

# **PUBLIC DISCLOSURE**

**October 15, 2002**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Rivoli Bank and Trust  
Macon, Georgia**

**RSSD ID Number: 2581905**

**FEDERAL RESERVE BANK OF ATLANTA  
1000 PEACHTREE STREET, N.E.  
ATLANTA, GEORGIA 30309-4470**

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

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<b>DEFINITIONS</b>
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**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.

**Other Definitions**

*ATM* - Automated Teller Machine

*BNA* - Block Numbering Area

*HUD* - Department of Housing and Urban Development

*MSA* - Metropolitan Statistical Area

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

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

**This document is an evaluation of the Community Reinvestment Act (CRA) performance of Rivoli Bank and Trust prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of October 15, 2002. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.**

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

Rivoli Bank and Trust's loan-to-deposit ratio for the past fifteen quarters ending June 30, 2002, is considered **REASONABLE** given the institution's size, financial condition, and competition within its assessment area. A **SUBSTANTIAL MAJORITY** of loans and other lending-related activities are IN the assessment area. The bank's lending reflects **EXCELLENT** penetration among businesses of different sizes. The geographic distribution of loans reflects **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**

Rivoli Bank and Trust is a small, traditional community bank that operates two facilities in Macon, Georgia, and one freestanding ATM location. The main and branch offices are full service banking facilities with drive-up service and ATMs. The bank is a wholly-owned subsidiary of Rivoli Bank Corporation, Macon, Georgia. The bank became a member of the Federal Reserve System effective April 12, 2002. From December 1998, to June 2002, total assets grew from \$47.8 million to \$127.3 million. As of June 2002, net loans and aggregate deposits totaled \$88.9 million and \$106.5 million, respectively.

Rivoli Bank and Trust is a full service community bank that offers a wide variety of credit products to meet community credit needs. The bank's major product line is commercial real estate loans; followed by construction, land development, and other land, one- to four-family other, and commercial and industrial loans. The bank offers the traditional loan products and services including consumer construction loans.

The composition of the loan portfolio according to the June 30, 2002 Consolidated Reports of Condition and Income (Call Report) is as follows:

COMPOSITION OF LOAN PORTFOLIO								
Loan Type	6/30/2002		12/31/2001		12/31/2000		12/31/1999	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	\$13,210	14.6%	\$15,387	17.9%	\$10,846	14.7%	\$9,740	22.4%
Secured by One- to Four- Family Dwellings	\$17,241	19.1%	\$16,966	19.8%	\$15,433	20.9%	\$9,510	21.9%
Other Real Estate: Farmland	\$538	0.6%	\$605	0.7%	\$792	1.1%	\$948	2.2%
Multifamily	\$4,371	4.8%	\$5,127	6.0%	\$4,186	5.7%	\$1,497	3.4%
Nonfarm Nonresidential	\$29,846	33.0%	\$27,888	32.5%	\$24,142	32.7%	\$9,170	21.1%
Commercial and Industrial	\$16,431	18.2%	\$11,326	13.2%	\$11,009	14.9%	\$7,060	16.2%
Loans to Individuals	\$8,678	9.6%	\$8,521	9.9%	\$7,523	10.2%	\$5,558	12.8%
Agricultural Loans	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Total</b>	<b>\$90,315</b>	<b>100.0%</b>	<b>\$85,820</b>	<b>100.0%</b>	<b>\$73,931</b>	<b>100.0%</b>	<b>\$43,483</b>	<b>100.0%</b>

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

As indicated by the table above, the bank's loan portfolio as of June 30, 2002, consisted primarily of loans which were nonfarm nonresidential (33.0 percent), followed by loans secured by one- to four- family dwellings (19.1 percent), and loans to commercial and industrial customers (18.2 percent). The table reveals that the most significant loan growth area by dollar amount was in nonfarm nonresidential loans, which grew by \$20.7 million since December 31, 1999. Except for an increase in nonfarm nonresidential loans and commercial and industrial loans, all other loan types have experienced negative or no growth. Rivoli Bank and Trust received a satisfactory rating from the FDIC at its previous Community Reinvestment Act (CRA) examination dated October 8, 1998. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment area.

