

**PUBLIC DISCLOSURE**  
September 27, 1999  
**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Triangle Bank  
1162549  
4300 Glenwood Avenue  
Raleigh, North Carolina 27622

**Federal Reserve Bank of Richmond**  
**P. O. Box 27622**  
**Richmond, Virginia 23261**

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

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**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 CRA performance of Triangle Bank, Raleigh, North Carolina, prepared by The Federal Reserve Bank of Richmond, the institution's supervisory agency, as of September 27, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

**INSTITUTION'S CRA RATING:** This institution is rated Satisfactory.

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. A substantial majority of the institution's loans were extended in the bank's 15 assessment areas. Furthermore, the geographic distribution of loans and lending to borrowers of varying incomes and to businesses of different sizes is considered adequate. Participation in qualified community development investments is also considered adequate. Delivery systems and branch locations are considered readily accessible to all segments of the assessment area. The institution also provides a variety of products and

services through various means to meet the needs of local residents. The bank has not received any complaints regarding its CRA performance since the previous evaluation.

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

PERFORMANCE LEVELS	<u>Triangle Bank</u>		
	PERFORMANCE TESTS		
	LENDING TEST *	INVESTMENT TEST	SERVICE TEST
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

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

**DESCRIPTION OF INSTITUTION:**

Triangle Bank is headquartered in Raleigh, North Carolina, and currently operates 68 full-service branches in central and eastern North Carolina. The institution is a subsidiary of Triangle Bancorp, Incorporated, a multi-bank holding company also located in Raleigh. Since the prior examination in September 1997, Triangle Bank acquired 18 new branch locations and approximately \$406 million in assets through the acquisitions of United Federal Savings Bank, Rocky Mount, North Carolina, and Guaranty State Bank, Durham, North Carolina. As of June 30, 1999, the bank had assets exceeding \$2 billion of which 65% were loans and 25% were securities. The loan portfolio as of this date consisted of 31% residential real estate secured, 30% other real estate (including farmland and nonresidential property), 16% commercial and agricultural, 14% construction and land development, and 9% consumer. Since the previous examination, assets, loans, and deposits have increased by 66%, 68%, and 49%, respectively. Much of this growth is attributable to the bank's acquisition activity. The institution's previous CRA rating was satisfactory.

The bank serves 15 separate assessment areas throughout central and eastern North Carolina. Six of the assessment areas are located within metropolitan statistical areas (MSAs) and the remaining nine are located in nonmetropolitan areas of North Carolina. The six assessment areas located in an MSA are noted in the following table.

MSA Name	Assessment Area includes:
Raleigh-Durham-Chapel Hill	Chatham, Durham, Johnston, Orange, and Wake Counties
Rocky Mount	Edgecombe and Nash Counties
Fayetteville	Cumberland County
Goldsboro	Wayne County
Greenville	Pitt County
Wilmington	New Hanover County

The nine remaining markets consist of the following nonmetropolitan areas and include the counties listed below.

Harnett and Lee Counties
Columbus and Robeson Counties
Carteret and Craven Counties
Duplin County
Granville County
Halifax, Northampton, and Warren Counties
Richmond County
Washington County
Wilson County

Within the bank's 15 assessment areas, 69% of the lending occurred within four markets. These four markets include the Raleigh-Durham-Chapel Hill MSA (31%), Rocky Mount MSA (17%), Harnett and Lee Counties (12%), and Columbus and Robeson Counties (9%). Accordingly, full-scope examination procedures were used to determine the bank's performance within these communities as described in the lending, investment, and service test analyses, and conclusions are presented in this evaluation. General conclusions regarding the performance in both metropolitan and nonmetropolitan assessment areas not specifically reviewed under the examination procedures are also included in this evaluation. The institution's overall rating was based on its performance in all assessment areas.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

### **LENDING TEST**

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. During the eight-quarter period ending June 30, 1999, the quarterly average loan-to-deposit ratio for all banks headquartered in metropolitan areas of North Carolina and of similar asset size to Triangle Bank ranged from 82% to 87%. As of June 30, 1999, the bank's loan-to-deposit ratio was 83% and averaged 79% during the same eight-quarter period.

referenced above. The bank's loan-to-deposit is considered reasonable given its size, location, and financial capacity.

As identified in the institution's CRA Public File, a full range of credit products is offered including residential mortgage, residential construction, home improvement, small business, commercial, consumer, agricultural, and community development loans.

Lending Activity

The following chart approximates the bank's lending activity from October 1, 1997, through August 31, 1999, by number, dollar amount, and percentage for the types of credit listed.

<b>Triangle Bank Loan Originations</b>				
Loan Category	#	%	\$ (000S)	%
Small Business*	5,970	53%	\$387,875	52%
Small Farm*	1,416	13%	\$78,550	10%
Home Mortgage Disclosure Act (HMDA)*	3,728	33%	\$267,674	36%
Small Business-Real Estate Secured	149	1%	\$16,011	2%
<b>Totals</b>	<b>11,263</b>	<b>100%</b>	<b>\$750,110</b>	<b>100%</b>

\* The institution is required to collect information about these types of loans.

In an effort to meet the needs of its local communities, Triangle Bank is involved in a number of specialized lending programs and offers Government subsidized loans as well. Although data on these loans are included in the preceding table, the utilization of these programs demonstrates the bank's flexibility and desire to meet the needs of its community. Since the previous examination, the bank has extended seven loans in conjunction with the North Carolina Rural Economic Development Center totaling \$830,602. The Center is a public-private partnership seeking to facilitate economic development in the 85 rural counties of North Carolina. Among the loan programs sponsored by the Center are the North Carolina Capital Access Program and the North Carolina Microenterprise Loan Program. The bank also continues to actively originate Small Business Administration (SBA) loans through the various programs offered by the SBA. During the 21-month period ending September 30, 1999, the bank originated 108 SBA loans in excess of \$44.2 million.

Also included in the HMDA figures noted above are Fair Housing Administration (FHA), Veterans Administration (VA), and Wilmington Home Ownership Pool (WHOP) loans. Since the prior examination, the institution has extended 96 FHA and VA loans totaling \$8 million. Additionally, the bank participates in the WHOP sponsored by the City of Wilmington and the Wilmington Housing Finance and Development Office. The WHOP's purpose is to facilitate and increase home ownership among the city's low- and moderate-income residents. Currently, 11 banks participate in the program. The program offers flexible underwriting criteria and limited downpayment requirements. In general, the participating banks provide 60% to 70% of the financing in the form of a first

mortgage and the city provides the remaining financing as a second mortgage. The interest rates on the loans are below market and established in conjunction with the borrower's income, where borrowers with the lowest incomes receive the lowest interest rates. Since the previous examination, the bank has extended two loans under this program totaling \$73,875.

While regulatory requirements mandate the collection of small farm lending, it accounts for only a limited volume of lending by the bank. Consequently, the small farm data will only be evaluated in market areas in which there is a concentration of such loans. Small business real estate secured loans are not required to be reported by the institution; however, information on such loans was collected and will be combined with small business loans for presentation purposes.

### Assessment Area Concentration

The following table enumerates the institution's volume of lending from October 1, 1997 through August 31, 1999. The figures are presented on a combined basis and include both metropolitan and nonmetropolitan areas.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF ASSESSMENT AREAS								
	IN				OUT			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Small Business/Farm	6,693	89%	\$432,943	90%	842	11%	\$49,493	10%
HMDA	3,312	89%	\$235,861	88%	416	11%	\$31,813	12%
Totals	10,005	89%	\$668,804	89%	1,258	11%	\$81,306	11%

As depicted above, a substantial majority of the number and dollar amounts (89%) of the loans have been provided to area residents. The level of lending in the bank's market areas is considered responsive to community credit needs.

