

PUBLIC DISCLOSURE

September 11, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Premier Bank of the South
Cullman, Alabama**

RSSD ID Number: 1160509

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	PAGE
INSTITUTION'S CRA RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	4
CONCLUSIONS WITH RESPECT TO PREFORMANCE CRITERIA	5
Scope of Examination	5
Loan-to-Deposit Ratio Analysis	5
Assessment Area Concentration	6
Geographic Distribution and Distribution by Borrower's Profile	6
Complaints	7
Compliance with Antidiscrimination Laws	7
NONMETROPOLITAN AREA: CULLMAN-WINSTON ASSESSMENT AREA	8
Distribution by Borrower's Profile	16
Geographic Distribution of Loans	17
METROPOLITAN AREAS (LIMITED SCOPE REVIEWS)	19
APPENDIX A: OTHER DEMOGRAPHIC AND LENDING TABLES	20
APPENDIX B: GENERAL INFORMATION AND DEFINITIONS	31

INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING

This institution is rated **Satisfactory**.

The bank's average LTD ratio for the past twelve quarters ended December 31, 2005, was **REASONABLE** given the institution's size, financial condition, and competition within its assessment area. A **SUBSTANTIAL MAJORITY** of the bank's loans were extended to businesses inside the assessment area. The bank's lending reflects a **REASONABLE** penetration among individuals of different incomes, including low- and moderate-income levels, and businesses of different revenue sizes. The geographic distribution of loans reflects a **REASONABLE** dispersion throughout the assessment area. The bank has received no CRA related complaints since the previous examination. In addition, the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations.

DESCRIPTION OF INSTITUTION

DESCRIPTION OF INSTITUTION

Premier Bank of the South is a small community bank headquartered in Cullman, Alabama.. The bank operates three full service facilities and two freestanding ATMs in Cullman County, and one full service facility in each of Madison, Morgan, and Winston Counties, Alabama. Since the previous examination, the bank opened an office in Madison County and an office in Cullman County. According to the Consolidated Reports of Condition and Income (Call Report), between January 1, 2004 and December 31, 2005, the bank's total assets increased by 20.2 percent from \$99.5 million to \$119.5 million. During this same time period, total loans outstanding increased by 25.8 percent from \$62.4 million to \$78.5 million and total deposits increased by 23.7 percent from \$72.4 million to \$89.5 million.

Premier Bank of the South is a full service bank that offers a wide variety of credit products to meet community credit needs. Credit products offered by the bank include consumer, residential mortgage, home equity, business, and commercial real estate loans. The bank's business strategy encourages residential, consumer, and small business lending.

The composition of the loan portfolio according to the December 31, 2003, 2004, and 2005 Call Reports is displayed in the following table:

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2005		12/31/2004		12/31/2003	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	3,507	4.5%	2,633	3.9%	1,410	2.3%
Secured by One- to Four- Family Dwellings	22,338	28.9%	22,694	33.3%	20,014	32.2%
Other Real Estate:						
Farmland	1,943	2.5%	0	0.0%	1,031	1.7%
Multifamily	1,624	2.1%	823	1.2%	1,043	1.7%
Nonfarm nonresidential	22,014	28.4%	19,683	28.9%	19,112	30.7%
Commercial and Industrial	13,112	16.9%	12,199	17.9%	10,198	16.4%
Loans to Individuals	12,812	16.6%	9,974	14.6%	9,242	14.9%
Agricultural Loans	53	0.1%	216	0.3%	166	0.3%
Total	\$77,403	100.00%	\$68,222	100.00%	\$62,216	100.00%

* 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.

DESCRIPTION OF INSTITUTION (Continued)

As illustrated by the previous table, the bank's loan portfolio primarily consists of commercial loans, which are comprised of commercial and industrial and nonfarm nonresidential loans, followed by loans secured by one-to-four-family dwellings. This is consistent with the bank's strategy, which promotes commercial and real estate lending. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment area. There were no significant local economic factors that affected the ability of the bank to comply with the regulation.

The bank received a satisfactory CRA rating at its previous evaluation, conducted by the Federal Reserve Bank of Atlanta, dated September 9, 2002.

DESCRIPTION OF ASSESSMENT AREA

Premier Bank of the South has designated three assessment areas for the purpose of CRA: the Cullman-Winston Assessment Area, which consists of Cullman County and portions of Winston County; the Madison Assessment Area, which consists of portions of Madison County in the Huntsville, Alabama MD; and the Morgan Assessment Area, which consists of portions of Morgan County in the Decatur, Alabama MD. The bank's overall CRA rating was determined by evaluating the Cullman-Winston Assessment Area using full scope examination procedures regarding geographic distribution and lending to borrowers of different incomes. The Madison and Morgan Assessment Areas were evaluated using limited scope examination procedures. The banks performance in these assessment areas was compared to the performance in the Cullman-Winston assessment area and is described on page 19.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

SCOPE OF EXAMINATION

Premier Bank of the South's CRA examination was based on CRA activities in its assessment areas using small bank examination procedures. The evaluation included an analysis of all HMDA loans, and a sample of commercial loans originated from January 1, 2003, through December 31, 2005. Because the loan analysis includes loans that were originated before and after MSA and census tract changes made by the Office of Management and Budget (OMB) became effective in 2004, loans extended in 2003 were analyzed separately from loans extended in 2004 and 2005. For all loans originated in 2003, 2000 census demographic data were used to define the bank's assessment area. For all loans originated in 2004 and 2005, 2000 census demographic data reflecting OMB changes were used to define the bank's assessment area. The bank's assessment area does not arbitrarily exclude any low-income or moderate-income census tracts. During the review period, small business loans only slightly exceeded HMDA loans by dollar volume. As a result, small business and HMDA lending were given equal weight in the determination of the overall CRA rating.

