Income	
	#	%	Families by Tract		Families-Poverty as a % of Families by Tract		#	%
<b>Income Categories</b>			#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	1,362	21.7%
Moderate	2	28.6%	1,012	16.1%	311	30.7%	987	15.7%
Middle	4	57.1%	3,567	56.8%	566	15.9%	1,088	17.3%
Upper	1	14.3%	1,697	27.0%	250	14.7%	2,839	45.2%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>7</b>	<b>100.0%</b>	<b>6,276</b>	<b>100.0%</b>	<b>1,127</b>	<b>18.0%</b>	<b>6,276</b>	<b>100.0%</b>
<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	0	0	0.0%	0	0.0%	0	0.0%	
Moderate	1,639	1,070	16.5%	65.3%	212	12.9%	357	21.8%
Middle	5,377	3,603	55.4%	67.0%	1,151	21.4%	623	11.6%
Upper	2,617	1,827	28.1%	69.8%	549	21.0%	241	9.2%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>9,633</b>	<b>6,500</b>	<b>100.0%</b>	<b>67.5%</b>	<b>1,912</b>	<b>19.8%</b>	<b>1,221</b>	<b>12.7%</b>
<b>Total Businesses by Tract and Revenue Size</b>								
	Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	64	7.1%	53	7.4%	4	6.8%	7	5.8%
Middle	556	61.9%	440	61.2%	32	54.2%	84	70.0%
Upper	278	31.0%	226	31.4%	23	39.0%	29	24.2%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>898</b>	<b>100.0%</b>	<b>719</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>	<b>120</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>80.1%</b>	<b>6.6%</b>	<b>13.4%</b>		

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

MONROE ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	4	12.5%	53	6.2%
Moderate	1	3.1%	15	1.7%	3	9.4%	80	9.3%
Middle	20	62.5%	494	57.6%	4	12.5%	104	12.1%
Upper	11	34.4%	349	40.7%	20	62.5%	594	69.2%
NA	0	0.0%	0	0.0%	1	3.1%	27	3.1%
<b>Total</b>	<b>32</b>	<b>100.0%</b>	<b>858</b>	<b>100.0%</b>	<b>32</b>	<b>100.0%</b>	<b>858</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	3	9.7%	21	1.3%
Moderate	2	6.5%	235	14.6%	5	16.1%	188	11.7%
Middle	20	64.5%	911	56.6%	5	16.1%	109	6.8%
Upper	9	29.0%	463	28.8%	17	54.8%	1,211	75.3%
NA	0	0.0%	0	0.0%	1	3.2%	80	5.0%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>1,609</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>1,609</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	3	13.6%	24	4.4%
Moderate	3	13.6%	65	11.8%	4	18.2%	12	2.2%
Middle	10	45.5%	327	59.6%	7	31.8%	185	33.7%
Upper	9	40.9%	157	28.6%	8	36.4%	328	59.7%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>22</b>	<b>100.0%</b>	<b>549</b>	<b>100.0%</b>	<b>22</b>	<b>100.0%</b>	<b>549</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	11	14.3%	1,450	22.6%	11	14.3%	1,450	22.6%
Middle	27	35.1%	1,674	26.1%	27	35.1%	1,674	26.1%
Upper	39	50.6%	3,285	51.3%	39	50.6%	3,285	51.3%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	55	71.4%	1,845	28.8%	55	71.4%	1,845	28.8%
\$100,001 - \$250,000	18	23.4%	2,945	46.0%	18	23.4%	2,945	46.0%
\$250,001 - \$1 Million	4	5.2%	1,619	25.3%	4	5.2%	1,619	25.3%
<b>Total</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	69	89.6%	5,107	79.7%	69	89.6%	5,107	79.7%
Over \$1 Million	8	10.4%	1,302	20.3%	8	10.4%	1,302	20.3%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>	<b>77</b>	<b>100.0%</b>	<b>6,409</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.



**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

TALLADEGA ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (State Nonmetro): <b>\$39,300</b> <b>Income Categories</b> Low Moderate Middle Upper NA Total	Tract Distribution		Families by Tract		Families		Families by Family Income		
					Families-<Poverty as a % of Families by Tract				
	#	%	#	%	#	%	#	%	
	0	0.0%	0	0.0%	0	0.0%	2,574	20.0%	
	0	0.0%	0	0.0%	0	0.0%	2,130	16.6%	
	10	83.3%	10,154	79.0%	1,580	15.6%	2,588	20.1%	
	2	16.7%	2,702	21.0%	363	13.4%	5,564	43.3%	
	0	0.0%	0	0.0%	0	0.0%	-	-	
	12	100.0%	12,856	100.0%	1,943	15.1%	12,856	100.0%	
	<b>Housing Units by Tract</b>								
		Total Units	Owner Occupied		Rental Occupied		Vacant		
		#	#	%	#	%	#	%	
	Low	0	0	0.0%	0	0.0%	0	0.0%	
	Moderate	0	0	0.0%	0	0.0%	0	0.0%	
	Middle	15,283	10,030	78.3%	3,342	21.9%	1,911	12.5%	
Upper	3,838	2,785	21.7%	615	16.0%	438	11.4%		
NA	0	0	0.0%	0	0.0%	0	0.0%		
Total	19,121	12,815	100.0%	3,957	20.7%	2,349	12.3%		
<b>Total Businesses by Tract</b>									
	Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Middle	1,397	82.9%	1,159	83.7%	67	74.4%	171	81.4%	
Upper	288	17.1%	226	16.3%	23	25.6%	39	18.6%	
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Total	1,685	100.0%	1,385	100.0%	90	100.0%	210	100.0%	
Percentage of Total Businesses:				82.2%	5.3%		12.5%		