The geographic distribution of loans and the distribution of loans by borrower income and business/farm revenues are discussed in detail later in this evaluation. The bank's penetration of small business, small farm, and HMDA loans into low- and moderate-income areas and to low- and moderate-income borrowers and to businesses and farms with revenues of \$1 million or less generally met or slightly exceeded the various proxies used to estimate demand in the bank's Raleigh-Durham-Chapel Hill MSA. Overall, the bank's penetration of small business, small farm, and HMDA loans into low- and moderate-income areas and the level of lending to low- and moderate-income borrowers and to businesses and farms with revenues of \$1 million or less is generally lower than the various proxies used to estimate demand. The institution's overall lending distribution is considered adequate.

### Community Development Loans

The institution has extended 22 community development loans throughout its assessment areas since the previous examination. These qualified community development loans are detailed below:

- A \$94,000 loan to purchase an ambulance that will serve a community located entirely in a moderate-income area. This loan was extended in the Halifax, Northampton, and Warren Counties assessment area.

- A \$20,000 loan to a nonprofit entity whose services exclusively benefit underprivileged children. This loan was extended in the Halifax, Northampton, and Warren Counties assessment area.
- A \$1,141,215 loan to a nonprofit organization whose primary purpose is to attract new business ventures to Robeson County. This loan was extended in the Columbus and Robeson Counties assessment area.
- Eight loans totaling \$35,524 have been made to the City of Greenville for its Small Business Success Program. The Small Business Success Program's primary purpose is to provide a source of funding for small and developing businesses located within the City of Greenville that because of their size or age would likely be unable to obtain conventional financing.
- Eleven loans totaling \$626,123 have been extended through the Community Investment Corporation of North Carolina. This organization is a statewide affordable housing loan consortium that exists to provide a source of long-term permanent financing for low- and moderate-income multifamily housing developments. These loans are extended throughout the entire state of North Carolina and have benefited residents within numerous assessment areas of the bank.

The overall rating of the institution under the lending test is low satisfactory.

## **INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated low satisfactory. Qualified investments promoting business development, affordable housing, and community services were noted.

The bank invested \$1 million in the Self-Help Ventures Fund, which is one of two subsidiaries of the Center for Community Self-Help. The Center for Community Self-Help is a nonprofit organization founded in 1980 that oversees the activities of its subsidiaries which function as community development lenders serving low- and moderate-income individuals, small businesses, and nonprofit organizations through-out North Carolina. In 1998, Triangle Bank was awarded the Bank Enterprise Act Award in recognition of its lending and services performed in designated economically distressed areas of North Carolina. The bank was presented with \$110,000 which in turn was donated to the Self-Help Credit Union, also a subsidiary of the Center for Community Self-Help.

The institution continues to hold a \$239,940 bond issued by the SBA and also holds \$119,600 in municipal bonds issued by the Town of Fair Bluffs' Water Authority located in Columbus County, North Carolina. The entire town is located in a moderate-income area. The institution also made several qualified donations to organizations including the North Carolina Low Income Housing Coalition, Boys and Girls Club, Community Development Foundation, Harvest of Hope, Carolina Gateway Partnership, Goldsboro Housing Authority, and various other organizations. As of June 30, 1999, the bank held a total securities portfolio of \$509 million.

## **SERVICE TEST**

The overall rating under the service test is high satisfactory. Delivery systems, including automated teller machines (ATMs) and branch locations, are

considered readily accessible, and the hours of operation are convenient to all portions of the assessment areas. Twenty-one percent of the institution's 68 branch offices are located in low- or moderate-income geographies. A branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991. Some of the organizations in which Triangle Bank is actively involved include, but not limited to, North Carolina Low Income Housing Investor's Council, Habitat for Humanity, Interfaith Counsel for the Homeless, various Welfare-to-Work programs, Boys and Girls Clubs, and various local homeless shelters. The bank's participation in community development services is considered to be reasonable.

**COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS**

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Technical violations of the HMDA's Regulation C were noted. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

**METROPOLITAN STATEWIDE AREAS**  
(for metropolitan areas with some or all assessment areas reviewed using the examination procedures)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RALEIGH-DURHAM-CHAPEL HILL MSA:**

This assessment area is located in the Raleigh-Durham-Chapel Hill MSA and includes all of Chatham, Durham, Johnston, Orange, and Wake Counties, North Carolina. The market is served by 19 branches. According to 1990 census data, the assessment area has a population of 819,131, and a median housing value of \$89,624. Although the market area owner-occupancy rate (56%) is slightly less than the state's rate (61%), housing is generally considered affordable when compared to the 1990 median family income of \$40,284. The 1999 median family income for the MSA equals \$59,500. Furthermore, 7% of area families are considered below the poverty level, which compares favorably to the statewide rate of 9.9%.

The following table provides demographic data for the assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. The table also displays the distribution of owner-occupied housing and area poverty rates by income level of census tract.

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Percentage of Area Families by Income Level	19%	18%	24%	39%	100%
Percentage of Population by Census Tract Income Level	7%	21%	44%	28%	100%
Percentage of Owner-Occupied Housing Units by Census Tract Income Level	1%	20%	47%	32%	100%

Number of Census Tracts by Income Level	24*	43	74	49	190
Percentage of Families Below Poverty by Income Level of Census Tracts	38%	12%	5%	2%	N/A

\* Of the 24 low-income census tracts, six are unpopulated.

The local economy is characterized by a strong industrial base and economic structure. Employment opportunities are diversified among manufacturing, government, retail/wholesale trade and service industries. Major employers for the area include the State of North Carolina, International Business Machines Corporation, North Carolina State University, Northern Telecom Incorporated, Glaxo-Wellcome, the City of Raleigh, and Winn-Dixie, Incorporated. Unemployment rates, as of August 1999, for the area are as follows:

Chatham County	1.6%	Orange County	1.2%
Durham County	2.1%	Wake County	1.5%
Johnston County	1.9%	State of North Carolina	3.3%

A community contact was made to further assist in evaluating the bank's CRA performance in this assessment area. The contact noted that area financial institutions appear to be meeting the credit needs of the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RALEIGH-DURHAM-CHAPEL HILL MSA:**

### **LENDING TEST**

#### Geographic Distribution of Loans

The following tables represent the geographic distribution of the small business, small farm, and HMDA loans extended in the bank's assessment area by the income level of census tracts. The loans were extended during a 23-month period ending August 31, 1999.

DISTRIBUTION OF SMALL BUSINESS LOANS BY INCOME LEVEL OF TRACT RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	52	3%	\$5,411	3%
Moderate-Income	336	17%	\$33,028	19%
Middle-Income	1,063	53%	\$86,695	50%
Upper-Income	553	27%	\$49,554	28%
Totals	2,004	100%	\$174,688	100%



According to 1998 aggregate business loan data, of all reportable business loans within the assessment area, 4% were to businesses located in low-income areas and 17% were in moderate-income areas. As indicated in the preceding table, 20% of the bank's business loans were extended in low- or moderate-income geographies. This penetration level is considered reasonable when considering the aggregate data as a proxy for demand along with the bank's current business strategy and available resources.