Loan-to-Deposit Ratio Analysis

The bank's average loan-to-deposit (LTD) ratio for the twelve-quarter period ended December 31, 2005, was 85.2 percent and is considered **REASONABLE** given the institution's size, financial condition, and assessment area credit needs. The LTD ratio ranged from a high of 90.9 percent as of September 30, 2004, to a low of 78.9 percent as of March 31, 2005. The bank's average LTD ratio was compared with the LTD ratio of three other financial institutions that were of similar asset size with branch offices in the bank's assessment areas. The LTD ratios for these banks ranged from 32.7 percent to 85.6 percent. The bank's average LTD ratio exceeded two of the banks and was comparable to the other bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Assessment Area Concentration

An analysis of the bank's record of lending inside its assessment area was conducted. The review consisted of an analysis of all HMDA loans (324) and a sample of commercial loans (275) originated by the bank from January 1, 2003 through December 31, 2005. The following table shows the levels of lending inside and outside the assessment area for each loan type:

Lending Inside and Outside the Assessment Area

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	76	92.7	\$1,681	95.9	6	7.3	\$71	4.1
Home Purchase -	99	87.6	\$5,636	74.4	14	12.4	\$1,936	25.6
Multi-Family Housing	2	100.0	\$1,104	100.0	0	0.0	\$0	0.0
Refinancing	121	95.3	\$8,504	94.6	6	4.7	\$489	5.4
Total HMDA related	298	92.0	\$16,925	87.1	26	8.0	\$2,496	12.9
Small Business	255	92.7	\$19,006	93.8	20	7.3	\$1,252	6.2
TOTAL LOANS	553	92.3	\$35,931	90.6	46	7.7	\$3,748	9.4

A **SUBSTANTIAL MAJORITY** of Premier Bank of the South's HMDA and commercial loans are **IN** the bank's assessment area. As illustrated in the table above, 92.3 percent of the bank's HMDA and commercial loans and 90.6 percent of the dollars associated with these loans were originated in the assessment area.

Geographic Distribution and Distribution by Borrower's Profile

The geographic distribution of loans reflects **REASONABLE** penetration throughout the assessment areas. The distribution of borrowers reflects **REASONABLE** penetration among customers of different income levels and businesses of different sizes. These conclusions were based upon the bank's performance in the Cullman-Winston Assessment Area considering performance context information and available demographic data. The analysis of HMDA and commercial lending in the Cullman-Winston Assessment Area is discussed in greater detail later in the report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Responsiveness to Complaints

The bank has not received any CRA-related complaints since the previous examination.

Compliance With Antidiscrimination Laws

Premier Bank of the South is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applicants for credit.

Community Contacts

As part of the CRA evaluation, information was obtained from one community contact regarding local economic conditions and community credit needs. The contact was helpful and knowledgeable of the economic conditions in Cullman and Winston Counties. The contact generally had positive comments regarding the degree of involvement of the financial institutions in the community.

NONMETROPOLITAN AREA: CULLMAN-WINSTON ASSESSMENT AREA, ALABAMA

DESCRIPTION OF INSTITUTION OPERATIONS IN CULLMAN AND WINSTON ASSESSMENT AREA IN ALABAMA

Overview

Premier Bank of the South operates three banking offices in Cullman County and one banking office in Winston County. Three offices are located in middle-income census tracts and one office is located in an upper-income census tract. As of June 30, 2005, the bank had deposits of \$77.4 million and a deposit market share of 6.7 percent in Cullman County and deposits of \$5.4 million and a deposit market share of 1.6 percent in Winston County.

Demographic Data by Census Tracts

The following tables provide key demographic information from the 2000 census that was used in analyzing the bank's CRA performance. As a result of the Office of Management and Budget's (OMB) revision to census tract delineations in June 2003, tables are provided for both 2003 and 2004 & 2005 assessment area demographics. Certain components of the data in the table are discussed in the evaluation as they apply to particular parts of the analysis.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

Assessment Area Demographics

Assessment Area: Cullman-Winston 2003

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,407	16.7
Moderate-income	0	0.0	0	0.0	0	0.0	4,460	16.9
Middle-income	16	84.2	23,394	88.4	2,465	10.5	6,090	23.0
Upper-income	3	15.8	3,056	11.6	162	5.3	11,493	43.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	19	100.0	26,450	100.0	2,627	9.9	26,450	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	36,719	25,033	88.2	68.2	6,710	18.3	4,976	13.6
Upper-income	5,514	3,353	11.8	60.8	848	15.4	1,313	23.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	42,233	28,386	100.0	67.2	7,558	17.9	6,289	14.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,151	79.6	1,875	80.0	181	75.7	95	78.5
Upper-income	552	20.4	468	20.0	58	24.3	26	21.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,703	100.0	2,343	100.0	239	100.0	121	100.0
	Percentage of Total Businesses:			86.7		8.8		4.5

Based on 2000 Census Information.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

Assessment Area Demographics
 Assessment Area: Cullman-Winston 2004 & 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,645	17.6
Moderate-income	0	0.0	0	0.0	0	0.0	4,682	17.7
Middle-income	17	89.5	23,990	90.7	2,516	10.5	6,277	23.7
Upper-income	2	10.5	2,460	9.3	111	4.5	10,846	41.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	19	100.0	26,450	100.0	2,627	9.9	26,450	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	37,561	25,709	90.6	68.4	6,819	18.2	5,033	13.4
Upper-income	4,672	2,677	9.4	57.3	739	15.8	1,256	26.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	42,233	28,386	100.0	67.2	7,558	17.9	6,289	14.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,196	81.2	1,917	81.8	182	76.2	97	80.2
Upper-income	507	18.8	426	18.2	57	23.8	24	19.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,703	100.0	2,343	100.0	239	100.0	121	100.0
	Percentage of Total Businesses:			86.7		8.8		4.5

Based on 2000 Census Information.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

Housing Characteristics (2000 census and 2004 OMB changes)

2000 census data indicates that the median value of housing units in the assessment area was \$75,971, which is comparable to the median housing value for the state at \$76,700. The median age of housing in the assessment area is 23 years compared to the state of Alabama at 25 years. The OMB changes did not affect the 2000 census data in this regard.