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

TALLADEGA ASSESSMENT AREA								
LENDING								
Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	2	13.3%	91	14.5%
Middle	12	80.0%	453	72.1%	5	33.3%	169	26.9%
Upper	3	20.0%	175	27.9%	7	46.7%	293	46.7%
NA	0	0.0%	0	0.0%	1	6.7%	75	11.9%
<b>Total</b>	<b>15</b>	<b>100.0%</b>	<b>628</b>	<b>100.0%</b>	<b>15</b>	<b>100.0%</b>	<b>628</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	3.6%	40	3.4%
Moderate	0	0.0%	0	0.0%	4	14.3%	93	7.8%
Middle	19	67.9%	727	61.3%	12	42.9%	402	33.9%
Upper	9	32.1%	459	38.7%	10	35.7%	640	54.0%
NA	0	0.0%	0	0.0%	1	3.6%	11	0.9%
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>1,186</b>	<b>100.0%</b>	<b>28</b>	<b>100.0%</b>	<b>1,186</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	15	20.0%	40	8.3%
Moderate	0	0.0%	0	0.0%	16	21.3%	54	11.2%
Middle	55	73.3%	334	69.0%	14	18.7%	107	22.1%
Upper	20	26.7%	150	31.0%	28	37.3%	273	56.4%
NA	0	0.0%	0	0.0%	2	2.7%	10	2.1%
<b>Total</b>	<b>75</b>	<b>100.0%</b>	<b>484</b>	<b>100.0%</b>	<b>75</b>	<b>100.0%</b>	<b>484</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	112	69.6%	6,771	68.5%				
Upper	49	30.4%	3,109	31.5%				
NA	0	0.0%	0	0.0%				
<b>Total</b>	<b>161</b>	<b>100.0%</b>	<b>9,880</b>	<b>100.0%</b>				
	By Loan Size and Revenue							
<b>Loan Size:</b>	#	%	\$	%	#	%	\$	%
\$100,000 or less	135	83.9%	3,682	37.3%				
\$100,001 - \$250,000	20	12.4%	3,198	32.4%				
\$250,001 - \$1 Million	6	3.7%	3,000	30.4%				
<b>Total</b>	<b>161</b>	<b>100.0%</b>	<b>9,880</b>	<b>100.0%</b>				
<b>Revenue:</b>								
\$1 Million or Less	157	97.5%	9,515	96.3%				
Over \$1 Million	4	2.5%	365	3.7%				
Not Known	0	0.0%	0	0.0%				
<b>Total</b>	<b>161</b>	<b>100.0%</b>	<b>9,880</b>	<b>100.0%</b>				

Originations and purchases  
Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

CALHOUN ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (State Nonmetro): <b>\$40,200</b> <b>Income Categories</b> Low Moderate Middle Upper NA <b>Total</b>  Low Moderate Middle Upper NA <b>Total</b>  <b>Total Businesses by Tract</b> Low Moderate Middle Upper NA <b>Total</b> Percentage of Total Businesses:	<b>Tract Distribution</b> #      %		<b>Families by Tract</b> #      %		<b>Families</b> Families-<Poverty as a % of Families by Tract #      %		<b>Families by Family Income</b> #      %		
	0	0.0%	0	0.0%	0	0.0%	606	21.6%	
	0	0.0%	0	0.0%	0	0.0%	673	23.9%	
	3	100.0%	2,811	100.0%	427	15.2%	687	24.4%	
	0	0.0%	0	0.0%	0	0.0%	845	30.1%	
	0	0.0%	0	0.0%	0	0.0%	-	-	
	<b>3</b>	<b>100.0%</b>	<b>2,811</b>	<b>100.0%</b>	<b>427</b>	<b>15.2%</b>	<b>2,811</b>	<b>100.0%</b>	
	<b>Housing Units by Tract</b>								
	<b>Total Units</b>		<b>Owner Occupied</b>		<b>Rental Occupied</b>		<b>Vacant</b>		
		#	#	%	#	%	#	%	
	0	0	0	0.0%	0	0.0%	0	0.0%	
	0	0	0	0.0%	0	0.0%	0	0.0%	
	4,468	3,011	100.0%	67.4%	782	17.5%	675	15.1%	
	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
	<b>4,468</b>	<b>3,011</b>	<b>100.0%</b>	<b>67.4%</b>	<b>782</b>	<b>17.5%</b>	<b>675</b>	<b>15.1%</b>	
	<b>Total Businesses by Tract</b>		<b>Under \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>		
		#	#	%	#	%	#	%	
	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
	600	100.0%	445	100.0%	28	100.0%	127	100.0%	
	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
	<b>600</b>	<b>100.0%</b>	<b>445</b>	<b>100.0%</b>	<b>28</b>	<b>100.0%</b>	<b>127</b>	<b>100.0%</b>	
<b>Percentage of Total Businesses:</b>			<b>74.2%</b>	<b>4.7%</b>		<b>21.2%</b>			

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

CALHOUN ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	8	13.8%	162	5.6%
Moderate	0	0.0%	0	0.0%	9	15.5%	354	12.3%
Middle	58	100.0%	2,885	100.0%	11	19.0%	465	16.1%
Upper	0	0.0%	0	0.0%	29	50.0%	1,863	64.6%
NA	0	0.0%	0	0.0%	1	1.7%	41	1.4%
<b>Total</b>	<b>58</b>	<b>100.0%</b>	<b>2,885</b>	<b>100.0%</b>	<b>58</b>	<b>100.0%</b>	<b>2,885</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	7	10.9%	289	7.4%
Moderate	0	0.0%	0	0.0%	11	17.2%	403	10.4%
Middle	64	100.0%	3,892	100.0%	11	17.2%	432	11.1%
Upper	0	0.0%	0	0.0%	32	50.0%	2,664	68.4%
NA	0	0.0%	0	0.0%	3	4.7%	104	2.7%
<b>Total</b>	<b>64</b>	<b>100.0%</b>	<b>3,892</b>	<b>100.0%</b>	<b>64</b>	<b>100.0%</b>	<b>3,892</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	9	25.7%	34	11.7%
Moderate	0	0.0%	0	0.0%	3	8.6%	9	3.1%
Middle	35	100.0%	291	100.0%	16	45.7%	99	34.0%
Upper	0	0.0%	0	0.0%	6	17.1%	143	49.1%
NA	0	0.0%	0	0.0%	1	2.9%	6	2.1%
<b>Total</b>	<b>35</b>	<b>100.0%</b>	<b>291</b>	<b>100.0%</b>	<b>35</b>	<b>100.0%</b>	<b>291</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	404	100.0%	26,057	100.0%	404	100.0%	26,057	100.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	346	85.6%	9,309	35.7%	346	85.6%	9,309	35.7%
\$100,001 - \$250,000	34	8.4%	5,566	21.4%	34	8.4%	5,566	21.4%
\$250,001 - \$1 Million	24	5.9%	11,182	42.9%	24	5.9%	11,182	42.9%
<b>Total</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	371	91.8%	19,063	73.2%	371	91.8%	19,063	73.2%
Over \$1 Million	31	7.7%	6,893	26.5%	31	7.7%	6,893	26.5%
Not Known	2	0.5%	101	0.4%	2	0.5%	101	0.4%
<b>Total</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>	<b>404</b>	<b>100.0%</b>	<b>26,057</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