DISTRIBUTION OF SMALL FARM LOANS BY INCOME LEVEL OF TRACT RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	0	0%	\$0	0%
Moderate-Income	90	55%	\$4,167	58%
Middle-Income	73	44%	\$2,970	41%
Upper-Income	2	1%	\$70	1%
Totals	165	100%	\$7,207	100%

Of all reportable farm loans within the assessment area, 52% were to farmers located in moderate-income areas, according to 1998 aggregate data. There were no farm loans reported by any lenders in the low-income census tracts. The bank's level of penetration into the moderate-income areas (55%) slightly exceeds the aggregate statistic.

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF TRACT RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	22	2%	\$848	1%
Moderate-Income	173	19%	\$9,910	12%
Middle-Income	509	56%	\$44,254	54%
Upper-Income	205	23%	\$26,480	33%
Totals	909	100%	\$81,492	100%

As indicated in the preceding table, 2% of the bank's loans subject to reporting under Regulation C (HMDA) were extended in low-income census tracts and 19% were in moderate-income tracts. This level of penetration exceeds that of the 1998 aggregate HMDA data, which reveals that 1% and 13% of all subject loans were extended in low- and moderate-income census tracts, respectively.

Overall, the bank's lending penetration into low- and moderate-income areas is considered reasonable when using the aggregate lending and demographic statistics as proxies for demand.

#### Borrower Profile

The following tables illustrate the distribution of small business, small farm, and HMDA loans extended in the bank's assessment area to businesses and farms of different sizes and by income level of the borrower. The loans were extended during a 23-month period ending August 31, 1999.

<b>DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF BUSINESS RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA</b>								
	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	1,410	74%	150	8%	123	6%	1,683	88%
Total Revenues > \$1 Million	138	7%	47	2%	52	3%	237	12%
Total Where Revenue is Known	1,548	81%	197	10%	175	9%	1,920	100%
Revenue Not Known/Percentage of Total Loans	66	3%	8	<1%	10	<1%	84	4%
Totals - All Loans	1,614		205		185		2,004	

According to Dunn and Bradstreet (D&B) demographic information, 89% of the business establishments within this assessment area have sales of less than \$1 million. As illustrated in the preceding table, 88% of the bank's small business loans were provided to businesses with revenues of \$1 million or less. Additionally, the bank's level of lending is significantly higher than the 1998 aggregate loan data, which shows approximately 54% of all reportable business loans within this assessment area were to businesses with revenues of \$1 million or less. Of the remaining proportion of loans, either the businesses had revenues over \$1 million or the revenues of the businesses were not reported. A further analysis of the institution's lending shows that 74% of the loans were to businesses with revenues not exceeding \$1 million and in amounts of \$100,000 or less. This level of lending demonstrates the institution's responsiveness in meeting the credit needs of local small businesses.

<b>DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF FARM RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA</b>								
	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	130	92%	5	4%	4	3%	139	99%
Total Revenues > \$1 Million	0	0%	0	0%	1	1%	1	1%

Total Where Revenue is Known	130	92%	5	4%	5	4%	140	100%
Revenue Not Known/Percentage of Total Loans	23	14%	0	0%	2	1%	25	15%
Totals - All Loans	153		5		7		165	

Based on 1998 aggregate loan data, at least 71% of all reportable farm loans within this assessment area were to entities with revenues of \$1 million or less (for the remaining proportion of loans, either the farms had revenues over \$1 million or revenues were not reported). Moreover, demographic information from D&B indicated that 98% of the farms within this assessment area have revenues of less than \$1 million. As shown above, 99% of the small farm loans were provided to operations with revenues of \$1 million or less. Furthermore, 92% of the loans were to farms with revenues not exceeding \$1 million and in amounts of \$100,000 or less.

<b>DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF BORROWER RALEIGH-DURHAM-CHAPEL HILL MSA ASSESSMENT AREA</b>				
Borrower Income Level	#	%	\$(000s)	%
Low-Income	101	12%	\$3,946	6%
Moderate-Income	181	21%	\$9,883	14%
Middle-Income	212	25%	\$15,144	22%
Upper-Income	364	42%	\$40,449	58%
Total Where Income Reported	858	100%	\$69,422	100%
Number Income Not Reported / Percentage of All Loans	51	6%	\$12,070	15%
Totals - All Loans	909		\$81,492	

As indicated in the preceding table, 12% of the bank's loans subject to reporting under the HMDA were extended to low-income borrowers and 21% were to moderate-income borrowers. This level of penetration exceeds that of the 1998 aggregate HMDA data, which reveals that 7% and 16% of all subject loans were extended to low- and moderate-income borrowers, respectively.

Given the product lines offered by the institution, the distribution of loans to businesses and farms of different sizes and to borrowers of different income levels is considered responsive to community credit needs using aggregate data and area demographics as proxies for demand.

#### Community Development Loans

The bank is a member of the Community Investment Corporation of North Carolina, which, as noted earlier, provides qualified community development credit in a number of communities throughout North Carolina. To the extent that the bank may have originated other loans for community development purposes in this particular assessment area, such financing has been reported as small business, small farm, or HMDA loans.

## **INVESTMENT TEST**

As previously mentioned, the bank maintains investments with the SBA and the Center for Community Self-Help. Additionally, a limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people.

Overall, the institution has a reasonable level of qualified investments and is supportive of community development initiatives.

## **SERVICE TEST**

### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail and extensive on-line banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Triangle Bank operates 19 full service branches in this assessment area, of which five (26%) are located in low- or moderate-income areas. Offices are typically open until 6 p.m. Monday through Friday. No new offices have been opened or existing offices closed in this market since the prior examination. Seven offices were acquired in this market as a result of Triangle Bank's acquisition of Guaranty State Bank, Durham, North Carolina, and United Federal Savings Bank, Rocky Mount, North Carolina.

### Community Development Services

The bank provides technical assistance to community development organizations. Some of the organizations in which the bank and its personnel are actively involved include, Capital Towers, Incorporated, a low-income housing facility for the elderly; Community Alternatives for Supportive Abodes, an affordable housing organization for the disabled; and Triangle Family Services, a social services organization providing a myriad of services to low- and moderate-income families.

The bank's systems for delivering retail-banking services appear effective and available to all portions of the assessment area, including low- and moderate-income areas. Furthermore, a high level of community development services is offered given the size, location, and financial capacity of the institution.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ROCKY MOUNT MSA:**

This assessment area includes all of Edgecombe and Nash Counties, North Carolina, and comprises the Rocky Mount MSA. Serviced by 14 branches, the community has a population of 133,235 and a median housing value of \$54,640, per 1990 census data. Housing is generally considered affordable when compared to the 1990 median family income of \$28,912. The owner-occupancy rate for the market is 59% and is similar to the North Carolina state rate of 61%. The 1999 median family income for the MSA is \$42,300. Furthermore, within the assessment area, 13.6% of area families are below the poverty level, while only 9.9% of the families in the state are below the poverty level.

The following table provides demographic data for the assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. The table also displays the distribution of owner-occupied housing and area poverty rates by census tract income level.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	21%	18%	21%	40%	100%
Percentage of Population by Census Tract Income Level	<1%	15%	67%	18%	100%
Percentage of Owner-Occupied Housing Units by Census Tract Income Level	<1%	11%	70%	19%	100%
Number of Census Tracts by Income Level	1	5	21	4	31
Percentage of Families Below Poverty by Income Level of Census Tracts	38%	24%	14%	5%	N/A

The local economy is primarily based on a mixture of light manufacturing, service industries, and agriculture. Major area employers include Abbott Laboratories, Consolidated Diesel Company, Nash Health Care Systems, Sprint/Carolina Telephone, and Meadowbrook Meat Company. Local unemployment rates, as of August 1999, for Edgecombe (7.0%) and Nash (4.9%) Counties remain high when compared to the state's rate of 3.3%.

