

# **PUBLIC DISCLOSURE**

October 4, 2004

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Peachtree Bank**  
Duluth, Georgia

RSSD ID Number: 2735913

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  
LTD - Loan-to-Deposit Ratio  
MSA - Metropolitan Statistical Area

**ROUNDING CONVENTION**

Because the percentages presented in tables were rounded to the nearest tenth 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 The Peachtree Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of October 4, 2004. 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 **SATISFACTORY.**

The Peachtree Bank's CRA performance is Satisfactory. The bank's average loan-to-deposit ratio for the nineteen-quarters ended June 30, 2004 is **REASONABLE** given the institution's age, size, financial condition, and competition within its assessment areas. A **MAJORITY** of the bank's HMDA and small business loans were originated **IN** its assessment areas. The bank's record of lending reflects **REASONABLE** penetration among borrowers of different income levels and businesses of different revenue sizes. The geographic distribution of loans reflects **REASONABLE** dispersion throughout the assessment area. The bank has received no CRA-related complaints since its previous examination. In addition, the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations.

**DESCRIPTION OF INSTITUTION**

The Peachtree Bank is a community bank based in Duluth, Georgia, which is approximately 15 miles north of Atlanta, Georgia. The Peachtree Bank operates its main office in Duluth and a branch office in each of the following cities: Roswell (Fulton County); Dunwoody (DeKalb County); and Lawrenceville (Gwinnett County). The bank also operates a loan production office in Cumming, Georgia in Forsyth County. All banking locations are full-service facilities that include drive-through windows and ATMs. The Peachtree Bank is a wholly owned subsidiary of The Peachtree Bank Financial Services Corporation in Duluth, Georgia. From June 30, 2003, to June 30, 2004, total assets of the bank grew from \$210.8 million to \$316.7 million (50.2 percent). As of June 30, 2004, loans outstanding totaled \$262.9 million and deposits outstanding totaled \$268.1 million.

The Peachtree Bank is a full-service bank that offers a wide variety of credit products to meet community credit needs. The types of credit offered include consumer home mortgage loans, home improvement loans, consumer open end credit loans, consumer installment loans, and commercial and commercial real estate loans. The bank's business strategy focuses on commercial and commercial real estate loans while providing consumer loans to its commercial customers on an as needed basis.

The composition of the loan portfolio according to the June 30, 2004 Consolidated Reports of Condition and Income (Call Report) is as follows:

<b>COMPOSITION OF LOAN PORTFOLIO</b>						
<b>Loan Type</b>	<b>6/30/2004</b>		<b>12/31/2003</b>		<b>12/31/2002</b>	
	<b>\$ (000s)</b>	<b>Percent</b>	<b>\$ (000s)</b>	<b>Percent</b>	<b>\$ (000s)</b>	<b>Percent</b>
Construction and Development	76,063	28.9%	59,213	28.6%	44,309	31.5%
Secured by One- to Four- Family Dwellings	20,057	7.6%	11,836	5.7%	9,380	6.7%
Other Real Estate:						
Farmland	0	0.0%	0	0.0%	0	0.0%
Multifamily	237	0.1%	239	0.1%	120	0.1%
Nonfarm nonresidential	119,858	45.6%	94,472	45.7%	54,490	38.7%
Commercial and Industrial	36,510	13.9%	31,903	15.4%	24,494	17.4%
Loans to Individuals	10,163	3.9%	9,070	4.4%	8,060	5.7%
Agricultural Loans	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>\$262,888</b>	<b>100.00%</b>	<b>\$206,733</b>	<b>100.00%</b>	<b>\$140,853</b>	<b>100.00%</b>

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

<b>DESCRIPTION OF INSTITUTION (Continued)</b>
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As indicated by the table above, the bank's loan portfolio, as of June 30, 2004, primarily consisted primarily of non-farm nonresidential real estate loans (45.6 percent), construction and development loans (28.9 percent) and commercial and industrial loans (13.9 percent). This is consistent with the bank's strategy. The table reveals that the most significant loan growth by dollar amount since December 31, 2002 was in nonfarm nonresidential loans, which grew by \$65.4 million (119.9 percent) followed by construction and development loans, which grew by \$31.8 million (71.6 percent).