LIBERTY ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (State Nonmetro): <b>\$40,200</b> <b>Income Categories</b> Low Moderate Middle Upper NA Total	Tract Distribution		Families by Tract		Families <Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
	0	0.0%	0	0.0%	0	0.0%	287	21.1%	
	0	0.0%	0	0.0%	0	0.0%	250	18.4%	
	2	100.0%	1,358	100.0%	186	13.7%	274	20.2%	
	0	0.0%	0	0.0%	0	0.0%	547	40.3%	
	0	0.0%	0	0.0%	0	0.0%	-	-	
	2	100.0%	1,358	100.0%	186	13.7%	1,358	100.0%	
	<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
		#	%	%	#	%	#	%	
	Low	0	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0	0.0%	0.0%	0	0.0%	0	0.0%
	Middle	2,157	1,378	100.0%	63.9%	328	15.2%	451	20.9%
	Upper	0	0	0.0%	0.0%	0	0.0%	0	0.0%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
Total	2,157	1,378	100.0%	63.9%	328	15.2%	451	20.9%	
<b>Total Businesses by Tract</b>			<b>Businesses by Tract and Revenue Size</b>						
#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported			
		#	%	#	%	#	%		
Low	0	0	0.0%	0	0.0%	0	0.0%		
Moderate	0	0	0.0%	0	0.0%	0	0.0%		
Middle	284	194	100.0%	6	100.0%	84	100.0%		
Upper	0	0	0.0%	0	0.0%	0	0.0%		
NA	0	0	0.0%	0	0.0%	0	0.0%		
Total	284	194	100.0%	6	100.0%	84	100.0%		
Percentage of Total Businesses:			68.3%		2.1%		29.6%		

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

LIBERTY ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	3	8.3%	47	2.6%
Moderate	0	0.0%	0	0.0%	4	11.1%	108	6.0%
Middle	36	100.0%	1,802	100.0%	9	25.0%	473	26.2%
Upper	0	0.0%	0	0.0%	20	55.6%	1,174	65.1%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>36</b>	<b>100.0%</b>	<b>1,802</b>	<b>100.0%</b>	<b>36</b>	<b>100.0%</b>	<b>1,802</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	2	2.6%	33	0.5%
Moderate	0	0.0%	0	0.0%	10	12.8%	496	6.9%
Middle	78	100.0%	7,236	100.0%	17	21.8%	1,003	13.9%
Upper	0	0.0%	0	0.0%	45	57.7%	5,358	74.0%
NA	0	0.0%	0	0.0%	4	5.1%	346	4.8%
<b>Total</b>	<b>78</b>	<b>100.0%</b>	<b>7,236</b>	<b>100.0%</b>	<b>78</b>	<b>100.0%</b>	<b>7,236</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	2	12.5%	20	6.6%
Moderate	0	0.0%	0	0.0%	2	12.5%	13	4.3%
Middle	16	100.0%	303	100.0%	2	12.5%	30	9.9%
Upper	0	0.0%	0	0.0%	10	62.5%	240	79.2%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>16</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>	<b>16</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	308	100.0%	32,092	100.0%	308	100.0%	32,092	100.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	232	75.3%	6,669	20.8%	232	75.3%	6,669	20.8%
\$100,001 - \$250,000	36	11.7%	5,702	17.8%	36	11.7%	5,702	17.8%
\$250,001 - \$1 Million	40	13.0%	19,721	61.5%	40	13.0%	19,721	61.5%
<b>Total</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	283	91.9%	25,465	79.3%	283	91.9%	25,465	79.3%
Over \$1 Million	23	7.5%	6,513	20.3%	23	7.5%	6,513	20.3%
Not Known	2	0.6%	114	0.4%	2	0.6%	114	0.4%
<b>Total</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>	<b>308</b>	<b>100.0%</b>	<b>32,092</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

OKALOOSA ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (MSA): <b>\$50,400</b>	Tract Distribution		Families by Tract		Families-Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
<b>Income Categories</b>								
Low	0	0.0%	0	0.0%	0	0.0%	6,590	16.5%
Moderate	8	24.2%	8,377	21.0%	977	11.7%	8,320	20.9%
Middle	20	60.6%	24,583	61.6%	1,906	7.8%	9,504	23.8%
Upper	5	15.2%	6,925	17.4%	245	3.5%	15,471	38.8%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>33</b>	<b>100.0%</b>	<b>39,885</b>	<b>100.0%</b>	<b>3,128</b>	<b>7.8%</b>	<b>39,885</b>	<b>100.0%</b>
<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	0	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	12,201	5,127	15.5%	42.0%	5,967	48.9%	1,107	9.1%
Middle	41,133	22,082	66.6%	53.7%	11,619	28.2%	7,432	18.1%
Upper	9,235	5,940	17.9%	64.3%	2,578	27.9%	717	7.8%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>62,569</b>	<b>33,149</b>	<b>100.0%</b>	<b>53.0%</b>	<b>20,164</b>	<b>32.2%</b>	<b>9,256</b>	<b>14.8%</b>
<b>Total Businesses by Tract and Revenue Size</b>								
	Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2,205	15.6%	1,611	16.7%	88	15.5%	506	12.9%
Middle	10,200	72.2%	6,962	72.2%	443	78.3%	2,795	71.3%
Upper	1,716	12.2%	1,063	11.0%	35	6.2%	618	15.8%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>14,121</b>	<b>100.0%</b>	<b>9,636</b>	<b>100.0%</b>	<b>566</b>	<b>100.0%</b>	<b>3,919</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>68.2%</b>	<b>4.0%</b>		<b>27.8%</b>	

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

OKALOOSA ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	1	1.7%	72	0.6%
Moderate	0	0.0%	0	0.0%	1	1.7%	108	0.9%
Middle	56	94.9%	12,050	98.3%	2	3.4%	212	1.7%
Upper	3	5.1%	212	1.7%	49	83.1%	10,723	87.4%
NA	0	0.0%	0	0.0%	6	10.2%	1,147	9.4%
<b>Total</b>	<b>59</b>	<b>100.0%</b>	<b>12,262</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>	<b>12,262</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	3.2%	25	0.5%	1	3.2%	32	0.6%
Middle	24	77.4%	3,751	69.8%	6	19.4%	529	9.8%
Upper	6	19.4%	1,597	29.7%	22	71.0%	4,569	85.0%
NA	0	0.0%	0	0.0%	2	6.5%	243	4.5%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>5,373</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>5,373</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	66.7%	68	89.5%	1	33.3%	8	10.5%
Upper	1	33.3%	8	10.5%	2	66.7%	68	89.5%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>76</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>76</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	3	3.2%	335	2.9%	3	3.2%	335	2.9%
Middle	86	90.5%	10,789	92.1%	86	90.5%	10,789	92.1%
Upper	6	6.3%	585	5.0%	6	6.3%	585	5.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	64	67.4%	2,042	17.4%	64	67.4%	2,042	17.4%
\$100,001 - \$250,000	15	15.8%	2,464	21.0%	15	15.8%	2,464	21.0%
\$250,001 - \$1 Million	16	16.8%	7,203	61.5%	16	16.8%	7,203	61.5%
<b>Total</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	84	88.4%	8,422	71.9%	84	88.4%	8,422	71.9%
Over \$1 Million	10	10.5%	3,152	26.9%	10	10.5%	3,152	26.9%
Not Known	1	1.1%	135	1.2%	1	1.1%	135	1.2%
<b>Total</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>	<b>95</b>	<b>100.0%</b>	<b>11,709</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.