A community contact was made to further assist in evaluating the bank's CRA performance. The contact stated that area financial institutions appear to be meeting the credit needs of the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ROCKY MOUNT MSA:**

**LENDING TEST**

## Geographic Distribution of Loans

The following tables represent the geographic distribution of the small business, small farm, and HMDA loans extended in the bank's assessment area by the income level of census tracts. The loans were extended during a 23-month period ending August 31, 1999.

DISTRIBUTION OF SMALL BUSINESS LOANS BY INCOME LEVEL OF TRACT ROCKY MOUNT MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	2	<1%	\$61	<1%
Moderate-Income	58	6%	\$4,158	13%
Middle-Income	764	76%	\$18,203	55%
Upper-Income	182	18%	\$10,457	32%
Totals	1,006	100%	\$32,879	100%

According to 1998 aggregate business loan data, of all reportable business loans within the assessment area, 1% were to businesses located in low-income areas and 8% were in moderate-income areas. The bank's penetration into these areas is comparable to aggregate statistics.

DISTRIBUTION OF SMALL FARM LOANS BY INCOME LEVEL OF TRACT ROCKY MOUNT MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	0	0%	\$0	0%
Moderate-Income	9	4%	\$456	4%
Middle-Income	193	91%	\$9,926	92%
Upper-Income	10	5%	\$405	4%
Totals	212	100%	\$10,787	100%

Of all reportable farm loans within the assessment area, 7% were to farms located in moderate-income areas, according to 1998 aggregate loan data. There were no farm loans reported by any lenders in the low-income census tracts. In comparison, the bank's level of lending in moderate-income areas (4%) is slightly lower than aggregate information.

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF TRACT ROCKY MOUNT MSA ASSESSMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Low-Income	0	0%	\$0	0%
Moderate-Income	36	7%	\$1,989	6%

Middle-Income	341	69%	\$21,679	63%
Upper-Income	116	24%	\$10,680	31%
Totals	493	100%	\$34,348	100%

As indicated in the table above, 7% of the bank's loans subject to reporting were extended in moderate-income census tracts and no loans were extended in low-income areas. This level of penetration is less than the 1998 aggregate HMDA data, which reveals that <1% and 10% of all subject loans were extended in low- and moderate-income census tracts, respectively. Although this level of lending appears somewhat low, it is considered adequate.

Overall, the bank's lending penetration into low- and moderate-income areas is considered adequate when using the aggregate lending and demographic statistics as proxies for demand.

### Borrower Profile

The following tables illustrate the distribution of small business, small farm, and HMDA loans extended in the bank's assessment area to businesses and farms of different sizes and by income level of the borrower. The loans were extended during a 23-month period ending August 31, 1999.

DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF BUSINESS ROCKY MOUNT MSA ASSESSMENT AREA								
	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	437	44%	29	3%	11	1%	477	48%
Total Revenues > \$1 Million	505	51%	10	1%	4	<1%	519	52%
Total Where Revenue is Known	942	95%	39	4%	15	1%	996	100%
Revenue Not Known/Percentage of Total Loans	10	1%	0	0%	0	0%	10	1%
Totals - All Loans	952		39		15		1,006	

According to D&B demographic information, 88% of the business establishments within this assessment area have sales less than \$1 million. As illustrated in the preceding table, only 48% of the small business loans were provided to businesses with revenues of \$1 million or less. Furthermore, this level of lending is substantially less than the 1998 aggregate loan data, which shows approximately 63% of all reportable business loans within this assessment area were to businesses with revenues of \$1 million or less (for the remaining proportion of loans, either the businesses had revenues over \$1 million or the revenues of the businesses were not reported). This level of lending is low when using the aggregate as a proxy to estimate demand.

**DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF FARM  
ROCKY MOUNT MSA ASSESSMENT AREA**

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	179	85%	21	10%	2	1%	202	96%
Total Revenues > \$1 Million	6	3%	1	<1%	1	1%	8	4%
Total Where Revenue is Known	185	88%	22	10%	3	2%	210	100%
Revenue Not Known/Percentage of Total Loans	1	<1%	1	<1%	0	0%	2	1%
Totals - All Loans	186		23		3		212	

The 1998 aggregate loan data reveals 82% of all reportable farm loans within this assessment area were to entities with revenues of \$1 million or less (for the remaining proportion of loans, either the farms had revenues over \$1 million or revenues were not reported). Moreover, demographic information from D&B indicated that 94% of the farms within this assessment area have sales of less than \$1 million. As shown in the preceding table, 96% of the small farm loans were provided to entities with revenues of \$1 million or less. Additionally, the analysis shows that 85% of the loans were to borrowers with revenues not exceeding \$1 million and in amounts of \$100,000 or less.

**DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF BORROWER  
ROCKY MOUNT MSA ASSESSMENT AREA**

	#	%	\$(000s)	%
Low-Income	33	7%	\$846	2%
Moderate-Income	75	16%	\$3,279	10%
Middle-Income	116	24%	\$6,187	19%
Upper-Income	249	53%	\$22,650	69%
Total Where Income Reported	473	100%	\$32,962	100%
Number Income Not Reported / Percentage of All Loans	20	4%	\$1,386	4%
Totals - All Loans	493		\$34,348	



As noted above, 7% of the bank's loans subject to reporting were extended to low-income borrowers and 16% were to moderate-income borrowers. This level of lending is slightly below that of the 1998 aggregate HMDA data, which indicates that 9% and 18% of all subject loans were extended to low- and moderate-income borrowers, respectively.

Given the product lines offered by the institution, the distribution of loans to businesses and farms of different sizes and to borrowers of different income levels is considered adequate when using the aggregate data and area demographics as proxies for demand.

### Community Development Loans

The bank is a member of the Community Investment Corporation of North Carolina, which as noted earlier provides qualified community development credit in a number of communities throughout North Carolina. To the extent that the bank may have originated other loans for community development purposes in this particular assessment area, such financing has been reported as small business, small farm, or HMDA loans.

### **INVESTMENT TEST**

As previously mentioned, the bank maintains investments with the SBA and the Center for Community Self-Help. Additionally, a limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people.

Overall, the institution has a reasonable level of qualified investments and is supportive of community development initiatives.

### **SERVICE TEST**

#### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail and extensive on-line banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

#### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Triangle Bank operates 14 full service branches in this assessment area, of which one (7%) is located in a moderate-income area. Offices are typically open until 6 p.m. Monday through Friday. No new offices have been opened or existing offices closed in this market since the prior examination. Six offices were acquired in this market as a result of Triangle Bank's acquisition of United Federal Savings Bank, Rocky Mount, North Carolina.

#### Community Development Services

The bank provides technical assistance to community development organizations. In particular, bank personnel are actively involved with the Family Resource

Center, which focuses its attention on improving the lives of area low- and moderate-income families.

In addition, bank officials routinely provide credit counseling and other assistance to low- and moderate-income area residents seeking to purchase their first home. The program is conducted in conjunction with the Family Resource Center.

The bank's systems for delivering retail-banking services appear effective and available to all portions of the assessment area, including low- and moderate-income areas. Furthermore, a high level of community development services is offered given the size, location, and financial capacity of the institution.