Poverty Level (2000 census and 2004 OMB changes)

As indicated in the tables on pages 9 and 10, there are no low or moderate-income tracts in the assessment area. Of total families in the assessment area, 9.9 percent have incomes below the poverty level. The OMB changes did not affect the 2000 census data in this regard.

HUD Estimated Median Family Incomes for 2002, 2003, and 2004

The 2003 HUD estimated state non-metropolitan median family income for the state of Alabama, which includes Cullman and Winston Counties, was \$39,600. Based on the HUD estimated median family income, low-income families were those families with gross annual incomes of \$19,799 or less. Moderate-income families were families with gross annual incomes ranging from \$19,800 to \$31,679. The 2004 HUD estimated state non-metropolitan median family income for the state of Alabama was \$41,700. Based on the HUD estimated median family income, low-income families were those families with gross annual incomes of \$20,849 or less. Moderate-income families were families with gross annual income ranging from \$20,850 to \$33,359. The 2005 HUD estimated state non-metropolitan median family income for the state of Alabama was \$42,800. Based on the HUD estimated median family income, low-income families were those families with gross annual incomes of \$21,399 or less. Moderate-income families were families with gross annual income ranging from \$21,400 to \$34,239. Based on these income levels and median housing values, it may be difficult for financial institutions to originate home purchase loans (excluding manufactured housing) to low-income families and some moderate-income families due to the lack of available homes in an affordable price range.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

Other Information

Employment Statistics

The assessment area's economy is primarily dependent on the manufacturing and retail industries. According to the Bureau of Labor Statistics, the following table shows the unemployment rates for Cullman County, Winston County, and the state of Alabama from 2003 to 2005. The unemployment rates for Cullman County were consistently below the unemployment rates for the state of Alabama; however, Winston County unemployment rates were consistently above the unemployment rates for the state of Alabama.

Premier Bank of the South Unemployment Rates			
Region	Year		
	2003	2004	2005
Cullman County	5.3%	4.7%	3.5%
Winston County	8.8%	6.8%	4.6%
State of Alabama	5.5%	5.2%	4.0%

Competition

The assessment area is a competitive banking market due to the presence of several banks in the market. According to the June 30, 2003 FDIC/OTS Summary of Deposits Report, the bank ranked 10th out of fourteen financial institutions in Cullman and Winston Counties in deposit market share at 5.4 percent. According to the June 30, 2004 report, the bank ranked 10th out of fifteen financial institutions in Cullman and Winston Counties in deposit market share at 5.1 percent. According to the June 30, 2005 report, the bank ranked 9th out of fifteen financial institutions in Cullman and Winston Counties in deposit market share at 5.6 percent. During 2003, 2004, and 2005, two financial institutions operated more branches in the market than Premier Bank of the South, one with 10 offices and another with five offices. However; the bank's ability to originate loans in the Cullman-Winston Assessment Area has not been hindered by competition in the market.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The tables on the following pages, and additional tables in Appendix A of this report, show Premier Bank of the South's lending performance in the Cullman-Winston Assessment Area. Certain components of the data are discussed on the following pages as they apply to particular parts of the analysis.

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Loan Distribution Table

Assessment Area: Cullman-Winston 2003

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	9	23.7%	498	22.6%
Middle	35	92.1%	2,096	95.1%	7	18.4%	193	8.8%
Upper	3	7.9%	107	4.9%	22	57.9%	1,512	68.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	38	100.0%	2,203	100.0%	38	100.0%	2,203	100.0%
Refinance								
Low	0	0.0%	0	0.0%	3	6.5%	104	2.8%
Moderate	0	0.0%	0	0.0%	6	13.0%	236	6.3%
Middle	37	80.4%	2,468	65.9%	14	30.4%	825	22.0%
Upper	9	19.6%	1,278	34.1%	23	50.0%	2,581	68.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	46	100.0%	3,746	100.0%	46	100.0%	3,746	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	1	2.9%	15	2.7%
Moderate	0	0.0%	0	0.0%	10	28.6%	134	24.0%
Middle	27	77.1%	358	64.0%	13	37.1%	255	45.6%
Upper	8	22.9%	201	36.0%	11	31.4%	155	27.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	35	100.0%	559	100.0%	35	100.0%	559	100.0%
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	50.0%	365	33.1%	0	0.0%	0	0.0%
Upper	1	50.0%	739	66.9%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	1,104	100.0%
Total	2	100.0%	1,104	100.0%	2	100.0%	1,104	100.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	4	3.3%	119	1.6%
Moderate	0	0.0%	0	0.0%	25	20.7%	868	11.4%
Middle	100	82.6%	5,287	69.5%	34	28.1%	1,273	16.7%
Upper	21	17.4%	2,325	30.5%	56	46.3%	4,248	55.8%
Unknown	0	0.0%	0	0.0%	2	1.7%	1,104	14.5%
Total	121	100.0%	7,612	100.0%	121	100.0%	7,612	100.0%
COMMERCIAL								
	#	%		%	\$(000s)		%	
By Tract Income								
Low	0	0.0%	0	0.0%	0	0.0%	0.0%	
Moderate	0	0.0%	0	0.0%	0	0.0%	0.0%	
Middle	96	85.0%	8,949	88.7%				
Upper	17	15.0%	1,140	11.3%				
Unknown	0	0.0%	0	0.0%	0	0.0%	0.0%	
Total	113	100.0%	10,089	100.0%				
By Revenue								
\$1 Million or Less	52	46.0%	6,245	61.9%				
Over \$1 Million	24	21.2%	2,375	23.5%				
Not Known	37	32.7%	1,469	14.6%				
Total	113	100.0%	10,089	100.0%				
By Loan Size								
\$100,000 or less	82	72.6%	2,215	22.0%				
\$100,001 - \$250,000	22	19.5%	3,658	36.3%				
\$250,001 - \$1 Million	9	8.0%	4,216	41.8%				
Over \$1 Million	0	0.0%	0	0.0%				
Total	113	100.0%	10,089	100.0%				