No known legal impediments exist that would hinder the bank's ability to meet the credit needs of its assessment area. HMDA and small business loans were reviewed for the CRA evaluation. Because HMDA loans experienced a higher volume than business loans in terms of numbers and dollars of loans originated during the review period, HMDA loans were given the greater weight in the overall determination of the bank's CRA rating. The Peachtree Bank received a rating of outstanding at its previous CRA examination on September 30, 1999 conducted by the Federal Deposit Insurance Corporation.

<b>DESCRIPTION OF ASSESSMENT AREA</b>
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**Overview**

Peachtree Bank's assessment area consists of parts of DeKalb and Fulton counties, along with all of Gwinnett and Forsyth counties. All four counties are part of the Atlanta MSA (MSA 12060). The bank has not arbitrarily excluded any low- or moderate-income census tracts from its assessment area. Because the review period includes loans that were originated before and after the 2000 census data became available, 1999, 2000, 2001, and 2002 loans were analyzed using 1990 census data; 2003 loans were analyzed using 2000 census data; and 2004 loan data was analyzed using 2000 census data reflecting Office of Management and Budget (OMB) demographic changes.

For all loans originated prior to January 1, 2003, 1990 census data were used to define the bank's assessment areas, which consisted of 77 census tracts; one of which was moderate-income, 34 were middle-income, 41 were upper-income, and one had no income designation.

For all loans originated in 2003, 2000 census demographic data were used to define the bank's assessment areas. The total assessment areas are defined as 114 census tracts; 14 of which are moderate-income, 45 are middle-income, and 55 are upper-income.

For all loans originated in 2004, 2000 census demographic data reflecting OMB demographic changes were used to define the bank's assessment area. The total assessment area is defined as 114 census tracts; 14 of which are moderate-income, 40 are middle-income, and 60 are upper-income.

**1990 Census Demographic Data**

The following table provides demographic data that were used in analyzing the bank's CRA performance for years 1999 through 2002. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.



**DESCRIPTION OF ASSESSMENT AREA (Continued)**

**Assessment Area Demographics**

Assessment Area: Peachtree Bank 2002 (1990 Census)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	15,352	9.8
Moderate-income	1	1.3	2,378	1.5	246	10.3	22,369	14.3
Middle-income	34	44.2	70,126	44.9	2,696	3.8	37,322	23.9
Upper-income	41	53.2	83,782	53.6	1,488	1.8	81,243	52.0
Tract not reported	1	1.3	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>77</b>	<b>100.0</b>	<b>156,286</b>	<b>100.0</b>	<b>4,430</b>	<b>2.8</b>	<b>156,286</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	3,634	2,059	1.5	56.7	1,241	34.1	334	9.2
Middle-income	114,132	55,741	39.3	48.8	46,391	40.6	12,000	10.5
Upper-income	112,803	83,886	59.2	74.4	21,160	18.8	7,757	6.9
Tract not reported	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>230,569</b>	<b>141,686</b>	<b>100.0</b>	<b>61.5</b>	<b>68,792</b>	<b>29.8</b>	<b>20,091</b>	<b>8.7</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	568	1.8	451	1.7	96	1.9	21	2.4
Middle-income	15,550	48.7	12,618	48.4	2,512	50.5	420	48.4
Upper-income	15,816	49.5	13,023	49.9	2,366	47.6	427	49.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>31,934</b>	<b>100.0</b>	<b>26,092</b>	<b>100.0</b>	<b>4,974</b>	<b>100.0</b>	<b>868</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>81.7</b>		<b>15.6</b>		<b>2.7</b>

**1990 Census Population Information**

According to 1990 census data, the population of the bank's assessment area was 566,843 persons, which represented 8.8 percent of the state of Georgia's population at 6,478,216 persons. The population of the bank's assessment area also represented 19.2 percent of the Atlanta MSA's population of 2,959,950 persons.

<b>DESCRIPTION OF ASSESSMENT AREA (Continued)</b>
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### **1990 Census Income Characteristics**

At the time of the 1990 census, there were 156,286 families in the assessment area. Of those families, 9.8 percent were low-income families and 14.3 percent were moderate-income families. Of total families in the assessment area, 4,430 families (2.8 percent) had income below the poverty level. Most (94.4 percent) of these families were in middle- and upper-income census tracts. According to HUD, the estimated median family incomes for the Atlanta MSA, which includes the bank's assessment area, for 1999, 2000, 2001, and 2002 were \$59,900, \$63,100, \$66,500, and \$71,200, respectively.