**METROPOLITAN STATEWIDE AREAS**  
(for each metropolitan area where no assessment areas  
were reviewed using the examination procedures)

A determination was made whether the institution's performance in each of the following assessment areas is consistent with the institution's overall record. Facts and data were reviewed regarding each area, including demographic information on the assessment area and information on the institution's performance. Information is presented regarding activities that primarily benefit small businesses and low- and moderate-income geographies or individuals. Not all loans included information about borrower income; therefore, only loans that included such information are included in the borrower income analysis. The performance in any particular assessment area is deemed consistent with the overall rating of the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FAYETTEVILLE MSA:**

This assessment area is the Fayetteville MSA and contains all of Cumberland County, North Carolina. The county's unemployment rate (4.1%) as of August 1999 is higher than the state's unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	274,566
Populated Geographies in Market	49
1999 MSA Median Family Income	\$39,200
Market Area Poverty Rate (families)	12.1%

Sixty-four percent of families in low-income areas and 17% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	19%	20%	Number of Populated Tracts by Income Level	3	10

Percentage of Population Residing in Tracts by Income Level	2%	26%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	1%	10%
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FAYETTEVILLE MSA:**

**LENDING TEST**

The bank's lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues ≤ \$1 Million
Small Business	30/12%	38/15%	N/A	N/A	201/80%
HMDA	4/3%	6/4%	5/4%	16/13%	N/A

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

**SERVICE TEST**

The bank operates two offices in this assessment area, of which one (50%) is located in a low-income geography. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GOLDSBORO MSA:**

This assessment area is the Goldsboro MSA and contains all of Wayne County, North Carolina. The county's unemployment rate (4.0%) as of August 1999 is higher than the state's unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	104,666
Populated Geographies in Market	19
1999 MSA Median Family Income	\$40,500
Market Area Poverty Rate (families)	11.9%

Forty-four percent of families in low-income areas and 27% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	20%	18%	Number of Populated Tracts by Income Level	1	3
Percentage of Population Residing in Tracts by Income Level	1%	8%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	<1%	6%

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GOLDSBORO MSA:

### LENDING TEST

The bank's lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income	Number/ Percentage of Loans to Businesses with Revenues $\leq$ \$1

				Borrowers	Million
Small Business	5/4%	8/6%	N/A	N/A	117/92%
HMDA	0/0%	1/1%	8/8%	22/22%	N/A

### INVESTMENT TEST

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

### SERVICE TEST

The bank operates five offices in this assessment area, of which one (20%) is located in a moderate-income geography. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GREENVILLE MSA:

This assessment area is the Greenville MSA and contains all of Pitt County, North Carolina. The county's unemployment rate (4.9%) as of August 1999 is higher than the state's unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	107,924
Populated Geographies in Market	20
1999 MSA Median Family Income	\$43,300
Market Area Poverty Rate (families)	15.5%

Thirty-eight percent of families in low-income and 25% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	24%	16%	Number of Populated Tracts by Income Level	1	4
Percentage of			Percentage of Owner-		

Population Residing in Tracts by Income Level	8%	20%	Occupied Housing Units by Income Level of Tract	4%	18%
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**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GREENVILLE MSA:**

**LENDING TEST**

The bank’s lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues ≤ \$1 Million
Small Business	15/7%	39/18%	N/A	N/A	133/72%
HMDA	6/6%	9/9%	6/7%	8/9%	N/A

The bank extended eight qualified community development loans in this market. These loans were to the City of Greenville for their Small Business Success Program, which facilitates small business development in the market.

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

**SERVICE TEST**

The bank operates two offices in this assessment area. Although no offices have been opened or closed in this market since the previous examination, one was acquired with the United Federal Savings Bank merger. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WILMINGTON MSA:**

This assessment area includes all of New Hanover County and is part of the Wilmington, North Carolina MSA. The county’s unemployment rate, as of August 1999, equals 3.0% and is comparable to the state’s unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	120,284
Populated Geographies in Market	29
1999 MSA Median Family Income	\$44,700
Market Area Poverty Rate (families)	9.9%

Forty-four percent of families in low-income areas and 22% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	20%	16%	Number of Populated Tracts by Income Level	4	7
Percentage of Population Residing in Tracts by Income Level	8%	17%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	4%	13%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WILMINGTON MSA:**

**LENDING TEST**

The bank’s lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in	Number/ Percentage of Loans in	Number/ Percentage of Loans to	Number/ Percentage of Loans to	Number/ Percentage of Loans to

	Low-Income Areas	Moderate-Income Areas	Low-Income Borrowers	Moderate-Income Borrowers	Businesses with Revenues $\leq$ \$1 Million
Small Business	9/5%	23/13%	N/A	N/A	171/93%
HMDA	1/1%	2/2%	10/11%	11/12%	N/A

### **INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

### **SERVICE TEST**

The bank operates one office in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

### **NONMETROPOLITAN STATEWIDE AREAS**

(if some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using the examination procedures)

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN HARNETT AND LEE COUNTIES:**

The Harnett and Lee Counties assessment area is located in the central portion of the state adjacent to the Raleigh-Durham-Chapel Hill MSA and has a population of 109,196. The bank has four offices located in this area. The owner-occupancy rate for the market is 64%, which is slightly higher than nonmetropolitan North Carolina area rate of 62%. Within the market area, the 1990 median housing value of \$54,750 is generally considered affordable when compared to the 1990 median family income of \$27,804. Furthermore, 12.9% of the families in the market area are considered to be below the poverty level. This poverty rate equals the statewide nonmetropolitan area rate. The 1999 median family income for the nonmetropolitan areas of North Carolina is \$38,800.

The following table provides demographic data for the assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. The table also includes the distribution of owner-occupied housing and area poverty rates by census tract income level.

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total



Percentage of Area Families by Income Level	20%	17%	22%	41%	100%
Percentage of Population by Census Tract Income Level	N/A	13%	67%	20%	100%
Percentage of Owner-Occupied Housing Units by Census Tract Income Level	N/A	9%	69%	22%	100%
Number of Census Tracts by Income Level	0	3	15	3	21
Percentage of Families Below Poverty by Income Level of Census Tracts	N/A	21%	14%	6%	N/A

Area employment opportunities exist in the textile industry, light manufacturing, food processing, and metal fabrication. Major local employers include Morganite, Incorporated (carbon brush manufacturer), Champion Products (textiles), Food Lion Distribution Center (grocery warehouse), and Boneless Hams Company. Area unemployment rates as of August 1999 for Harnett and Lee (both 3.5%) Counties are reflective of the state's unemployment rate (3.3%).

A community contact was made to further assist in evaluating the bank's CRA performance in this assessment area. The contact indicated that area financial institutions appear to be meeting the credit needs of the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HARNETT AND LEE COUNTIES:**

**LENDING TEST**

Geographic Distribution of Loans

The following tables represent the geographic distribution of the small business, small farm, and HMDA loans extended in the bank's assessment area by the income level of tracts. The loans were extended during a 23-month period ending August 31, 1999. As noted within the description of the assessment area, the market does not contain any low-income census tracts.

DISTRIBUTION OF SMALL BUSINESS LOANS BY INCOME LEVEL OF TRACT HARNETT AND LEE COUNTIES ASSESMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Moderate-Income	12	2%	\$1,478	5%
Middle-Income	508	96%	\$29,585	94%

Upper-Income	9	2%	\$507	1%
Totals	529	100%	\$31,570	100%

According to 1998 aggregate business loan data, of all reportable business loans within the assessment area, 8% were in moderate-income areas. As indicated in the preceding table, the bank's level of lending in moderate-income areas (2%) is relatively low.

Within this market the bank originated 120 small farm loans. All 120 of these loans were originated to borrowers located in middle-income census tracts. The 1998 aggregate small farm data indicates that of all reported loans in this market area less than 1% (0.7%) were extended in the moderate-income areas.