Originations and Purchases

NONMETROPOLITAN AREA: CULLMAN-WINSTON, ALABAMA (Continued)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Loan Distribution Table

Assessment Area: Cullman-Winston 2004 & 2005

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	6	13.6%	194	6.8%
Moderate	0	0.0%	0	0.0%	7	15.9%	189	6.6%
Middle	35	79.5%	2,320	81.4%	13	29.5%	511	17.9%
Upper	9	20.5%	529	18.6%	18	40.9%	1,955	68.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	44	100.0%	2,849	100.0%	44	100.0%	2,849	100.0%
Refinance								
Low	0	0.0%	0	0.0%	4	5.8%	137	3.0%
Moderate	0	0.0%	0	0.0%	18	26.1%	489	10.8%
Middle	61	88.4%	3,899	86.4%	18	26.1%	823	18.2%
Upper	8	11.6%	616	13.6%	28	40.6%	2,283	50.6%
Unknown	0	0.0%	0	0.0%	1	1.4%	783	17.3%
Total	69	100.0%	4,515	100.0%	69	100.0%	4,515	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	3	8.1%	114	10.8%
Moderate	0	0.0%	0	0.0%	6	16.2%	118	11.2%
Middle	34	91.9%	793	75.2%	10	27.0%	204	19.4%
Upper	3	8.1%	261	24.8%	18	48.6%	618	58.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	37	100.0%	1,054	100.0%	37	100.0%	1,054	100.0%
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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	13	8.7%	445	5.3%
Moderate	0	0.0%	0	0.0%	31	20.7%	796	9.5%
Middle	130	86.7%	7,012	83.3%	41	27.3%	1,538	18.3%
Upper	20	13.3%	1,406	16.7%	64	42.7%	4,856	57.7%
Unknown	0	0.0%	0	0.0%	1	0.7%	783	9.3%
Total	150	100.0%	8,418	100.0%	150	100.0%	8,418	100.0%
COMMERCIAL								
	#	%	\$(000s)		%			
By Tract Income								
Low	0	0.0%	0		0.0%			
Moderate	0	0.0%	0		0.0%			
Middle	94	87.9%	5,801		75.0%			
Upper	13	12.1%	1,935		25.0%			
Unknown	0	0.0%	0		0.0%			
Total	107	100.0%	7,736		100.0%			
By Revenue								
\$1 Million or Less	33	30.8%	1,760		22.8%			
Over \$1 Million	26	24.3%	4,955		64.1%			
Not Known	48	44.9%	1,020		13.2%			
Total	107	100.0%	7,735		100.0%			
By Loan Size								
\$100,000 or less	88	82.2%	1,829		23.6%			
\$100,001 - \$250,000	10	9.3%	1,313		17.0%			
\$250,001 - \$1 Million	9	8.4%	4,592		59.4%			
Over \$1 Million	0	0.0%	0		0.0%			
Total	107	100.0%	7,734		100.0%			

Originations and Purchases

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Distribution by Borrower's Profile

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

Year 2003

The bank's HMDA lending to low-income borrowers at 3.3 percent is significantly lower than the percentage of low-income families in the Cullman-Winston Assessment Area at 16.7 percent. The lack of lending to low-income families is attributed to the lack of applications from low-income families as well as failure to meet lending criteria for the bank's HMDA loan products. The bank's percentage of HMDA loans to moderate-income borrowers at 20.7 percent is higher than the percentage of moderate-income families in the assessment area at 16.9 percent. According to the 2003 aggregate comparison loan distribution table for the Cullman-Winston Assessment Area in Appendix A, the bank's HMDA lending to low-income borrowers at 3.3 percent was slightly lower than the aggregate performance at 4.6 percent. The bank's HMDA lending to moderate-income borrowers at 20.7 percent was higher than the aggregate at 15.2 percent.

Of the 113 commercial loans originated in the Cullman-Winston Assessment Area, 76 had revenue information. Of the 76 loans, 68.4 percent were originated to businesses with reported revenues of \$1 million or less. This is lower than the percentage of the businesses in the assessment area with revenues of \$1 million or less at 86.7 percent. Since a large number of the commercial loans did not report revenue information, an analysis was also performed based on loan size to determine if the bank was meeting the needs of small businesses. Typically, loans in amounts of \$100,000 or less indicate lending to small businesses. Of the 113 commercial loans, 82 (72.6 percent) were in amounts of \$100,000 or less.

Years 2004 - 2005

The bank's HMDA lending to low-income borrowers at 8.7 percent is significantly lower than the percentage of low-income families in the Cullman-Winston Assessment Area at 17.6 percent. The bank's percentage of HMDA loans to moderate-income borrowers at 20.7 percent is higher than the percentage of moderate-income

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

families in the assessment area at 17.7 percent. According to the 2004 and 2005 aggregate comparison loan distribution table for the Cullman-Winston Assessment Area in Appendix A, the bank's HMDA lending to low-income borrowers at 8.7 percent was significantly higher than the aggregate performance at 4.8 percent. In addition, the bank's HMDA lending to moderate-income borrowers at 20.7 percent was also higher than the aggregate at 17.7 percent.