### **1990 Census Housing Data**

According to 1990 census data, the majority (61.5 percent) of the housing units in the assessment area were owner-occupied. The median housing value for all types of units in the assessment area was \$108,663. The median housing value was greater than the Atlanta MSA at \$88,358, and the state of Georgia at \$70,707. Housing in the assessment area primarily consisted of one unit detached dwellings (63.8 percent), and multi-family dwellings (22.4 percent). Additionally, 8.7 percent of the housing stock in the assessment area were vacant units. The median age of the housing stock was 9 years.

### **1990 Business Size Characteristics**

This table provides key demographic business data by tract within Peachtree Bank's assessment area. The Dun and Bradstreet information indicates that 81.7 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.

**DESCRIPTION OF ASSESSMENT AREA (Continued)**

**2000 Census Demographic Data**

The following tables provide key demographic information from the 2000 census that was used in analyzing the bank's CRA performance in 2003. Certain components of the data in the table are discussed in the evaluation as they apply to particular parts of the analysis.

**Assessment Area Demographics**

Assessment Area: Peachtree Bank 2003 (2000 Census)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	30,558	11.8
Moderate-income	14	12.3	20,588	8.0	2,125	10.3	37,978	14.7
Middle-income	45	39.5	93,220	36.1	4,289	4.6	55,071	21.3
Upper-income	55	48.2	144,491	55.9	2,756	1.9	134,692	52.1
<b>Total Assessment Area</b>	<b>114</b>	<b>100.0</b>	<b>258,299</b>	<b>100.0</b>	<b>9,170</b>	<b>3.6</b>	<b>258,299</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	35,907	11,211	4.5	31.2	23,023	64.1	1,673	4.7
Middle-income	138,164	87,220	34.9	63.1	44,842	32.5	6,102	4.4
Upper-income	189,626	151,204	60.6	79.7	31,528	16.6	6,894	3.6
<b>Total Assessment Area</b>	<b>363,697</b>	<b>249,635</b>	<b>100.0</b>	<b>68.6</b>	<b>99,393</b>	<b>27.3</b>	<b>14,669</b>	<b>4.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3,941	11.6	2,891	10.4	928	18.0	122	10.8
Middle-income	11,791	34.7	9,871	35.6	1,528	29.6	392	34.8
Upper-income	18,240	53.7	14,928	53.9	2,700	52.4	612	54.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>33,972</b>	<b>100.0</b>	<b>27,690</b>	<b>100.0</b>	<b>5,156</b>	<b>100.0</b>	<b>1,126</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>81.5</b>		<b>15.2</b>		<b>3.3</b>

<b>DESCRIPTION OF ASSESSMENT AREA (Continued)</b>
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### **2000 Census Population Information**

According to the 2000 census, the population of the bank's assessment area was 979,462 persons, which represents approximately 12.0 percent of the state of Georgia's population at 8,186,453 persons and 23.8 percent of the population of the Atlanta MSA at 4,112,198 persons. Between the 1990 census and 2000 census, the population of the bank's assessment area increased by 412,619 persons or 72.8 percent.

### **2000 Census Income Characteristics**

At the time of the 2000 census, there were 258,299 families in the assessment area. Of those families, 11.8 percent were low-income families and 14.7 percent were moderate-income families. Of total families in the assessment area, 9,170 families (3.6 percent) had income below the poverty level. Most (76.8 percent) of these families were in middle- and upper-income census tracts. According to HUD, the estimated 2003 median family income for the Atlanta MSA, which includes the bank's assessment area, was \$68,800.

### **2000 Census Housing Data**

According to 2000 census data, the majority (68.6 percent) of the housing units in the assessment area were owner-occupied. The median housing value for all types of units in the assessment area was \$161,835. The median housing value was greater than the Atlanta MSA at \$132,600, and the state of Georgia at \$100,600. Housing in the assessment area primarily consisted of one unit detached dwellings (73.1 percent), and multi-family dwellings (19.8 percent). Additionally, 4.0 percent of the housing stock in the assessment area were vacant units. The median age of the housing stock was 13 years.

### **2000 Business Size Characteristics**

This table provides key demographic business data by tract within Peachtree Bank's assessment areas. The Dun and Bradstreet information indicates that 81.5 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.