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF TRACT HARNETT AND LEE COUNTIES ASSESMENT AREA				
Tract Income Level	#	%	\$(000s)	%
Moderate-Income	10	2%	\$480	2%
Middle-Income	506	95%	\$30,932	96%
Upper-Income	14	3%	\$706	2%
Totals	530	100%	\$32,118	100%

Of the HMDA loans originated by the bank in the Harnett and Lee Counties assessment area, only 2% were to residents of the moderate-income census tracts. This level of lending is considered relatively low in that 9% of the total assessment area's owner-occupied housing is located in this market.

Overall, the bank's lending penetration into moderate-income areas is considered low when using the aggregate lending and demographic statistics as proxies for demand.

#### Borrower Profile

The following tables illustrate the distribution of small business, small farm, and HMDA loans extended in the bank's assessment area to businesses and farms of different sizes and by income level of the borrower. The loans were extended during a 23-month period ending August 31, 1999.

DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF BUSINESS HARNETT AND LEE COUNTIES ASSESMENT AREA								
	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	386	75%	42	8%	14	3%	442	86%
Total Revenues > \$1 Million	55	10%	13	3%	6	1%	74	14%

Total Where Revenue is Known	441	85%	55	11%	20	4%	516	100%
Revenue Not Known/Percentage of Total Loans	12	2%	0	0%	1	<1%	13	3%
Totals - All Loans	453		55		21		529	

Of the small business loans extended by the bank in this assessment area, 86% were to businesses with revenues of \$1 million or less. Furthermore, 75% of the loans were to businesses with revenues of \$1 million or less and in amounts of \$100,000 or less. This volume of lending is considered reasonable as the 1998 aggregate small business data revealed that approximately 75% of all small business loans were to entities with revenues of \$1 million or less. The remaining 25% of businesses either had revenues of greater than \$1 million or revenue data was not collected. Furthermore, D&B demographic data indicated that 91% of the businesses in the market area have revenues less than \$1 million.

DISTRIBUTION OF LENDING BY LOAN AMOUNT AND SIZE OF FARM HARNETT AND LEE COUNTIES ASSESSMENT AREA								
	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
	#	%	#	%	#	%	#	%
Total Revenues <= \$1 Million	99	83%	13	11%	1	1%	113	95%
Total Revenues > \$1 Million	1	1%	3	2%	2	2%	6	5%
Total Where Revenue is Known	100	84%	16	13%	3	3%	119	100%
Revenue Not Known/Percentage of Total Loans	1	1%	0	0%	0	0%	1	1%
Totals - All Loans	101		16		3		120	

The bank's level of lending to small farms is similar to that of its small business lending in that the bank's level of penetration is less than the D&B data yet greater than the aggregate data. Specifically, according to the D&B data, 96% of the local farms have revenues less than \$1 million while the 1998 aggregate lending data indicates 89% of all small farms loans were extended to farms generating revenues of \$1 million or less (the remaining portion of loans either had revenues greater than \$1 million or did not report revenue data).

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF BORROWER HARNETT AND LEE COUNTIES ASSESSMENT AREA				
Borrower Income Level	#	%	\$(000s)	%
Low-Income	31	6%	\$1,248	4%
Moderate-Income	85	17%	\$3,342	11%
Middle-Income	129	25%	\$6,810	23%
Upper-Income	270	52%	\$18,341	62%
Total Where Income Reported	515	100%	\$29,741	100%
Number Income Not Reported / Percentage of All Loans	15	3%	\$2,377	7%
Totals - All Loans	530		\$32,118	

As noted previously, 20% of area families are considered low-income and 17% are moderate-income. When using these demographic statistics to estimate relative demand, the bank's level of lending to low-income borrowers (6%) is low while the level of lending to moderate-income borrowers equals the proportion of such families. However, this level of lending is comparable to that of 1998 aggregate HMDA data for these reporting institutions, which indicates 5% and 15% were extended to low- and moderate-income borrowers, respectively.

The overall level of lending to small businesses, small farms, and borrowers of different income levels is considered adequate when using both aggregate statistics and certain demographic information as proxies to estimate demand.

#### Community Development Loans

The bank is a member of the Community Investment Corporation of North Carolina, which, as noted earlier, provides qualified community development credit in a number of communities throughout North Carolina. To the extent that the bank may have originated other loans for community development purposes in this particular assessment area, such financing has been reported as small business, small farm, or HMDA loans.

#### **INVESTMENT TEST**

As previously mentioned, the bank maintains investments with the SBA and the Center for Community Self-Help. Additionally, a limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people.

Overall, the institution has a reasonable level of qualified investments and is supportive of community development initiatives.

#### **SERVICE TEST**

### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail and extensive on-line banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Triangle Bank operates four full service branches in this assessment area, of which one (25%) is located in a moderate-income area. Offices are typically open until 6 p.m. Monday through Friday. No new offices have been opened or existing offices closed in this market since the prior examination.

### Community Development Services

The bank has not participated in any qualified community development services that are specific only to the Harnett and Lee Counties assessment area. The bank has, however, participated in a number of economic and industrial development organizations and programs that do not meet the technical definition of community development services, yet are beneficial to the community as a whole.

The bank's systems for delivering retail-banking services appear effective and available to all portions of the assessment area, including low- and moderate-income areas. Furthermore, a high level of community development services is offered given the size, location, and financial capacity of the institution.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN COLUMBUS AND ROBESON COUNTIES:**

The Columbus and Robeson Counties assessment area is located in the central southern portion of North Carolina and borders South Carolina. Serviced by five branches, the community has a population of 154,766 and a median housing value of \$44,498, per 1990 census data. Housing is generally considered affordable when compared to a 1990 median family income of \$22,944. The owner-occupancy rate for the market is 66%, which is slightly higher than the nonmetropolitan North Carolina area rate of 62%. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800. Furthermore, within the assessment area, 20.4% of area families are below the poverty level, while 12.9% of the families in the nonmetropolitan areas of the state are below the poverty level.

The following table provides demographic data for the assessment area by the income level of families and the percentage of population living in block numbering areas (BNAs) of varying income levels. The table also displays the distribution of owner-occupied housing and area poverty rates by BNA income level.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	29%	18%	20%	33%	100%

Percentage of Population by BNA Income Level	4%	38%	57%	1%	100%
Percentage of Owner-Occupied Housing Units by BNA Income Level	3%	38%	57%	2%	100%
Number of BNAs by Income Level	1	13	18	1	33
Percentage of Families Below Poverty by Income Level of BNA	42%	24%	17%	6%	N/A

Area unemployment rates, as of August 1999, are 8.1% for Columbus and 8.0% Robeson Counties. This rate remains high when compared to the state's rate of 3.3%. Employment opportunities exist within the textile, metal fabrication, and paper industries. Major local employers include International Paper Company, Georgia-Pacific Corporation, Whiteville Apparel, Jasper Textiles, and Flowline Corporation (pipe fitting manufacturer).

A community contact was made to further assist in evaluating the bank's CRA performance in this assessment area. The contact indicated that area financial institutions appear to be meeting the credit needs of the community.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLUMBUS AND ROBESON COUNTIES:**

#### **LENDING TEST**

##### Geographic Distribution of Loans

The following tables represent the geographic distribution of the small business, small farm, and HMDA loans extended in the bank's assessment area by the income level of BNAs. The loans were extended during a 23-month period ending August 31, 1999.