**DESCRIPTION OF ASSESSMENT AREA: Bibb County, Georgia**

**Overview**

Rivoli Bank and Trust's assessment area consists of all of Bibb County, Georgia, which is part of the Macon MSA. Bibb County is located approximately 80 miles south of Atlanta, Georgia, and has Macon, Georgia, as its county seat. Bibb County consists of 43 assessment tracts, including twelve low-income census tracts; eight are moderate-income, thirteen are middle-income, and eight are upper-income. Two of the tracts are unpopulated and are not classified. The main office is located within a low-income tract and the branch within an upper-income tract. The freestanding ATM is also located within an upper-income tract.

**Demographic Data by Census Tract**

The table below provides demographic information that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the report as they apply to particular parts of the analysis.

RIVOLI ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): <b>\$51,100</b> <b>Income Categories</b>	Tract Distribution		Families						
	#	%	Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income		
			#	%	#	%	#	%	
	Low	12	27.9%	6,695	17.0%	2,761	41.2%	10,457	26.5%
	Moderate	8	18.6%	6,140	15.6%	1,484	24.2%	6,091	15.4%
	Middle	13	30.2%	14,537	36.8%	1,787	12.3%	7,335	18.6%
	Upper	8	18.6%	12,105	30.7%	246	2.0%	15,594	39.5%
	NA	2	4.7%	0	0.0%	0	0.0%	-	-
	<b>Total</b>	<b>43</b>	<b>100.0%</b>	<b>39,477</b>	<b>100.0%</b>	<b>6,278</b>	<b>15.9%</b>	<b>39,477</b>	<b>100.0%</b>
	<b>Housing Units by Tract</b>								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
		#	%	%	#	%	#	%	
Low	12,108	3,477	10.7%	28.7%	6,952	57.4%	1,679	13.9%	
Moderate	9,620	4,321	13.3%	44.9%	4,432	46.1%	867	9.0%	
Middle	21,948	12,477	38.5%	56.8%	7,814	35.6%	1,657	7.5%	
Upper	17,786	12,167	37.5%	68.4%	4,667	26.2%	952	5.4%	
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>61,462</b>	<b>32,442</b>	<b>100.0%</b>	<b>52.8%</b>	<b>23,865</b>	<b>38.8%</b>	<b>5,155</b>	<b>8.4%</b>	
	Total Businesses by Tract		Businesses by Tract and Revenue Size						
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported		
			#	%	#	%	#	%	
Low	1,677	24.6%	1,425	24.1%	162	29.9%	90	24.4%	
Moderate	890	13.1%	760	12.9%	87	16.1%	43	11.7%	
Middle	2,075	30.4%	1,814	30.7%	139	25.7%	122	33.1%	
Upper	2,172	31.9%	1,905	32.3%	153	28.3%	114	30.9%	
NA	2	0.0%	2	0.0%	0	0.0%	0	0.0%	
<b>Total</b>	<b>6,816</b>	<b>100.0%</b>	<b>5,906</b>	<b>100.0%</b>	<b>541</b>	<b>100.0%</b>	<b>369</b>	<b>100.0%</b>	
<b>Percentage of Total Businesses:</b>			86.6%		7.9%		5.4%		

Sources: 1990 Census Data, 2001 Dun & Bradstreet business demographic data.  
NA Tracts are tracts without household or family income.

**DESCRIPTION OF ASSESSMENT AREA: Bibb County, Georgia (Continued)**

**Population**

According to the 1990 U.S. Census, Bibb County's population was 150,137 persons, which represented 51.6 percent of the Macon MSA's population of 291,079. As of July 1, 1999, the total estimated population of Bibb County had increased by 3.5 percent to 155,441 persons, representing 48.3 percent of the Macon MSA's estimated population of 321,586.

**Income Characteristics**

At the time of the 1990 U.S. Census, there were 39,477 families in the assessment area. 17 percent were low-income, 15.6 percent were moderate-income, 36.8 were middle-income, and 30.7 percent were upper-income. Of the 39,477 families in the assessment area, 6,278 (15.9 percent) have incomes below the poverty level. According to HUD, the 2002 median family income for the Macon MSA area is \$51,100. In comparison, the 1990 HUD median family income was \$32,635 for the bank's assessment area, \$32,971 for Macon's MSA, and \$33,529 for the state of Georgia.