**DESCRIPTION OF ASSESSMENT AREA (Continued)**

The following table provides demographic data from the 2000 census reflecting OMB changes in 2004 that was used to analyze The Peachtree Bank's CRA performance in 2004. Certain components of the data in the table are discussed in the evaluation as they apply to particular parts of the analysis.

**Assessment Area Demographics**

Assessment Area: Peachtree Bank 2004 (2000 Census)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	29,900	11.6
Moderate-income	14	12.3	20,588	8.0	2,125	10.3	37,235	14.4
Middle-income	40	35.1	83,639	32.4	3,922	4.7	54,326	21.0
Upper-income	60	52.6	154,072	59.6	3,123	2.0	136,838	53.0
<b>Total Assessment Area</b>	<b>114</b>	<b>100.0</b>	<b>258,299</b>	<b>100.0</b>	<b>9,170</b>	<b>3.6</b>	<b>258,299</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	35,907	11,211	4.5	31.2	23,023	64.1	1,673	4.7
Middle-income	124,548	76,354	30.6	61.3	42,879	34.4	5,315	4.3
Upper-income	203,242	162,070	64.9	79.7	33,491	16.5	7,681	3.8
<b>Total Assessment Area</b>	<b>363,697</b>	<b>249,635</b>	<b>100.0</b>	<b>68.6</b>	<b>99,393</b>	<b>27.3</b>	<b>14,669</b>	<b>4.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3,941	11.6	2,891	10.4	928	18.0	122	10.8
Middle-income	10,465	30.8	8,806	31.8	1,311	25.4	348	30.9
Upper-income	19,566	57.6	15,993	57.8	2,917	56.6	656	58.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>33,972</b>	<b>100.0</b>	<b>27,690</b>	<b>100.0</b>	<b>5,156</b>	<b>100.0</b>	<b>1,126</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>81.5</b>		<b>15.2</b>		<b>3.3</b>

**2000 Census Population Information (2004 OMB Changes)**

According to the 2000 census, the population of the bank's assessment area was 979,462 persons, which represent approximately 12.0 percent of the state of Georgia's population at 8,186,453 persons.

<b>DESCRIPTION OF ASSESSMENT AREA (Continued)</b>
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**2000 Census Income Characteristics (2004 OMB Changes)**

At the time of the 2000 census, there were 258,299 families in the assessment area. Of those families, 11.6 percent were low-income families and 14.4 percent were moderate-income families. Of total families in the assessment area, 9,170 families (3.6 percent) had income below the poverty level. Most (65.9 percent) of these families were in middle- and upper-income census tracts. According to HUD, the estimated 2003 median family income reflecting OMB changes for the Atlanta MSA, which includes the bank's assessment area, was \$67,900.

**2000 Census Housing Data (2004 OMB Changes)**

According to 2000 census data, the majority (68.6 percent) of the housing units in the assessment area were owner-occupied. The median housing value for all types of units in the assessment area was \$161,835. The median housing value was greater than the Atlanta MSA at \$130,800, and the state of Georgia at \$100,600. Housing in the assessment area primarily consisted of one unit detached dwellings (73.1 percent), and multi-family dwellings (19.8 percent). Additionally, 4.0 percent of the housing stock in the assessment area were vacant units. The median age of the housing stock was 13 years.

**2000 Business Size Characteristics (2004 OMB Changes)**

This table provides key demographic business data by tract within Peachtree Bank's assessment areas. The Dun and Bradstreet information indicates that 81.5 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.

<b>DESCRIPTION OF ASSESSMENT AREA (Continued)</b>
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**OTHER INFORMATION**

**Employment Characteristics**

The trade, transportation, and utilities industries are the largest employers in the Atlanta MSA, followed by the professional and business services industries and the government. According to the Bureau of Labor Statistics, the annual unemployment rates in the Atlanta MSA for 1999, 2000, 2001, 2002, and 2003 were 3.1 percent, 2.9 percent, 3.5 percent, 5.3 percent, and 4.9 percent, respectively. Between January and August 2004, the unemployment rate for the Atlanta MSA ranged from a low of 3.6 percent in April 2004 to a high of 4.6 percent in June 2004. Unemployment rates for the state of Georgia for 1999, 2000, 2001, 2002, and 2003 were 4.0 percent, 3.7 percent, 4.0 percent, 5.1 percent, and 4.7 percent, respectively. Between January and August 2004, the unemployment rate for the state of Georgia ranged from a low of 3.5 percent in April 2004 to a high of 4.6 percent in June 2004.