DISTRIBUTION OF SMALL BUSINESS LOANS BY INCOME LEVEL OF BNA COLUMBUS AND ROBESON COUNTIES ASSESSMENT AREA				
BNA Income Level	#	%	\$(000s)	%
Low-Income	27	8%	\$1,725	8%
Moderate-Income	110	33%	\$6,834	34%
Middle-Income	185	57%	\$10,616	53%
Upper-Income	7	2%	\$1,046	5%
Totals	329	100%	\$20,221	100%

According to 1998 aggregate business loan data, of all reportable business loans within the assessment area, 4% were to businesses located in low-income

areas and 44% were in moderate-income areas. As indicated in the preceding table, the bank's level of lending in low-income areas (8%) is considered good while the level in moderate-income areas (33%) is somewhat low when compared to aggregate data.

DISTRIBUTION OF SMALL FARM LOANS BY INCOME LEVEL OF BNA COLUMBUS AND ROBESON COUNTIES ASSESSMENT AREA				
BNA Income Level	#	%	\$(000s)	%
Low-Income	2	1%	\$45	1%
Moderate-Income	92	41%	\$4,681	50%
Middle-Income	132	58%	\$4,584	49%
Upper-Income	0	0%	\$0	0%
Totals	226	100%	\$9,310	100%

Of all reportable farm loans within the assessment area, 1% were to farmers located in low-income areas and 55% were in moderate-income areas, according to 1998 aggregate data. While the bank's level of penetration into low-income areas equals that of the aggregate data, the level of lending in moderate-income areas (41%) is lower than the aggregate statistic.

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF BNA COLUMBUS AND ROBESON COUNTIES ASSESSMENT AREA				
BNA Income Level	#	%	\$(000s)	%
Low-Income	7	2%	\$95	1%
Moderate-Income	105	32%	\$4,617	29%
Middle-Income	206	62%	\$9,972	63%
Upper-Income	13	4%	\$1,046	7%
Totals	331	100%	\$15,730	100%

Area demographic statistics indicate that only 3% of the market area's owner-occupied housing is located in low-income areas and 38% is located in moderate-income areas. According to the table above, 2% of the institution's HMDA lending was to residents of the low-income BNA and 32% was to residents of the moderate-income BNAs. While this level of penetration is slightly less than the proportion of area owner-occupied units, it is considered reasonable.

Overall, the bank's lending penetration into low- and moderate-income areas is considered low when using the aggregate lending and demographic statistics as proxies for demand.

#### Borrower Profile

The following tables illustrate the distribution of small business, small farm, and HMDA loans extended in the bank's assessment area to businesses and farms of different sizes and by income level of the borrower. The loans were extended during a 23-month period ending August 31, 1999.





Total Loans	3	1%	0	0%	0	0%	3	1%
Totals - All Loans	203		20		3		226	

As indicated by 1998 aggregate loan data, 92% of all reportable farm loans within this assessment area were to entities with revenues of \$1 million or less (of the remaining 8% of loans, the farms generated revenues in excess \$1 million or revenues were not reported). Moreover, demographic information from D&B indicates that 92% of the farms within this assessment area have sales of less than \$1 million. As noted above, 98% of the small farm loans were provided to ones with revenues of \$1 million or less. Additional analysis shows that 89% of the bank's loans were to borrowers with revenues not exceeding \$1 million and in amounts of \$100,000 or less.

DISTRIBUTION OF HMDA LOANS BY INCOME LEVEL OF BORROWER COLUMBUS AND ROBESON COUNTIES ASSESSMENT AREA				
Borrower Income Level	#	%	\$(000s)	%
Low-Income	22	7%	\$410	3%
Moderate-Income	42	13%	\$1,057	7%
Middle-Income	70	21%	\$2,393	15%
Upper-Income	194	59%	\$11,790	75%
Total Where Income Reported	328	100%	\$15,650	100%
Number Income Not Reported / Percentage of All Loans	3	1%	\$80	<1%
Totals - All Loans	331		\$15,730	

As noted previously, 29% of area families are considered low-income and 18% are moderate-income. When using these demographic statistics to estimate relative demand, the bank's level of lending to low-income borrowers (7%) is poor and the level of lending to moderate-income borrowers (13%) is considered adequate. This level of lending is also less than that of 1998 aggregate HMDA data for reporting institutions, which indicates 12% and 21% were extended to low- and moderate-income borrowers, respectively.

However, within this assessment area, 42% of area families residing in low-income areas and 24% of families in moderate-income areas are below the poverty level. This high level of impoverished residents may effectively reduce the demand for credit from lower income borrowers, particularly for housing related loans. Nonetheless, the bank's level of lending is considered low when using both demo-graphic and aggregate data as a proxy for relative demand.

Overall, the level of lending to businesses and farms of different sizes and borrowers of different income levels is considered adequate.

#### Community Development Loans

As previously mentioned, the institution funded a loan in excess of \$1.1 million to a nonprofit organization that looks to attract new businesses to Robeson

County. The bank is also a member of the Community Investment Corporation of North Carolina, which as noted earlier provides qualified community development credit in a number of communities throughout North Carolina. To the extent that the bank may have originated other loans for community development purposes in this particular assessment area, such financing has been reported as small business, small farm, or HMDA loans.

## **INVESTMENT TEST**

As previously mentioned, the bank maintains investments with the SBA and the Center for Community Self-Help. Additionally, a limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people.

Overall, the institution has a reasonable level of qualified investments and is supportive of community development initiatives.

## **SERVICE TEST**

Delivery systems are accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail and extensive on-line banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Triangle Bank operates five full service branches in this assessment area, of which three (60%) are located in moderate-income areas. Offices are typically open until 6 p.m. Monday through Friday. No new offices have been opened or existing offices closed in this market since the prior examination.

### Community Development Services

The bank provides technical assistance to community development organizations. Some of the organizations in which the bank and its personnel are actively involved include, but are not limited to, the Downtown Development Committee, an organization seeking to revitalize central business districts within the assessment area; Columbus County Committee of 100, a nonprofit organization seeking to attract new businesses to the market area; and the Robeson Committee of 100, also a nonprofit organization seeking to attract new businesses to the market area.

The bank's systems for delivering retail-banking services appear effective and available to all portions of the assessment area, including low- and moderate-income areas. Furthermore, a high level of community development services is offered given the size, location, and financial capacity of the institution.

## **NONMETROPOLITAN STATEWIDE AREAS**

(if none of the assessment areas within the nonmetropolitan statewide area were reviewed using the examination procedures)

A determination was made whether the institution's performance in each of the following assessment areas is consistent with the institution's overall record.

Facts and data were reviewed regarding each area, including demographic information on the assessment area and information on the institution's performance. Information is presented regarding activities that primarily benefit small businesses and low- and moderate-income geographies or individuals. Not all loans included information about borrower income; therefore, only loans that included such information are included in the borrower income analysis. The performance in any particular assessment area is deemed consistent with the overall rating of the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CARTERET AND CRAVEN COUNTIES:**

This assessment area contains all of Carteret and Craven Counties, North Carolina. The counties' unemployment rates as of August 1999 are 2.4% and 4.2%, respectively. The state's unemployment rate is 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	134,169
Populated Geographies in Market	27
Market Area Poverty Rate (families)	9.9%

Thirty-nine percent of the families in moderate-income areas are below the poverty level. Although there are two populated low-income geographies in the market, neither contains a household or family. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800.