Of the 107 commercial loans originated in the Cullman-Winston County assessment area, 59 had revenue information. Of the 59 loans, 55.9 percent were originated to businesses with reported gross annual revenues of \$1 million or less. This is significantly lower than the percentage of the businesses in the assessment area with gross annual revenues of \$1 million or less at 86.7 percent. Since a large number of the commercial loans did not report revenue information, an analysis was also performed based on loan size to determine if the bank was meeting the needs of small businesses. Typically, loans in amounts of \$100,000 or less indicate lending to small businesses. Of the 107 commercial loans, 88 (82.2 percent) were in amounts of \$100,000 or less.

Based on demographic factors, competition, aggregate lending data and community contact information, Premier Bank of the South's record of lending to borrowers of different incomes and businesses of different sizes is considered **REASONABLE**.

Geographic Distribution of Loans

For this analysis, the geographic distribution of the bank's residential real estate lending and commercial lending was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks. There are no low or moderate-income tracts in the bank's assessment area.

Year 2003

The bank's level of HMDA lending in the Cullman-Winston Assessment Area in middle-income tracts at 82.6 percent is slightly below than the percentage of owner-occupied units in these tracts at 88.2 percent. HMDA lending in the upper-income tracts at 17.4 percent is above the percentage of owner-occupied units at 11.8 percent in these tracts. According to the 2003 aggregate comparison loan distribution table for the Cullman-Winston Assessment area in Appendix A, the bank's HMDA lending in middle-income tracts at 82.6 percent

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

was comparable to the aggregate performance at 83.3 percent. In addition, the bank's HMDA lending in upper-income tracts at 17.4 was comparable to the aggregate at 16.7 percent.

The bank's percentage of commercial loans originated in middle-income tracts at 85.0 percent is higher than the percentage of businesses located in these tracts at 79.6 percent. The percentage of commercial loans originated in the upper-income tracts at 15.0 percent is below the percentage of businesses in these tracts at 20.4 percent.

Years 2004 - 2005

The bank's level of HMDA lending in the Cullman-Winston Assessment Area in middle-income tracts at 86.7 percent is slightly lower than the percentage of owner-occupied units in these tracts at 90.6 percent. HMDA lending in the upper-income tracts at 13.3 percent is above the percentage of owner-occupied units in these tracts at 9.4 percent. According to the 2003 aggregate comparison loan distribution table for the Cullman-Winston Assessment Area in Appendix A, the bank's HMDA lending in middle-income tracts at 86.7 percent was comparable to the aggregate performance at 87.6 percent. In addition, the bank's HMDA lending in upper-income tracts at 13.3 was comparable to the aggregate at 12.4 percent.

The bank's percentage of commercial loans originated in middle-income tracts in the Cullman-Winston Assessment Area at 87.9 percent is higher than the percentage of businesses located in these tracts at 81.2 percent. The percentage of commercial loans originated in the upper-income tracts at 12.1 percent is below the percentage of businesses in these tracts at 18.8 percent.

Based on demographic factors, community contact information, competition, and aggregate lending data, Premier Bank of the South's geographic distribution of loans reflects **REASONABLE** dispersion throughout the assessment area.

METROPOLITAN AREAS (LIMITED REVIEWS)

LIMITED SCOPE OF EXAMINATION

The following metropolitan areas were not reviewed using the 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 Appendix A for information regarding these areas. The table below compares the bank's Madison and Morgan County assessment areas performance to the Cullman-Winston County assessment area performance.

Assessment Areas	Borrower Distribution	Geographic Distribution
Madison County	Not Consistent (-)	Not Consistent (-)
Morgan County	Consistent	Consistent

APPENDIX A: AGGREGATE LENDING TABLES

Aggregate Comparison Loan Distribution Table

Assessment Area: Cullman-Winston 2003

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.4%	3.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	9	23.7%	22.6%	20.5%	13.7%
Middle	35	92.1%	95.1%	82.4%	79.1%	7	18.4%	8.8%	24.7%	20.4%
Upper	3	7.9%	4.9%	17.6%	20.9%	22	57.9%	68.6%	38.5%	51.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.0%	11.3%
Total	38	100.0%	100.0%	100.0%	100.0%	38	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	3	6.5%	2.8%	3.5%	1.7%
Moderate	0	0.0%	0.0%	0.0%	0.0%	6	13.0%	6.3%	12.7%	8.2%
Middle	37	80.4%	65.9%	83.3%	80.8%	14	30.4%	22.0%	19.5%	15.3%
Upper	9	19.6%	34.1%	16.7%	19.2%	23	50.0%	68.9%	52.7%	63.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	11.6%	11.9%
Total	46	100.0%	100.0%	100.0%	100.0%	46	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	1	2.9%	2.7%	9.5%	4.7%
Moderate	0	0.0%	0.0%	0.0%	0.0%	10	28.6%	24.0%	19.5%	11.7%
Middle	27	77.1%	64.0%	88.1%	85.6%	13	37.1%	45.6%	22.4%	24.6%
Upper	8	22.9%	36.0%	11.9%	14.4%	11	31.4%	27.7%	48.6%	59.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	35	100.0%	100.0%	100.0%	100.0%	35	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	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%
Middle	1	50.0%	33.1%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	50.0%	66.9%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	0.0%	0.0%
Total	2	100.0%	100.0%	0.0%	0.0%	2	100.0%	100.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	4	3.3%	1.6%	4.6%	2.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	25	20.7%	11.4%	15.2%	9.6%
Middle	100	82.6%	69.5%	83.3%	80.4%	34	28.1%	16.7%	21.1%	16.7%
Upper	21	17.4%	30.5%	16.7%	19.6%	56	46.3%	55.8%	48.5%	59.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	1.7%	14.5%	10.6%	11.5%
Total	121	100.0%	100.0%	100.0%	100.0%	121	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