**Competition**

As of June 30, 2003, the FDIC market share report identified 68 financial institutions, including The Peachtree Bank, operating 641 offices in the bank's assessment area. The entities represent a mixture of community, regional, and nationally represented institutions. Asset size of these institutions ranged from \$8.8 million to \$706.9 billion. As of June 30, 2003, The Peachtree Bank's deposit market share was 0.34 percent, which ranked 27<sup>th</sup> out of the 68 financial institutions. As of June 30, 2003 deposit market share for all financial institutions ranged from less than one percent to 25.06 percent. The Peachtree Bank's market share of deposits as of June 30, 1999, 2000, 2001, 2002, and 2003 were 0.10 percent, 0.18 percent, 0.23 percent, 0.33 percent, and 0.34 percent, respectively. 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 a part of the CRA examination, information was obtained from one community leader regarding local economic conditions and community credit needs. Overall, the contact stated that local banks are meeting the credit needs of the assessment area.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The following table displays the bank's lending performance in the assessment area from January 1, 2000 through December 31, 2002.

**Loan Distribution Table**

**Assessment Area: Peachtree Bank up to 2002**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	1	1.9%	89	0.7%
Moderate	1	1.9%	54	0.4%	14	25.9%	2,287	18.0%
Middle	21	38.9%	5,116	40.3%	10	18.5%	1,861	14.7%
Upper	32	59.3%	7,512	59.2%	22	40.7%	6,505	51.3%
Unknown	0	0.0%	0	0.0%	7	13.0%	1,940	15.3%
<b>Total</b>	<b>54</b>	<b>100.0%</b>	<b>12,682</b>	<b>100.0%</b>	<b>54</b>	<b>100.0%</b>	<b>12,682</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	5	3.4%	479	1.4%
Moderate	3	2.1%	411	1.2%	19	1.3%	2,397	7.3%
Middle	52	35.9%	8,475	25.6%	20	13.8%	2,908	8.8%
Upper	90	62.1%	24,165	73.1%	95	65.5%	25,723	77.8%
Unknown	0	0.0%	0	0.0%	6	4.1%	1,544	4.7%
<b>Total</b>	<b>145</b>	<b>100.0%</b>	<b>33,051</b>	<b>100.0%</b>	<b>145</b>	<b>100.0%</b>	<b>33,051</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>HMDA Totals</b>							
Low	0	0.0%	0	0.0%	6	3.0%	568	1.2%
Moderate	4	2.0%	465	1.0%	33	16.6%	4,684	10.2%
Middle	73	36.7%	13,591	29.7%	30	15.1%	4,769	10.4%
Upper	122	61.3%	31,677	69.3%	117	58.8%	32,228	70.5%
Unknown	0	0.0%	0	0.0%	13	6.5%	3,484	7.6%
<b>Total</b>	<b>199</b>	<b>100.0%</b>	<b>45,733</b>	<b>100.0%</b>	<b>199</b>	<b>100.0%</b>	<b>45,733</b>	<b>100.0%</b>
	<b>COMMERCIAL</b>							
	#	%	\$(000s)		%			
	<b>By Tract Income</b>							
Low	0	0.0%	0		0.0%			
Moderate	0	0.0%	0		0.0%			
Middle	13	34.2%	1,486		32.9%			
Upper	25	65.8%	3,031		67.1%			
Unknown	0	0.0%	0		0.0%			
<b>Total</b>	<b>38</b>	<b>100.0%</b>	<b>4,517</b>		<b>100.0%</b>			
	<b>By Loan Size</b>							
\$100,000 or less	25	65.8%	811		18.0%			
\$100,001 - \$250,000	7	18.4%	1,267		28.0%			
\$250,001 - \$1 Million*	6	15.8%	2,440		54.0%			
Over \$1 Million*	0	0.0%	0		0.0%			
<b>Total</b>	<b>38</b>	<b>100.0%</b>	<b>4,518</b>		<b>100.0%</b>			
	<b>By Revenue</b>							
\$1 Million or Less	25	65.8%	2,980		66.0%			
Over \$1 Million	13	34.2%	1,538		34.0%			
Not Known	0	0.0%	0		0.0%			
<b>Total</b>	<b>38</b>	<b>100.0%</b>	<b>4,518</b>		<b>100.0%</b>			

Originations and Purchases



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

The following table displays the bank's lending performance in the Assessment Area for the year 2003.