**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

WALTON ASSESSMENT AREA								
DEMOGRAPHICS								
2002 HUD Median Family Income (State Nonmetro): <b>\$40,200</b>	Tract Distribution		Families by Tract		Families <Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
<b>Income Categories</b>								
Low	0	0.0%	0	0.0%	0	0.0%	1,837	22.0%
Moderate	3	50.0%	3,534	42.4%	767	21.7%	1,565	18.8%
Middle	2	33.3%	3,174	38.1%	434	13.7%	1,718	20.6%
Upper	1	16.7%	1,628	19.5%	55	3.4%	3,216	38.6%
NA	0	0.0%	0	0.0%	0	0.0%	-	-
<b>Total</b>	<b>6</b>	<b>100.0%</b>	<b>8,336</b>	<b>100.0%</b>	<b>1,256</b>	<b>15.1%</b>	<b>8,336</b>	<b>100.0%</b>
<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant		
	#	#	%	#	%	#	%	
Low	0	0	0.0%	0	0.0%	0	0.0%	0
Moderate	5,639	3,933	43.6%	69.7%	859	15.2%	847	15.0%
Middle	5,948	3,445	38.2%	57.9%	850	14.3%	1,653	27.8%
Upper	7,141	1,649	18.3%	23.1%	558	7.8%	4,934	69.1%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>18,728</b>	<b>9,027</b>	<b>100.0%</b>	<b>48.2%</b>	<b>2,267</b>	<b>12.1%</b>	<b>7,434</b>	<b>39.7%</b>
<b>Total Businesses by Tract</b>								
	Tract		Under \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	636	18.9%	493	21.3%	24	17.3%	119	13.1%
Middle	820	24.4%	591	25.5%	33	23.7%	196	21.6%
Upper	1,908	56.7%	1,233	53.2%	82	59.0%	593	65.3%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>3,364</b>	<b>100.0%</b>	<b>2,317</b>	<b>100.0%</b>	<b>139</b>	<b>100.0%</b>	<b>908</b>	<b>100.0%</b>
<b>Percentage of Total Businesses:</b>				<b>68.9%</b>		<b>4.1%</b>		<b>27.0%</b>

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

**APPENDIX C – DEMOGRAPHIC AND HMDA/SMALL BUSINESS LENDING TABLES (Continued)**

WALTON ASSESSMENT AREA								
LENDING								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	1.2%	123	0.7%	1	1.2%	92	0.5%
Middle	3	3.5%	252	1.5%	9	10.5%	915	5.4%
Upper	82	95.3%	16,600	97.8%	72	83.7%	15,241	89.8%
NA	0	0.0%	0	0.0%	4	4.7%	727	4.3%
<b>Total</b>	<b>86</b>	<b>100.0%</b>	<b>16,975</b>	<b>100.0%</b>	<b>86</b>	<b>100.0%</b>	<b>16,975</b>	<b>100.0%</b>
	Refinance							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	5	7.9%	407	3.3%
Middle	7	11.1%	757	6.1%	8	12.7%	986	8.0%
Upper	56	88.9%	11,615	93.9%	49	77.8%	10,904	88.1%
NA	0	0.0%	0	0.0%	1	1.6%	75	0.6%
<b>Total</b>	<b>63</b>	<b>100.0%</b>	<b>12,372</b>	<b>100.0%</b>	<b>63</b>	<b>100.0%</b>	<b>12,372</b>	<b>100.0%</b>
	Home Improvement							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	50.0%	42	80.8%	0	0.0%	0	0.0%
Upper	1	50.0%	10	19.2%	1	50.0%	42	80.8%
NA	0	0.0%	0	0.0%	1	50.0%	10	19.2%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>52</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>52</b>	<b>100.0%</b>
	Multi-Family							
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	SMALL BUSINESS							
	By Tract Income				By Tract Income			
	#	%	\$	%	#	%	\$	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	5	5.4%	210	1.8%	5	5.4%	210	1.8%
Upper	88	94.6%	11,455	98.2%	88	94.6%	11,455	98.2%
NA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>
	By Loan Size and Revenue				By Loan Size and Revenue			
	#	%	\$	%	#	%	\$	%
<b>Loan Size:</b>								
\$100,000 or less	58	62.4%	1,833	15.7%	58	62.4%	1,833	15.7%
\$100,001 - \$250,000	23	24.7%	3,475	29.8%	23	24.7%	3,475	29.8%
\$250,001 - \$1 Million	12	12.9%	6,357	54.5%	12	12.9%	6,357	54.5%
<b>Total</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>
<b>Revenue:</b>								
\$1 Million or Less	86	92.5%	10,568	90.6%	86	92.5%	10,568	90.6%
Over \$1 Million	5	5.4%	175	1.5%	5	5.4%	175	1.5%
Not Known	2	2.2%	922	7.9%	2	2.2%	922	7.9%
<b>Total</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>	<b>93</b>	<b>100.0%</b>	<b>11,665</b>	<b>100.0%</b>

Originations and purchases

Small Business loans are loan sizes that are \$1 million or less.

**APPENDIX D – AGGREGATE LENDING TABLES**

**Whole Bank Assessment Area**

<b>WHOLE BANK ASSESSMENT AREA</b>													
<b>2001 AGGREGATE LENDING COMPARISON</b>													
<b>SMALL BUSINESS</b>													
<b>Tract Income Category</b>	<b>Total Loans</b>				<b>Loan Amounts</b>						<b>Gross Revenue</b>		
	<b>Bank</b>		<b>Aggregate</b>		<b>\$100,000 or Less</b>		<b>\$100,001 - \$250,000</b>		<b>\$250,001 - \$1 Million</b>		<b>&lt;=\$1 Million</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>Bank</b>	<b>Aggregate</b>	<b>Bank</b>	<b>Aggregate</b>	<b>Bank</b>	<b>Aggregate</b>	<b>Bank</b>	<b>Aggregate</b>	<b>Aggregate</b>
Low	31	1.4%	2,598	6.5%	1.3%	6.2%	1.9%	7.9%	1.9%	10.4%	1.2%	6.5%	
Moderate	221	9.8%	5,754	14.5%	10.2%	14.4%	10.3%	14.7%	3.9%	15.6%	9.7%	13.0%	
Middle	1,472	65.2%	18,197	45.8%	66.6%	46.8%	59.9%	38.9%	58.1%	37.0%	68.4%	44.8%	
Upper	532	23.6%	13,178	33.2%	21.9%	32.6%	27.9%	38.4%	36.1%	37.1%	20.7%	35.7%	
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total</b>	<b>2,256</b>	<b>100.0%</b>	<b>39,727</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					<b>1839</b>	<b>35,099</b>	<b>262</b>	<b>2,464</b>	<b>155</b>	<b>2,164</b>	<b>1930</b>	<b>21,893</b>	
<b>% of Total</b>					<b>81.5%</b>	<b>88.4%</b>	<b>11.6%</b>	<b>6.2%</b>	<b>6.9%</b>	<b>5.4%</b>	<b>85.5%</b>	<b>55.1%</b>	