APPENDIX A: AGGREGATE LENDING TABLES (Continued)

Aggregate Comparison Loan Distribution Table

Assessment Area: Cullman-Winston 2004 & 2005

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	6	13.6%	6.8%	3.8%	1.7%
Moderate	0	0.0%	0.0%	0.0%	0.0%	7	15.9%	6.6%	19.8%	13.8%
Middle	35	79.5%	81.4%	86.5%	82.1%	13	29.5%	17.9%	20.6%	17.5%
Upper	9	20.5%	18.6%	13.5%	17.9%	18	40.9%	68.6%	37.2%	53.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	18.5%	13.3%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	4	5.8%	3.0%	4.8%	2.4%
Moderate	0	0.0%	0.0%	0.0%	0.0%	18	26.1%	10.8%	15.9%	10.1%
Middle	61	88.4%	86.4%	88.5%	85.1%	18	26.1%	18.2%	23.2%	19.5%
Upper	8	11.6%	13.6%	11.5%	14.9%	28	40.6%	50.6%	41.4%	53.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	1.4%	17.3%	14.7%	14.6%
Total	69	100.0%	100.0%	100.0%	100.0%	69	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	3	8.1%	10.8%	10.8%	5.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	6	16.2%	11.2%	19.5%	15.1%
Middle	34	91.9%	75.2%	88.4%	88.2%	10	27.0%	19.4%	27.1%	24.6%
Upper	3	8.1%	24.8%	11.6%	11.8%	18	48.6%	58.6%	41.8%	54.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.8%	0.9%
Total	37	100.0%	100.0%	100.0%	100.0%	37	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	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%
Middle	0	0.0%	0.0%	66.7%	5.9%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	33.3%	94.1%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	13	8.7%	5.3%	4.8%	2.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	31	20.7%	9.5%	17.7%	11.7%
Middle	130	86.7%	83.3%	87.6%	83.6%	41	27.3%	18.3%	22.3%	18.7%
Upper	20	13.3%	16.7%	12.4%	16.4%	64	42.7%	57.7%	39.7%	53.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	0.7%	9.3%	15.5%	14.1%
Total	150	100.0%	100.0%	100.0%	100.0%	150	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

APPENDIX A: AGGREGATE LENDING TABLES (Continued)

Aggregate Comparison Loan Distribution Table

Assessment Area: Madison 2004 & 2005

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	1.2%	0.8%	0	0.0%	0.0%	14.4%	8.3%
Moderate	1	14.3%	6.2%	22.7%	15.0%	0	0.0%	0.0%	19.7%	15.6%
Middle	6	85.7%	93.8%	27.7%	22.9%	0	0.0%	0.0%	23.7%	24.3%
Upper	0	0.0%	0.0%	48.4%	61.3%	7	100.0%	100.0%	28.9%	40.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.2%	11.3%
Total	7	100.0%	100.0%	100.0%	100.0%	7	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	1.9%	0.9%	0	0.0%	0.0%	7.8%	4.7%
Moderate	0	0.0%	0.0%	22.1%	14.7%	0	0.0%	0.0%	14.8%	11.0%
Middle	0	0.0%	0.0%	32.4%	27.8%	0	0.0%	0.0%	19.1%	17.8%
Upper	0	0.0%	0.0%	43.5%	56.6%	0	0.0%	0.0%	31.2%	42.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	27.1%	23.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	3.5%	2.1%	0	0.0%	0.0%	18.2%	11.2%
Moderate	1	100.0%	100.0%	28.6%	22.0%	1	100.0%	100.0%	19.5%	16.4%
Middle	0	0.0%	0.0%	32.9%	35.8%	0	0.0%	0.0%	23.4%	19.9%
Upper	0	0.0%	0.0%	35.1%	40.1%	0	0.0%	0.0%	34.6%	47.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.3%	5.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	25.6%	13.5%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	60.5%	20.3%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	11.6%	64.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	2.3%	1.6%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	1.6%	1.2%	0	0.0%	0.0%	11.8%	6.7%
Moderate	2	25.0%	10.0%	22.7%	15.1%	1	12.5%	4.1%	17.7%	13.4%
Middle	6	75.0%	90.0%	29.6%	26.1%	0	0.0%	0.0%	21.8%	21.1%
Upper	0	0.0%	0.0%	46.1%	57.6%	7	87.5%	95.9%	29.8%	40.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	18.8%	18.6%
Total	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

APPENDIX A: AGGREGATE LENDING TABLES (Continued)

Aggregate Comparison Loan Distribution Table

Assessment Area: Morgan 2003

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	17.2%	9.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	27.6%	28.5%
Middle	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	16.6%	13.7%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	25.5%	37.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.1%	10.8%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	5.9%	3.8%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	21.4%	15.9%
Middle	1	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	27.3%	26.7%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	30.7%	39.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.7%	14.5%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	19.4%	15.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	45.2%	46.8%
Middle	2	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	22.6%	24.4%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.7%	5.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.2%	8.3%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	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%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	3	75.0%	90.9%	9.4%	5.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	24.2%	19.1%
Middle	4	100.0%	100.0%	100.0%	100.0%	1	25.0%	9.1%	24.4%	23.9%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	28.3%	38.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.7%	13.7%
Total	4	100.0%	100.0%	100.0%	100.0%	4	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

APPENDIX A: AGGREGATE LENDING TABLES (Continued)