**Housing Data**

According to 1990 Census data, approximately 52.8 percent of the housing units in the bank's assessment area were owner-occupied, and the median housing value for owner-occupied units in the assessment area was \$45,262. The median housing value is less than that of the MSA (\$58,660) and the state of Georgia (\$70,707). Housing in the assessment area was primarily comprised of one- to four-family units (81.2 percent), and the median age of the housing stock was 31 years.

**Employment Statistics**

According to Regional Economic Information System (REIS) data, from 1990 to 1995, Bibb County experienced a 2.7 percent increase in population and a 9.7 percent increase in total full- and part-time employment, with the greatest increases in the services and government sectors.

A review of data from the U.S. Bureau of Labor Statistics as of 1996 indicates that the service sector was the largest employer within Bibb County. GEICO, Brown & Williamson Tobacco Company, Blue Bird Corporation, Englehard Corporation, and YKK Corporation of America are some of Macon's largest private employers. Although the REIS data, from 1990 to 1995, showed an 10.3 percent increase in employment for the service sector, the government sector, being the second largest sector, showed an 11.0 percent increase. This is due to the fact that Robins Air Force Base (Robins), located approximately 15 miles south of Macon in



<b>DESCRIPTION OF ASSESSMENT AREA: Bibb County, Georgia (Continued)</b>
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Warner Robins, employs over 25,584 civilian, contractor, and military members. Robins is one of the largest employers in the state and has a significant impact on the regional and local economy.

According to REIS data, from 1990 to 1995, Bibb County experienced a 3.13 percent increase in population and a 4.75 percent increase in total full- and part-time employment. According to the U.S. Bureau of Labor Statistics for Bibb County since 1998, the annualized unemployment rates (not seasonally adjusted) decreased from 6.0 percent in 1998 to 4.3 percent for 2001. However, unemployment rates (not seasonally adjusted) have increased in 2002 with June's rate of 5.2 percent. The state of Georgia has also shown the same trends since 1998 and shows a June 2002 rate of 5.2 percent as well. This indicates that Bibb County's economy is consistent with Georgia's overall economy and is able to maintain a low rate of unemployment even though there is growth within the community.

#### **Business Size Characteristics**

The demographic table earlier in this report provides key demographic business data by revenue size and census tracts within Rivoli Bank and Trust's assessment area. The Dun and Bradstreet information for 2001 illustrates that 86.6 percent of the businesses in the bank's assessment area had total revenues less than \$1 million and were therefore considered to be small businesses.

#### **Competition**

The assessment area is a highly competitive banking market due to the significant presence of banks in this market. There are ten other financial institutions operating 53 offices in Bibb County. Many of these banks are statewide, multi-regional, or national banks. Some of the financial institutions represented in the bank's assessment area are as follows: Bank of America, Branch Banking and Trust Company, Capital City Bank, Colonial Bank, Security Bank of Bibb County, Suntrust Bank, and Wachovia Bank. According to the June 30, 2001 FDIC Market Share Report, Rivoli Bank and Trust had a market share of 4.3 percent in Bibb County. Local competition does not seem to have adversely affected the bank's ability to serve the credit needs of its assessment area.

#### **Community Contacts**

As part of the CRA examination, information was obtained from two community contacts regarding local economic conditions and community credit needs. One contact indicated that with the overall economy being down, financial support from institutions is down as expected but there is still opportunity for banks to volunteer time for community projects, training, and other activities. The other contact had positive remarks about the local banks.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**Loan-to-Deposit Ratio Analysis**

Rivoli Bank and Trust's loan-to-deposit ratio (LTD) is considered **REASONABLE** given the institution's size, financial condition, and competition within its assessment area. Based on the information from the bank's Consolidated Reports of Condition and Income, the bank's average LTD ratio for the fifteen quarters ending June 30, 2002, was 78.82 percent. The LTD ratio has fluctuated for the past fifteen quarters from 65.83 percent as of September 30, 1999, to 84.50 percent as of December 31, 2001. Rivoli Bank and Trust's highest LTD ratio of 87.35 percent occurred at the quarter ending September 30, 2001. Rivoli Bank and Trust's average LTD ratio was compared with the average LTD ratios of two financial institutions of similar asset size within Bibb County. The average LTD ratios for the same period of time (fifteen quarters ending June 30, 2002) for these two banks were 94.78 percent and 91.17 percent.