<b>WHOLE BANK ASSESSMENT AREA</b>								
<b>2001 AGGREGATE LENDING COMPARISON</b>								
<b>HMDA ORIGINATIONS &amp; PURCHASES</b>								
<b>Income Category</b>	<b>By Tract Income</b>				<b>By Borrower Income</b>			
	<b>Bank</b>		<b>Aggregate</b>		<b>Bank</b>		<b>Aggregate</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	13	1.1%	691	0.9%	87	7.1%	5,930	7.4%
Moderate	101	8.3%	7,339	9.1%	130	10.7%	12,276	15.3%
Middle	742	60.8%	40,511	50.5%	250	20.5%	15,945	19.9%
Upper	364	29.8%	31,689	39.5%	644	52.8%	31,998	39.9%
NA	0	0.0%	0	0.0%	109	8.9%	14,081	17.6%
<b>Total</b>	<b>1,220</b>	<b>100.0%</b>	<b>80,230</b>	<b>100.0%</b>	<b>1,220</b>	<b>100.0%</b>	<b>80,230</b>	<b>100.0%</b>

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Alabama Assessment Area**

ALABAMA ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue ≤\$1 Million	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		Bank	Aggregate
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	29	1.7%	2,302	7.9%	1.4%	7.5%	2.5%	9.0%	3.1%	12.3%	1.5%	7.6%
Moderate	216	12.3%	4,324	14.8%	12.7%	14.6%	13.0%	15.3%	5.2%	17.4%	12.2%	13.3%
Middle	1,075	61.3%	12,085	41.5%	62.2%	42.7%	58.5%	34.2%	53.1%	31.4%	64.9%	40.9%
Upper	435	24.8%	10,421	35.8%	23.7%	35.1%	26.0%	41.4%	38.5%	39.0%	21.4%	38.2%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1,755</b>	<b>100.0%</b>	<b>29,132</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
	<b>Number of Loans</b>				<b>1459</b>	<b>25,424</b>	<b>200</b>	<b>1,981</b>	<b>96</b>	<b>1,727</b>	<b>1488</b>	<b>16,898</b>
	<b>% of Total</b>				<b>83.1%</b>	<b>87.3%</b>	<b>11.4%</b>	<b>6.8%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>84.8%</b>	<b>58.0%</b>

ALABAMA ASSESSMENT AREA								
2001 AGGREGATE LENDING COMPARISON								
HMDA ORIGINATIONS & PURCHASES								
Income Category	By Tract Income				By Borrower Income			
	Bank		Aggregate		Bank		Aggregate	
	#	%	#	%	#	%	#	%
Low	11	1.6%	624	1.2%	59	8.8%	4,544	8.6%
Moderate	86	12.9%	4,475	8.5%	82	12.3%	8,915	16.9%
Middle	425	63.7%	25,337	48.2%	125	18.7%	11,129	21.2%
Upper	145	21.7%	22,165	42.1%	304	45.6%	19,417	36.9%
NA	0	0.0%	0	0.0%	97	14.5%	8,596	16.3%
<b>Total</b>	<b>667</b>	<b>100.0%</b>	<b>52,601</b>	<b>100.0%</b>	<b>667</b>	<b>100.0%</b>	<b>52,601</b>	<b>100.0%</b>

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Gadsden Assessment Area**

GADSDEN ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	82	20.8%	418	23.1%	21.5%	22.2%	21.8%	29.8%	10.7%	35.4%	19.7%	22.9%
Middle	189	47.8%	885	49.0%	45.2%	49.5%	58.2%	43.9%	57.1%	44.6%	47.8%	47.8%
Upper	124	31.4%	503	27.9%	33.3%	28.3%	20.0%	26.3%	32.1%	20.0%	32.5%	29.3%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>395</b>	<b>100.0%</b>	<b>1,806</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					312	1,627	55	114	28	65	345	1,069
<b>% of Total</b>					79.0%	90.1%	13.9%	6.3%	7.1%	3.6%	87.3%	59.2%

GADSDEN ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	4	3.1%	261	6.8%	
Moderate	18	14.2%	338	8.8%	15	11.8%	626	16.3%	
Middle	69	54.3%	1,899	49.5%	27	21.3%	852	22.2%	
Upper	40	31.5%	1,597	41.7%	76	59.8%	1,593	41.5%	
NA	0	0.0%	0	0.0%	5	3.9%	502	13.1%	
<b>Total</b>	<b>127</b>	<b>100.0%</b>	<b>3,834</b>	<b>100.0%</b>	<b>127</b>	<b>100.0%</b>	<b>3,834</b>	<b>100.0%</b>	

**Marshall Assessment Area**

MARSHALL ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	313	85.1%	2,150	83.0%	84.7%	83.2%	88.4%	76.2%	83.3%	88.6%	83.8%	81.7%
Upper	55	14.9%	440	17.0%	15.3%	16.8%	11.6%	23.8%	16.7%	11.4%	16.2%	18.3%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>368</b>	<b>100.0%</b>	<b>2,590</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					313	2,321	43	164	12	105	327	1,754
<b>% of Total</b>					85.1%	89.6%	11.7%	6.3%	3.3%	4.1%	88.9%	67.7%

MARSHALL ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	6	5.9%	200	6.1%	
Moderate	0	0.0%	0	0.0%	11	10.8%	488	14.8%	
Middle	87	85.3%	2,585	78.3%	15	14.7%	702	21.3%	
Upper	15	14.7%	718	21.7%	67	65.7%	1,414	42.8%	
NA	0	0.0%	0	0.0%	3	2.9%	499	15.1%	
<b>Total</b>	<b>102</b>	<b>100.0%</b>	<b>3,303</b>	<b>100.0%</b>	<b>102</b>	<b>100.0%</b>	<b>3,303</b>	<b>100.0%</b>	

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Birmingham Assessment Area**