Aggregate Comparison Loan Distribution Table

Assessment Area: Morgan 2004 & 2005

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	1	11.1%	13.1%	16.8%	13.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	3	33.3%	41.8%	17.4%	12.2%
Middle	9	100.0%	100.0%	100.0%	100.0%	4	44.4%	38.8%	25.3%	26.6%
Upper	0	0.0%	0.0%	0.0%	0.0%	1	11.1%	6.3%	21.1%	35.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	19.5%	13.0%
Total	9	100.0%	100.0%	100.0%	100.0%	9	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.0%	5.5%
Moderate	0	0.0%	0.0%	0.0%	0.0%	2	40.0%	41.6%	21.5%	14.3%
Middle	5	100.0%	100.0%	100.0%	100.0%	1	20.0%	14.6%	25.7%	23.8%
Upper	0	0.0%	0.0%	0.0%	0.0%	2	40.0%	43.8%	30.2%	43.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	12.5%	13.3%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	27.8%	12.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	16.7%	36.2%
Middle	1	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	22.2%	20.5%
Upper	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	33.3%	31.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	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%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	1	6.7%	7.5%	13.1%	8.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	5	33.3%	39.9%	19.8%	13.9%
Middle	15	100.0%	100.0%	100.0%	100.0%	5	33.3%	27.9%	25.4%	24.7%
Upper	0	0.0%	0.0%	0.0%	0.0%	4	26.7%	24.7%	27.0%	40.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.6%	13.0%
Total	15	100.0%	100.0%	100.0%	100.0%	15	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

APPENDIX A: DEMOGRAPHIC TABLES: Madison County

Assessment Area Demographics

Assessment Area: Madison 2003

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	11.6	2,767	6.4	1,201	43.4	10,395	24.1
Moderate-income	16	37.2	13,916	32.3	2,031	14.6	8,018	18.6
Middle-income	14	32.6	13,523	31.4	715	5.3	8,675	20.1
Upper-income	8	18.6	12,853	29.8	593	4.6	15,971	37.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	43	100.0	43,059	100.0	4,540	10.5	43,059	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	6,098	1,142	2.9	18.7	3,848	63.1	1,108	18.2
Moderate-income	27,356	11,639	29.1	42.5	12,060	44.1	3,657	13.4
Middle-income	20,843	13,717	34.3	65.8	5,538	26.6	1,588	7.6
Upper-income	16,999	13,473	33.7	79.3	2,566	15.1	960	5.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	71,296	39,971	100.0	56.1	24,012	33.7	7,313	10.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,239	20.2	1,029	19.5	179	27.8	31	14.1
Moderate-income	1,696	27.6	1,455	27.6	175	27.2	66	30.0
Middle-income	1,952	31.8	1,664	31.5	220	34.2	68	30.9
Upper-income	1,254	20.4	1,130	21.4	69	10.7	55	25.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,141	100.0	5,278	100.0	643	100.0	220	100.0
	Percentage of Total Businesses:			85.9		10.5		3.6

Based on 2000 Census Information.

APPENDIX A: DEMOGRAPHIC TABLES: Madison County (Continued)

Assessment Area Demographics

Assessment Area: Madison 2004 & 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	11.6	2,767	6.4	1,201	43.4	10,428	24.2
Moderate-income	16	37.2	13,916	32.3	2,031	14.6	8,030	18.6
Middle-income	14	32.6	13,523	31.4	715	5.3	8,679	20.2
Upper-income	8	18.6	12,853	29.8	593	4.6	15,922	37.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	43	100.0	43,059	100.0	4,540	10.5	43,059	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	6,098	1,142	2.9	18.7	3,848	63.1	1,108	18.2
Moderate-income	27,356	11,639	29.1	42.5	12,060	44.1	3,657	13.4
Middle-income	20,843	13,717	34.3	65.8	5,538	26.6	1,588	7.6
Upper-income	16,999	13,473	33.7	79.3	2,566	15.1	960	5.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	71,296	39,971	100.0	56.1	24,012	33.7	7,313	10.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1,239	20.2	1,029	19.5	179	27.8	31	14.1
Moderate-income	1,696	27.6	1,455	27.6	175	27.2	66	30.0
Middle-income	1,952	31.8	1,664	31.5	220	34.2	68	30.9
Upper-income	1,254	20.4	1,130	21.4	69	10.7	55	25.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,141	100.0	5,278	100.0	643	100.0	220	100.0
	Percentage of Total Businesses:			85.9		10.5		3.6

Based on 2000 Census Information.

APPENDIX A: DEMOGRAPHIC TABLES: Morgan County

Assessment Area Demographics

Assessment Area(s) : Morgan 2003-2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	660	21.0
Moderate-income	0	0.0	0	0.0	0	0.0	599	19.0
Middle-income	2		3,146		285	9.1	768	24.4
Upper-income	0	0.0	0	0.0	0	0.0	1,119	35.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2	100.0	3,146	100.0	285	9.1	3,146	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	4,353	3,407	100.0	78.3	631	14.5	315	7.2
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	4,353	3,407	100.0	78.3	631	14.5	315	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	204	100.0	173	100.0	16	100.0	15	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	204	100.0	173	100.0	16	100.0	15	100.0
	Percentage of Total Businesses:			84.8		7.8		7.4

Based on 2000 Census Information.