**Loan Distribution Table**

**Assessment Area: Peachtree Bank 2003**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	2	12.5%	262	8.2%
Moderate	0	0.0%	0	0.0%	3	18.8%	333	10.4%
Middle	6	37.5%	1,050	32.8%	1	6.3%	237	7.4%
Upper	10	62.5%	2,153	67.2%	8	50.0%	1,756	54.8%
Unknown	0	0.0%	0	0.0%	2	12.5%	615	19.2%
<b>Total</b>	<b>16</b>	<b>100.0%</b>	<b>3,203</b>	<b>100.0%</b>	<b>16</b>	<b>100.0%</b>	<b>3,203</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	5	5.3%	462	2.3%
Moderate	5	5.3%	581	2.9%	11	1.2%	1,782	8.8%
Middle	26	27.4%	3,954	19.5%	17	17.9%	2,503	12.3%
Upper	64	67.4%	15,763	77.7%	59	62.1%	15,044	74.1%
Unknown	0	0.0%	0	0.0%	3	3.2%	507	2.5%
<b>Total</b>	<b>95</b>	<b>100.0%</b>	<b>20,298</b>	<b>100.0%</b>	<b>95</b>	<b>100.0%</b>	<b>20,298</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	7	6.3%	724	3.1%
Moderate	5	4.5%	581	2.5%	14	12.6%	2,115	9.0%
Middle	32	28.8%	5,004	21.3%	18	16.2%	2,740	11.7%
Upper	74	66.7%	17,916	76.2%	67	60.4%	16,800	71.5%
Unknown	0	0.0%	0	0.0%	5	4.5%	1,122	4.8%
<b>Total</b>	<b>111</b>	<b>100.0%</b>	<b>23,501</b>	<b>100.0%</b>	<b>111</b>	<b>100.0%</b>	<b>23,501</b>	<b>100.0%</b>
<b>COMMERCIAL</b>								
<b>By Tract Income</b>								
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>		<b>#</b>	<b>%</b>		
Low	0	0.0%	0		0	0.0%		
Moderate	5	15.6%	1,162		5	15.6%		
Middle	7	21.9%	798		7	21.9%		
Upper	20	62.5%	4,048		20	62.5%		
Unknown	0	0.0%	0		0	0.0%		
<b>Total</b>	<b>32</b>	<b>100.0%</b>	<b>6,008</b>		<b>32</b>	<b>100.0%</b>		
<b>By Loan Size</b>								
\$100,000 or less	20	62.5%	736		20	62.5%		
\$100,001 - \$250,000	4	12.5%	664		4	12.5%		
\$250,001 - \$1 Million*	8	25.0%	4,608		8	25.0%		
Over \$1 Million*	0	0.0%	0		0	0.0%		
<b>Total</b>	<b>32</b>	<b>100.0%</b>	<b>6,008</b>		<b>32</b>	<b>100.0%</b>		
<b>By Revenue</b>								
\$1 Million or Less	21	65.6%	2,711		21	65.6%		
Over \$1 Million	10	31.3%	2,515		10	31.3%		
Not Known	1	3.1%	782		1	3.1%		
<b>Total</b>	<b>32</b>	<b>100.0%</b>	<b>6,008</b>		<b>32</b>	<b>100.0%</b>		

Originations and Purchases

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

The following table displays the bank's lending performance in the Assessment Area for the year 2004.