BIRMINGHAM ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	20	6.5%	1,630	11.7%	5.8%	11.0%	10.0%	14.8%	10.5%	18.0%	7.5%	11.4%
Moderate	58	18.8%	2,736	19.6%	19.6%	19.1%	23.3%	22.9%	0.0%	22.6%	22.5%	18.5%
Middle	63	20.4%	3,665	26.2%	21.9%	27.7%	13.3%	16.9%	10.5%	15.9%	31.6%	25.3%
Upper	168	54.4%	5,941	42.5%	52.7%	42.2%	53.3%	45.3%	78.9%	43.6%	38.5%	44.8%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>309</b>	<b>100.0%</b>	<b>13,972</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					<b>260</b>	<b>12,181</b>	<b>30</b>	<b>891</b>	<b>19</b>	<b>900</b>	<b>187</b>	<b>7,839</b>
<b>% of Total</b>					<b>84.1%</b>	<b>87.2%</b>	<b>9.7%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>60.5%</b>	<b>56.1%</b>

BIRMINGHAM ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	1	2.0%	530	2.1%	5	10.2%	2,113	8.5%	
Moderate	3	6.1%	2,894	11.6%	10	20.4%	4,253	17.1%	
Middle	30	61.2%	9,835	39.4%	7	14.3%	4,951	19.9%	
Upper	15	30.6%	11,683	46.8%	23	46.9%	9,040	36.2%	
NA	0	0.0%	0	0.0%	4	8.2%	4,585	18.4%	
<b>Total</b>	<b>49</b>	<b>100.0%</b>	<b>24,942</b>	<b>100.0%</b>	<b>49</b>	<b>100.0%</b>	<b>24,942</b>	<b>100.0%</b>	

**Covington Assessment Area**

COVINGTON ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	47	11.8%	74	8.7%	12.8%	8.6%	4.0%	8.1%	0.0%	15.8%	12.9%	8.0%
Middle	351	88.2%	774	91.3%	87.2%	91.4%	96.0%	91.9%	100.0%	84.2%	87.1%	92.0%
Upper	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>398</b>	<b>100.0%</b>	<b>848</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					<b>359</b>	<b>792</b>	<b>25</b>	<b>37</b>	<b>14</b>	<b>19</b>	<b>357</b>	<b>477</b>
<b>% of Total</b>					<b>90.2%</b>	<b>93.4%</b>	<b>6.3%</b>	<b>4.4%</b>	<b>3.5%</b>	<b>2.2%</b>	<b>89.7%</b>	<b>56.3%</b>

COVINGTON ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	0	0.0%	12	16.2%	125	9.8%	
Moderate	6	8.1%	104	8.2%	16	21.6%	215	16.8%	
Middle	68	91.9%	1,172	91.8%	10	13.5%	292	22.9%	
Upper	0	0.0%	0	0.0%	32	43.2%	520	40.8%	
NA	0	0.0%	0	0.0%	4	5.4%	124	9.7%	
<b>Total</b>	<b>74</b>	<b>100.0%</b>	<b>1,276</b>	<b>100.0%</b>	<b>74</b>	<b>100.0%</b>	<b>1,276</b>	<b>100.0%</b>	

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Decatur Assessment Area**

DECATUR ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	20	1.1%	0.0%	1.0%	0.0%	2.5%	0.0%	1.2%	0.0%	1.3%
Moderate	4	13.8%	122	6.8%	14.8%	6.9%	0.0%	5.8%	0.0%	6.1%	13.8%	7.0%
Middle	25	86.2%	1,307	73.0%	85.2%	72.1%	100.0%	78.3%	0.0%	82.9%	86.2%	70.0%
Upper	0	0.0%	342	19.1%	0.0%	20.0%	0.0%	13.3%	0.0%	9.8%	0.0%	21.7%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>29</b>	<b>100.0%</b>	<b>1,791</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					27	1,589	2	120	0	82	29	1,079
<b>% of Total</b>					93.1%	88.7%	6.9%	6.7%	0.0%	4.6%	100.0%	60.2%

DECATUR ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	10	0.4%	4	12.1%	280	9.8%	
Moderate	7	21.2%	232	8.1%	5	15.2%	597	21.0%	
Middle	21	63.6%	1,514	53.2%	9	27.3%	668	23.5%	
Upper	5	15.2%	1,091	38.3%	13	39.4%	859	30.2%	
NA	0	0.0%	0	0.0%	2	6.1%	443	15.6%	
<b>Total</b>	<b>33</b>	<b>100.0%</b>	<b>2,847</b>	<b>100.0%</b>	<b>33</b>	<b>100.0%</b>	<b>2,847</b>	<b>100.0%</b>	

**Huntsville Assessment Area**

HUNTSVILLE ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	9	6.3%	652	8.6%	6.0%	8.7%	7.7%	6.9%	5.6%	8.9%	6.0%	8.4%
Moderate	21	14.6%	958	12.6%	14.0%	13.1%	19.2%	8.5%	11.1%	12.0%	14.9%	9.9%
Middle	74	51.4%	2,923	38.5%	54.0%	39.4%	46.2%	33.1%	44.4%	34.4%	53.0%	36.8%
Upper	40	27.8%	3,051	40.2%	26.0%	38.7%	26.9%	51.5%	38.9%	44.6%	26.1%	44.9%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>144</b>	<b>100.0%</b>	<b>7,584</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					100	6,400	26	635	18	549	134	4,455
<b>% of Total</b>					69.4%	84.4%	18.1%	8.4%	12.5%	7.2%	93.1%	58.7%

HUNTSVILLE ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	10	5.8%	84	0.6%	8	4.6%	1,431	9.9%	
Moderate	48	27.7%	861	5.9%	10	5.8%	2,444	16.8%	
Middle	76	43.9%	7,148	49.2%	31	17.9%	3,283	22.6%	
Upper	39	22.5%	6,429	44.3%	46	26.6%	5,163	35.6%	
NA	0	0.0%	0	0.0%	78	45.1%	2,201	15.2%	
<b>Total</b>	<b>173</b>	<b>100.0%</b>	<b>14,522</b>	<b>100.0%</b>	<b>173</b>	<b>100.0%</b>	<b>14,522</b>	<b>100.0%</b>	

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Monroe Assessment Area**

MONROE ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	4	9.8%	16	8.5%	11.1%	8.3%	8.3%	20.0%	0.0%	0.0%	5.1%	5.3%
Middle	13	31.7%	97	51.6%	44.4%	52.5%	8.3%	20.0%	0.0%	50.0%	33.3%	44.0%
Upper	24	58.5%	75	39.9%	44.4%	39.2%	83.3%	60.0%	100.0%	50.0%	61.5%	50.7%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>41</b>	<b>100.0%</b>	<b>188</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Number of Loans</i>					27	181	12	5	2	2	39	75
<i>% of Total</i>					65.9%	96.3%	29.3%	2.7%	4.9%	1.1%	95.1%	39.9%