APPENDIX A: LENDING TABLES: Madison County

Loan Distribution Table

Assessment Area: Madison 2004 & 2005

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	14.3%	19	6.2%	0	0.0%	0	0.0%
Middle	6	85.7%	287	93.8%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	7	100.0%	306	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	7	100.0%	306	100.0%	7	100.0%	306	100.0%
Refinance								
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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	100.0%	13	100.0%	1	100.0%	13	100.0%
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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	13	100.0%	1	100.0%	13	100.0%
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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2	25.0%	32	10.0%	1	12.5%	13	4.1%
Middle	6	75.0%	287	90.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	7	87.5%	306	95.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	8	100.0%	319	100.0%	8	100.0%	319	100.0%
COMMERCIAL								
	#	%	\$(000s)		%			
By Tract Income								
Low	0	0.0%	0		0.0%			
Moderate	1	20.0%	35		18.7%			
Middle	3	60.0%	130		69.5%			
Upper	1	20.0%	22		11.8%			
Unknown	0	0.0%	0		0.0%			
Total	5	100.0%	187		100.0%			
By Revenue								
\$1 Million or Less	0	0.0%	0		0.0%			
Over \$1 Million	0	0.0%	0		0.0%			
Not Known	5	100.0%	187		100.0%			
Total	5	100.0%	187		100.0%			
By Loan Size								
\$100,000 or less	5	100.0%	187		100.0%			
\$100,001 - \$250,000	0	0.0%	0		0.0%			
\$250,001 - \$1 Million	0	0.0%	0		0.0%			
Over \$1 Million	0	0.0%	0		0.0%			
Total	5	100.0%	187		100.0%			

Originations and Purchases

APPENDIX A: LENDING TABLES: Morgan County

Loan Distribution Table

Assessment Area: Morgan 2003

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
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%	10	100.0%	1	100.0%	10	100.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	10	100.0%	1	100.0%	10	100.0%
Refinance								
Low	0	0.0%	0	0.0%	1	100.0%	65	100.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	65	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	65	100.0%	1	100.0%	65	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	2	100.0%	35	100.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	35	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	35	100.0%	2	100.0%	35	100.0%
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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	3	75.0%	100	90.9%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	4	100.0%	110	100.0%	1	25.0%	10	9.1%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4	100.0%	110	100.0%	4	100.0%	110	100.0%
COMMERCIAL								
By Tract Income								
	#	%	\$(000s)				%	
Low	0	0.0%	0				0.0%	
Moderate	0	0.0%	0				0.0%	
Middle	13	100.0%	600				100.0%	
Upper	0	0.0%	0				0.0%	
Unknown	0	0.0%	0				0.0%	
Total	13	100.0%	600				100.0%	
By Revenue								
\$1 Million or Less	4	30.8%	495				82.5%	
Over \$1 Million	0	0.0%	0				0.0%	
Not Known	9	69.2%	105				17.5%	
Total	13	100.0%	600				100.0%	
By Loan Size								
\$100,000 or less	12	92.3%	139				23.2%	
\$100,001 - \$250,000	0	0.0%	0				0.0%	
\$250,001 - \$1 Million	1	7.7%	461				76.8%	
Over \$1 Million	0	0.0%	0				0.0%	
Total	13	100.0%	600				100.0%	

Originations and Purchases

APPENDIX A: LENDING TABLES: Morgan County (Continued)

Loan Distribution Table

Assessment Area: Morgan 2004 & 2005

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	1	11.1%	35	13.1%
Moderate	0	0.0%	0	0.0%	3	33.3%	112	41.8%
Middle	9	100.0%	268	100.0%	4	44.4%	104	38.8%
Upper	0	0.0%	0	0.0%	1	11.1%	17	6.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	9	100.0%	268	100.0%	9	100.0%	268	100.0%
	Refinance							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	2	40.0%	74	41.6%
Middle	5	100.0%	178	100.0%	1	20.0%	26	14.6%
Upper	0	0.0%	0	0.0%	2	40.0%	78	43.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	5	100.0%	178	100.0%	5	100.0%	178	100.0%
	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	100.0%	20	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	1	100.0%	20	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	20	100.0%	1	100.0%	20	100.0%
	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%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	HMDA Totals							
Low	0	0.0%	0	0.0%	1	6.7%	35	7.5%
Moderate	0	0.0%	0	0.0%	5	33.3%	186	39.9%
Middle	15	100.0%	466	100.0%	5	33.3%	130	27.9%
Upper	0	0.0%	0	0.0%	4	26.7%	115	24.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	15	100.0%	466	100.0%	15	100.0%	466	100.0%
	COMMERCIAL							
	#	%	\$(000s)		%			
	By Tract Income							
Low	0	0.0%	0		0.0%			
Moderate	0	0.0%	0		0.0%			
Middle	17	100.0%	397		100.0%			
Upper	0	0.0%	0		0.0%			
Unknown	0	0.0%	0		0.0%			
Total	17	100.0%	397		100.0%			
	By Revenue							
\$1 Million or Less	4	23.5%	234		58.9%			
Over \$1 Million	1	5.9%	21		5.3%			
Not Known	12	70.6%	142		35.8%			
Total	17	100.0%	397		100.0%			
	By Loan Size							
\$100,000 or less	16	94.1%	241		60.7%			
\$100,001 - \$250,000	1	5.9%	156		39.3%			
\$250,001 - \$1 Million	0	0.0%	0		0.0%			
Over \$1 Million	0	0.0%	0		0.0%			
Total	17	100.0%	397		100.0%			

Originations and Purchases

APPENDIX B: GENERAL INFORMATION AND DEFINITIONS

General Information

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of the Bank of Forest prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of May 15, 2006. 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 12 CFR Part 228.

Income Definitions

Throughout this evaluation, the following definitions are used for the various income levels. These levels are defined in the CRA.

Low-Income - An individual income, or median family income for geographies, that is less than 50 percent of the area median income.

Moderate-Income - An individual income, or median family income for geographies, that is at least 50 percent but less than 80 percent of the area median income.

Middle-Income - An individual income, or median family income for geographies, that is at least 80 percent but less than 120 percent of the area median income.

Upper-Income - An individual income, or median family income for geographies, that is 120 percent or more of the area median income.

APPENDIX B: GENERAL INFORMATION AND DEFINITIONS (Continued)
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Other Definitions

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

Rounding Convention

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