The following table provides information about low- and moderate-income BNAs and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	16%	17%	Number of Populated BNAs by Income Level	2	2
Percentage of Population Residing in BNAs by Income Level	<1%	5%	Percentage of Owner-Occupied Housing Units by Income Level of BNA	0%	3%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CARTERET AND CRAVEN COUNTIES:**

**LENDING TEST**

The bank's lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations
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	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues ≤ \$1 Million
Small Business	0/0%	21/9%	N/A	N/A	204/91%
HMDA	N/A	4/2%	6/3%	16/9%	N/A

### **INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

### **SERVICE TEST**

The bank operates four offices in this assessment area. Although no offices have been opened or closed in this market since the previous examination, two offices were acquired as a result of the merger with United Federal Savings Bank. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN DUPLIN COUNTY:**

This assessment area contains all of Duplin County, North Carolina. The county's unemployment rate (5.7%) as of August 1999 is higher than the state's unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	39,995
Populated Geographies in Market	8
Market Area Poverty Rate (families)	16.2%

Twenty-six percent of the families in moderate-income areas are below the poverty level. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800.

The following table provides information about low- and moderate-income BNAs and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	26%	20%	Number of Populated BNAs by Income Level	0	1
Percentage of Population Residing in BNAs by Income Level	N/A	13%	Percentage of Owner-Occupied Housing Units by Income Level of BNA	N/A	11%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DUPLIN COUNTY:**

**LENDING TEST**

The bank's lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues ≤ \$1 Million
Small Business	N/A	2/2%	N/A	N/A	95/98%
HMDA	N/A	2/4%	7/14%	6/12%	N/A

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

**SERVICE TEST**

The bank operates one office in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN GRANVILLE COUNTY:**

This assessment area contains all of Granville County, North Carolina. The county's unemployment rate (3.1%) as of August 1999 is comparable to the state's unemployment rate of 3.3%. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800. Certain assessment area demographic data are illustrated in the following tables.

Population	38,345
Populated Geographies in Market	7
Market Area Poverty Rate (families)	10.0%

There are no low- or moderate-income BNAs in the local community. Seventeen percent of the area families are considered low-income and 14% of the families are considered moderate-income.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GRANVILLE COUNTY:**

**LENDING TEST**

The bank's lending to low- and moderate-income borrowers and to businesses and farms of different sizes is summarized in the following table.

Loan Originations			
	Number/ Percentage of Loans to Low- Income Borrowers	Number/ Percentage of Loans to Moderate-Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues ≤ \$1 Million
Small Business	N/A	N/A	272/99%
Small Farms	N/A	N/A	182/100%
HMDA	6/5%	17/14%	N/A

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

## SERVICE TEST

The bank operates three offices in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN HALIFAX, NORTHAMPTON, AND WARREN COUNTIES:

This assessment area contains all of Halifax, Northampton, and Warren Counties, North Carolina. The counties' unemployment rates of 7.3%, 7.7% and 6.1%, respectively, are substantially higher than the state's unemployment rate of 3.3%, as of August 1999. Certain assessment area demographic data are illustrated in the following tables.

Population	93,579
Populated Geographies in Market	19
Market Area Poverty Rate (families)	21.4%

Twenty-five percent of the families in moderate-income areas are below the poverty level. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800.

The following table provides information about low- and moderate-income BNAs and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	30%	19%	Number of Populated BNAs by Income Level	0	11
Percentage of Population Residing in BNAs by Income Level	N/A	62%	Percentage of Owner-Occupied Housing Units by Income Level of BNA	N/A	58%

There is one low-income BNA within the bank's market area; it is unpopulated and appears to be undeveloped, offering the bank no opportunities to extend credit within its boundaries.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HALIFAX, NORTHAMPTON, AND WARREN COUNTIES:

### LENDING TEST

The bank's lending in moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations				
	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues $\leq$ \$1 Million
Small Business	41/44%	N/A	N/A	45/48%
Small Farm	131/86%	N/A	N/A	153/100%
HMDA	60/80%	6/8%	14/19%	N/A

As discussed previously, the bank extended two qualified community development loans in this market. One loan was provided for the purchase of an ambulance that will serve a moderate-income community within the assessment area. The second loan was extended to a nonprofit organization that provides services to low- and moderate-income children within the assessment area.

### **INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

### **SERVICE TEST**

The bank operates three offices in this assessment area, of which two (67%) are located in moderate-income geographies. No offices have been opened or closed in this market since the previous examination. The institution did acquire one branch location as a result of the United Federal Savings Bank merger. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN RICHMOND COUNTY:**

This assessment area contains all of Richmond County, North Carolina. The county's unemployment rate (7.7%) as of August 1999 is higher than the state's unemployment rate of 3.3%. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800. Certain assessment area demographic data are illustrated in the following tables.



Population	44,518
Populated Geographies in Market	11
Market Area Poverty Rate (families)	13.0%

There are no low- or moderate-income BNAs in the local community. Twenty-one percent of the area families are considered low-income and 18% of the families are considered moderate-income.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RICHMOND COUNTY:**

**LENDING TEST**

The bank's lending to low- and moderate-income borrowers and to businesses of different sizes is summarized in the following table.

Loan Originations			
	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate-Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues $\leq$ \$1 Million
Small Business	N/A	N/A	41/95%
HMDA	8/11%	12/16%	N/A

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

**SERVICE TEST**

The bank operates one office in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON COUNTY:**

This assessment area contains all of Washington County, North Carolina. The county's unemployment rate (6.3%) as of August 1999 is higher than the state's unemployment rate of 3.3%. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800. Certain assessment area demographic data are illustrated in the following tables.

Population	13,997
Populated Geographies in Market	3
Market Area Poverty Rate (families)	17.2%

There are no low- or moderate-income BNAs in the local community. Twenty-five percent of the area families are considered low-income and 16% of the families are considered moderate-income.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON:**

**LENDING TEST**

The bank's lending to low- and moderate-income borrowers and to businesses of different sizes is summarized in the following table.

Loan Originations			
	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate-Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues $\leq$ \$1 Million
Small Business	N/A	N/A	15/100%
HMDA	2/5%	6/15%	N/A

**INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

**SERVICE TEST**

The bank operates two offices in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN WILSON COUNTY:**

This assessment area contains all of Wilson County, North Carolina. The county's unemployment rate (8.6%) as of August 1999 is higher than the state's unemployment rate of 3.3%. Certain assessment area demographic data are illustrated in the following tables.

Population	66,061
Populated Geographies in Market	18
Market Area Poverty Rate (families)	16.1%

Forty-eight percent of families in low-income areas and 27% of families in moderate-income areas are below the poverty level. The 1999 median family income for nonmetropolitan areas of North Carolina is \$38,800.

The following table provides information about low- and moderate-income BNAs and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	23%	14%	Number of Populated BNAs by Income Level	2	3
Percentage of Population Residing in BNAs by Income Level	7%	20%	Percentage of Owner-Occupied Housing Units by Income Level of BNA	2%	13%

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WILSON COUNTY:

### LENDING TEST

The bank's lending in low- and moderate-income areas, to low- and moderate-income borrowers, and to businesses of different sizes is summarized in the following table.

Loan Originations					
	Number/ Percentage of Loans in Low-Income Areas	Number/ Percentage of Loans in Moderate- Income Areas	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues $\leq$ \$1 Million
Small Business	3/5%	16/25%	N/A	N/A	60/94%
HMDA	4/6%	12/19%	1/2%	7/13%	N/A

## **INVESTMENT TEST**

A limited number of contributions have been made to organizations in this market that serve primarily the needs of low- and moderate-income people. Except for investments that benefit a statewide or regional area that includes this assessment area, as noted previously, no other investments targeting this particular community were identified.

## **SERVICE TEST**

The bank operates two offices in this assessment area. No offices have been opened, acquired, or closed in this market since the previous examination. The services offered in this assessment area are substantially similar to those available to other communities served by the institution.