MONROE ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	0	0.0%	8	17.0%	62	7.9%	
Moderate	4	8.5%	46	5.9%	4	8.5%	114	14.5%	
Middle	28	59.6%	431	54.9%	9	19.1%	157	20.0%	
Upper	15	31.9%	308	39.2%	26	55.3%	374	47.6%	
NA	0	0.0%	0	0.0%	0	0.0%	78	9.9%	
<b>Total</b>	<b>47</b>	<b>100.0%</b>	<b>785</b>	<b>100.0%</b>	<b>47</b>	<b>100.0%</b>	<b>785</b>	<b>100.0%</b>	

**Talladega Assessment Area**

TALLADEGA ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	47	66.2%	284	80.5%	68.9%	80.5%	57.1%	86.7%	33.3%	60.0%	67.1%	77.3%
Upper	24	33.8%	69	19.5%	31.1%	19.5%	42.9%	13.3%	66.7%	40.0%	32.9%	22.7%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>71</b>	<b>100.0%</b>	<b>353</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Number of Loans</i>					61	333	7	15	3	5	70	150
<i>% of Total</i>					85.9%	94.3%	9.9%	4.2%	4.2%	1.4%	98.6%	42.5%

TALLADEGA ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	0	0.0%	12	19.4%	72	6.6%	
Moderate	0	0.0%	0	0.0%	11	17.7%	178	16.3%	
Middle	46	74.2%	753	69.0%	17	27.4%	224	20.5%	
Upper	16	25.8%	339	31.0%	21	33.9%	454	41.6%	
NA	0	0.0%	0	0.0%	1	1.6%	164	15.0%	
<b>Total</b>	<b>62</b>	<b>100.0%</b>	<b>1,092</b>	<b>100.0%</b>	<b>62</b>	<b>100.0%</b>	<b>1,092</b>	<b>100.0%</b>	



**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Florida Assessment Area**

FLORIDA ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	2	0.4%	296	2.8%	0.5%	2.8%	0.0%	3.3%	0.0%	2.7%	0.2%	3.1%
Moderate	5	1.0%	1,430	13.5%	0.8%	13.8%	1.6%	12.4%	1.7%	8.7%	1.1%	11.9%
Middle	397	79.2%	6,112	57.7%	83.7%	57.6%	64.5%	58.2%	66.1%	59.0%	80.3%	57.8%
Upper	97	19.4%	2,757	26.0%	15.0%	25.9%	33.9%	26.1%	32.2%	29.5%	18.3%	27.2%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	501	100.0%	10,595	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Number of Loans</b>					380	9,675	62	483	59	437	442	4,995
<b>% of Total</b>					75.8%	91.3%	12.4%	4.6%	11.8%	4.1%	88.2%	47.1%

FLORIDA ASSESSMENT AREA								
2001 AGGREGATE LENDING COMPARISON								
HMDA ORIGINATIONS & PURCHASES								
Income Category	By Tract Income				By Borrower Income			
	Bank		Aggregate		Bank		Aggregate	
	#	%	#	%	#	%	#	%
Low	2	0.4%	67	0.2%	28	5.1%	1,386	5.0%
Moderate	15	2.7%	2,864	10.4%	48	8.7%	3,361	12.2%
Middle	317	57.3%	15,174	54.9%	125	22.6%	4,816	17.4%
Upper	219	39.6%	9,524	34.5%	340	61.5%	12,581	45.5%
NA	0	0.0%	0	0.0%	12	2.2%	5,485	19.9%
Total	553	100.0%	27,629	100.0%	553	100.0%	27,629	100.0%

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Franklin-Gulf Assessment Area**

FRANKLIN-GULF ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	64	14.4%	0.0%	14.7%	0.0%	15.4%	0.0%	0.0%	0.0%	9.4%
Middle	19	100.0%	274	61.7%	100.0%	61.4%	0.0%	53.8%	100.0%	88.9%	100.0%	60.9%
Upper	0	0.0%	106	23.9%	0.0%	23.9%	0.0%	30.8%	0.0%	11.1%	0.0%	29.7%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>444</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					<b>18</b>	<b>422</b>	<b>0</b>	<b>13</b>	<b>1</b>	<b>9</b>	<b>19</b>	<b>138</b>
<b>% of Total</b>					<b>94.7%</b>	<b>95.0%</b>	<b>0.0%</b>	<b>2.9%</b>	<b>5.3%</b>	<b>2.0%</b>	<b>100.0%</b>	<b>31.1%</b>

FRANKLIN-GULF ASSESSMENT AREA								
2001 AGGREGATE LENDING COMPARISON								
HMDA ORIGINATIONS & PURCHASES								
Income Category	By Tract Income				By Borrower Income			
	Bank		Aggregate		Bank		Aggregate	
	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	23	2.0%
Moderate	0	0.0%	231	19.6%	1	12.5%	81	6.9%
Middle	6	75.0%	622	52.8%	1	12.5%	137	11.6%
Upper	2	25.0%	325	27.6%	6	75.0%	674	57.2%
NA	0	0.0%	0	0.0%	0	0.0%	263	22.3%
<b>Total</b>	<b>8</b>	<b>100.0%</b>	<b>1,178</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>	<b>1,178</b>	<b>100.0%</b>

**Panama City Assessment Area**

PANAMA CITY ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	2	1.5%	296	7.1%	2.5%	7.1%	0.0%	8.3%	0.0%	6.9%	0.9%	8.2%
Moderate	3	2.3%	565	13.6%	2.5%	13.9%	3.6%	10.9%	0.0%	9.7%	2.7%	11.6%
Middle	68	51.9%	1,897	45.6%	56.3%	45.8%	42.9%	46.6%	47.8%	40.0%	54.5%	43.6%
Upper	58	44.3%	1,406	33.8%	38.8%	33.3%	53.6%	34.2%	52.2%	43.4%	41.8%	36.5%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>131</b>	<b>100.0%</b>	<b>4,164</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					<b>80</b>	<b>3,796</b>	<b>28</b>	<b>193</b>	<b>23</b>	<b>175</b>	<b>110</b>	<b>1,872</b>
<b>% of Total</b>					<b>61.1%</b>	<b>91.2%</b>	<b>21.4%</b>	<b>4.6%</b>	<b>17.6%</b>	<b>4.2%</b>	<b>84.0%</b>	<b>45.0%</b>