**Lending in the Assessment Area**

A sample of 119 small business loans, originated from January 2001 through July 2002, was analyzed to determine the extent of the bank's lending inside the assessment area. As illustrated in the following table, a **SUBSTANTIAL MAJORITY** (by both number and dollar volume) of the small business loans were originated within the assessment area.

<b>LENDING INSIDE AND OUTSIDE ASSESSMENT AREA</b>				
<b>Small Business</b>	<b>IN</b>			
	#	%	\$ (000s)	%
<i>Total In</i>	106	89.1%	\$8,870	96.2%
	<b>OUT</b>			
	#	%	\$ (000s)	%
<i>Total Out</i>	13	10.9%	\$348	3.8%

*Lending to Businesses of Different Sizes*

For this analysis, the distribution of small business lending by revenue size was compared with the available demographic information. The following table represents the distribution of loans to businesses of different sizes.

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

<b>SMALL BUSINESS LOANS by Business Revenue and Loan Size</b>				
<b>Business Revenue:</b>	<b>#</b>	<b>%</b>	<b>\$(000)s</b>	<b>%</b>
\$1 Million or Less	88	83.0%	\$6,124	69.0%
Over \$1 Million	18	17.0%	\$2,746	31.0%
Not Available	0	0.0%	\$0	0.0%
<b>Loan Size:</b>	<b>#</b>	<b>%</b>	<b>\$(000)s</b>	<b>%</b>
\$100,000 or Less	86	81.1%	\$2,358	26.6%
\$100,001 - \$250,000	10	9.4%	\$1,268	14.3%
\$250,001 - \$1 Million	10	9.4%	\$5,244	59.1%
<b>Total</b>	<b>106</b>	<b>100.0%</b>	<b>\$8,870</b>	<b>100.0%</b>

A review of the bank's record of lending to businesses of different sizes revealed that of the 106 business loans to businesses within the assessment area, 88 loans (83.0 percent) were extended to businesses with gross annual revenues of \$1 million or less. According to the 2001 Dun and Bradstreet data, 86.6 percent of the businesses in the bank's assessment area have revenues below \$1 million and are considered to be small businesses. In addition, 86 (81.1 percent) of the small business loans were made in amounts of \$100,000 or less.

Rivoli Bank and Trust's record of lending reflects **EXCELLENT** penetration among business of different sizes.

**Geographic Distribution of Loans**

The following tables represent the total number of businesses within the assessment area by tract and the bank's geographical distribution of loans within each tract.

<b>TOTAL BUSINESSES BY TRACT</b>		
<b>Tract Income Level</b>	<b>#</b>	<b>%</b>
Low-Income	1,677	24.6%
Moderate-Income	890	13.1%
Middle-Income	2,075	30.4%
Upper-Income	2,172	31.9%
<b>Total Assessment Area</b>	<b>6,816</b>	<b>100.0%</b>

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

<b>GEOGRAPHIC DISTRIBUTION</b>		
<b>Tract Income Level</b>	<b>Small Business</b>	
	<b>#</b>	<b>%</b>
Low-Income	11	10.4%
Moderate-Income	13	12.3%
Middle-Income	33	31.1%
Upper-Income	49	46.2%
<i>Total Assessment Area</i>	<i>106</i>	<i>100.0%</i>

As illustrated by the tables above, the bank's percentage of small business lending in low-income (10.4 percent) in comparison with the percentage of small businesses located in low-income (24.6 percent) census tracts is reasonable. Both moderate- (12.3 percent) and middle-income (31.1 percent) lending percentages are very comparable to the percentages of small businesses located in moderate- (13.1 percent) and middle-income (30.4 percent) census tracts showing excellent dispersion within these tracts. The lending within upper-income (46.2) tracts is substantially greater than the percentage of businesses within the upper-income (31.9 percent) census tracts showing excellent dispersion there as well. Overall, Rivoli Bank and Trust's geographical distribution of loans reflects **REASONABLE** dispersion throughout the assessment area considering the high level of competition and the presence of large regional banks in the assessment area.

**Complaints**

No CRA-related complaints have been received since the preceding performance evaluation.

**Compliance with Antidiscrimination Laws and Regulations**

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or use of illegal credit practices was noted during the review of the bank's policies and procedures.