PANAMA CITY ASSESSMENT AREA								
2001 AGGREGATE LENDING COMPARISON								
HMDA ORIGINATIONS & PURCHASES								
Income Category	By Tract Income				By Borrower Income			
	Bank		Aggregate		Bank		Aggregate	
	#	%	#	%	#	%	#	%
Low	2	0.6%	67	0.6%	15	4.7%	582	5.6%
Moderate	14	4.4%	942	9.1%	30	9.4%	1,233	11.9%
Middle	152	47.6%	5,538	53.6%	84	26.3%	1,929	18.7%
Upper	151	47.3%	3,790	36.7%	186	58.3%	4,237	41.0%
NA	0	0.0%	0	0.0%	4	1.3%	2,356	22.8%
<b>Total</b>	<b>319</b>	<b>100.0%</b>	<b>10,337</b>	<b>100.0%</b>	<b>319</b>	<b>100.0%</b>	<b>10,337</b>	<b>100.0%</b>

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Liberty Assessment Area**

LIBERTY ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	122	100.0%	64	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Upper	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>122</b>	<b>100.0%</b>	<b>64</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					92	60	13	3	17	1	112	30
<b>% of Total</b>					75.4%	93.8%	10.7%	4.7%	13.9%	1.6%	91.8%	46.9%

LIBERTY ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income					By Borrower Income			
	Bank		Aggregate			Bank		Aggregate	
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	1	1.8%	3	3.3%	
Moderate	0	0.0%	0	0.0%	6	10.5%	14	15.4%	
Middle	57	100.0%	91	100.0%	16	28.1%	24	26.4%	
Upper	0	0.0%	0	0.0%	32	56.1%	40	44.0%	
NA	0	0.0%	0	0.0%	2	3.5%	10	11.0%	
<b>Total</b>	<b>57</b>	<b>100.0%</b>	<b>91</b>	<b>100.0%</b>	<b>57</b>	<b>100.0%</b>	<b>91</b>	<b>100.0%</b>	

**Okaloosa Assessment Area**

OKALOOSA ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	2	4.4%	623	13.7%	3.0%	14.0%	0.0%	12.9%	14.3%	9.6%	5.3%	12.5%
Middle	40	88.9%	3,453	76.0%	90.9%	75.7%	100.0%	76.0%	71.4%	82.3%	86.8%	77.4%
Upper	3	6.7%	467	10.3%	6.1%	10.3%	0.0%	11.1%	14.3%	8.1%	7.9%	10.1%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>45</b>	<b>100.0%</b>	<b>4,543</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					33	4,109	5	225	7	209	38	2,307
<b>% of Total</b>					73.3%	90.4%	11.1%	5.0%	15.6%	4.6%	84.4%	50.8%

OKALOOSA ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income					By Borrower Income			
	Bank		Aggregate			Bank		Aggregate	
	#	%	#	%	#	%	#	%	
Low	0	0.0%	0	0.0%	0	0.0%	671	5.7%	
Moderate	0	0.0%	1,338	11.4%	1	2.5%	1,735	14.7%	
Middle	37	92.5%	8,215	69.8%	4	10.0%	2,227	18.9%	
Upper	3	7.5%	2,220	18.9%	32	80.0%	4,839	41.1%	
NA	0	0.0%	0	0.0%	3	7.5%	2,301	19.5%	
<b>Total</b>	<b>40</b>	<b>100.0%</b>	<b>11,773</b>	<b>100.0%</b>	<b>40</b>	<b>100.0%</b>	<b>11,773</b>	<b>100.0%</b>	

**APPENDIX D – AGGREGATE LENDING TABLES (Continued)**

**Walton Assessment Area**

WALTON ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	178	14.4%	0.0%	14.7%	0.0%	17.8%	0.0%	2.4%	0.0%	12.6%
Middle	3	7.7%	283	22.8%	11.1%	23.6%	0.0%	13.3%	0.0%	12.2%	8.6%	20.9%
Upper	36	92.3%	778	62.8%	88.9%	61.8%	100.0%	68.9%	100.0%	85.4%	91.4%	66.5%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>39</b>	<b>100.0%</b>	<b>1,239</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					27	1,153	6	45	6	41	35	603
<b>% of Total</b>					69.2%	93.1%	15.4%	3.6%	15.4%	3.3%	89.7%	48.7%

WALTON ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	0	0.0%	0	0.0%	91	2.2%	
Moderate	1	1.4%	353	8.7%	1	1.4%	259	6.4%	
Middle	6	8.6%	525	12.9%	8	11.4%	459	11.3%	
Upper	63	90.0%	3,189	78.4%	59	84.3%	2,720	66.9%	
NA	0	0.0%	0	0.0%	2	2.9%	538	13.2%	
<b>Total</b>	<b>70</b>	<b>100.0%</b>	<b>4,067</b>	<b>100.0%</b>	<b>70</b>	<b>100.0%</b>	<b>4,067</b>	<b>100.0%</b>	

**Calhoun Assessment Area**

CALHOUN ASSESSMENT AREA												
2001 AGGREGATE LENDING COMPARISON												
SMALL BUSINESS												
Tract Income Category	Total Loans				Loan Amounts						Gross Revenue	
	Bank		Aggregate		\$100,000 or Less		\$100,001 - \$250,000		\$250,001 - \$1 Million		<=\$1 Million	
	#	%	#	%	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate	Bank	Aggregate
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	145	100.0%	141	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Upper	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NA	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>145</b>	<b>100.0%</b>	<b>141</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Loans</b>					130	135	10	4	5	2	128	45
<b>% of Total</b>					89.7%	95.7%	6.9%	2.8%	3.4%	1.4%	88.3%	31.9%

CALHOUN ASSESSMENT AREA									
2001 AGGREGATE LENDING COMPARISON									
HMDA ORIGINATIONS & PURCHASES									
Income Category	By Tract Income				By Borrower Income				
	Bank		Aggregate		Bank		Aggregate		
	#	%	#	%	#	%	#	%	%
Low	0	0.0%	0	0.0%	12	20.3%	16	8.7%	
Moderate	0	0.0%	0	0.0%	9	15.3%	39	21.3%	
Middle	59	100.0%	183	100.0%	12	20.3%	40	21.9%	
Upper	0	0.0%	0	0.0%	25	42.4%	71	38.8%	
NA	0	0.0%	0	0.0%	1	1.7%	17	9.3%	
<b>Total</b>	<b>59</b>	<b>100.0%</b>	<b>183</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>	<b>183</b>	<b>100.0%</b>	

## APPENDIX E - GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Block numbering area (“BNA”):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census tract:** A 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. Census tracts 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.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**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 nonrelatives 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).

**Full review:** Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (“HMDA”):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

**APPENDIX E – GLOSSARY (Continued)**

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**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.

**Limited review:** Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**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.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (“MA”):** Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan statistical area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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 percent and less than 120 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

<b>APPENDIX E – GLOSSARY (Continued)</b>
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**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**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.