**Loan Distribution Table**

**Assessment Area: Peachtree Bank 2004**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	1	100.0%	196	100.0%	1	100.0%	196	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>196</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>196</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	1.7%	45	3.6%
Middle	0	0.0%	0	0.0%	2	33.3%	358	28.3%
Upper	6	100.0%	1,263	100.0%	3	50.0%	860	68.1%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>6</b>	<b>100.0%</b>	<b>1,263</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>	<b>1,263</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	14.3%	45	3.1%
Middle	0	0.0%	0	0.0%	2	28.6%	358	24.5%
Upper	7	100.0%	1,459	100.0%	4	57.1%	1,056	72.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>7</b>	<b>100.0%</b>	<b>1,459</b>	<b>100.0%</b>	<b>7</b>	<b>100.0%</b>	<b>1,459</b>	<b>100.0%</b>
<b>COMMERCIAL</b>								
	#	%			\$(000s)			
<b>By Tract Income</b>								
Low	0	0.0%			0			
Moderate	0	0.0%			0			
Middle	4	17.4%			292			
Upper	19	82.6%			2,234			
Unknown	0	0.0%			0			
<b>Total</b>	<b>23</b>	<b>100.0%</b>			<b>2,526</b>			
<b>By Loan Size</b>								
\$100,000 or less	16	69.6%			679			
\$100,001 - \$250,000	4	17.4%			539			
\$250,001 - \$1 Million*	3	13.0%			1,307			
Over \$1 Million*	0	0.0%			0			
<b>Total</b>	<b>23</b>	<b>100.0%</b>			<b>2,525</b>			
<b>By Revenue</b>								
\$1 Million or Less	8	34.8%			954			
Over \$1 Million	14	60.9%			1,407			
Not Known	1	4.3%			165			
<b>Total</b>	<b>23</b>	<b>100.0%</b>			<b>2,526</b>			

Originations and Purchases

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

**Scope of Examination**

The CRA examination review period included all HMDA loans and a sample of small business loans made between January 1, 2000, and June 30, 2004. The bank became a HMDA reporter on January 1, 2000. Because HMDA loans accounted for a greater number and dollar volume of lending than small business lending during the review period, greater weight was given to HMDA lending in the determination of the bank's CRA rating.

**Loan-to-Deposit Ratio Analysis**

The bank's average LTD ratio for the twenty-quarter period ended June 30, 2004 was 85.30 percent. The bank's ratio has ranged from a low of 73.62 percent to a high of 99.50 percent during the review period. The bank's average net LTD ratio was compared with the ratio of nine financial institutions of similar asset size with at least one branch office in the bank's assessment area. The Peachtree Bank's average net LTD ratio was comparable with the ratios of the peer banks which ranged from 69.8 percent to 93.1 percent. The bank's loan-to-deposit ratio is **REASONABLE** given the bank's size, financial condition, and assessment area credit needs.

**Assessment Area Concentration**

A **MAJORITY** of the bank's lending occurs **IN** its assessment area. The following table shows the distribution of loans that were originated during the review period inside and outside the bank's assessment area, by number of loans and dollar amount, according to loan type:

**Lending Inside and Outside the Assessment Area**

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	0	0.0	\$0	0.0	1	100.0	\$153	100.0
Home Purchase -	70	36.5	\$15,935	38.8	122	63.5	\$25,167	61.2
Home Purchase - VA	1	100.0	\$146	100.0	0	0.0	\$0	0.0
Refinancing	246	55.0	\$54,611	59.5	201	45.0	\$37,230	40.5
<b>Total HMDA related</b>	<b>317</b>	<b>49.5</b>	<b>\$70,692</b>	<b>53.1</b>	<b>324</b>	<b>50.5</b>	<b>\$62,550</b>	<b>46.9</b>
Commercial	93	71.5	\$13,051	76.3	37	28.5	\$4,057	23.7
<b>Total Commercial</b>	<b>93</b>	<b>71.5</b>	<b>\$13,051</b>	<b>76.3</b>	<b>37</b>	<b>28.5</b>	<b>\$4,057</b>	<b>23.7</b>
<b>TOTAL LOANS</b>	<b>410</b>	<b>53.2</b>	<b>\$83,744</b>	<b>55.7</b>	<b>361</b>	<b>46.8</b>	<b>\$66,607</b>	<b>44.3</b>

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

As indicated by the previous table, 53.2 percent of the bank's total loans were to customers and businesses inside the bank's assessment area. Also, 55.7 percent of the dollar volume of total loans was inside the bank's assessment area. As stated earlier, The Peachtree Bank's management considers its primary focus to be commercial lending, of which 71.5 percent of the commercial loans were made inside the bank's assessment area, and 76.3 percent of the dollar volume of total commercial loans were also inside the assessment area. Discussions with senior bank management indicated that the overall percentage is lower than expected because of the bank's business relationship with several local builders of one-to –four family residential dwellings who reside in its assessment area. These builders have developed single family residences outside the bank's assessment area and The Peachtree Bank is the primary mortgage originator of the dwellings for the customers who purchase these homes. The level of lending inside the assessment area indicates that the bank is serving the credit needs of its assessment area.

**Lending to Borrowers of Different Incomes and Businesses of Different Sizes**

**Analysis Based on 1990 Census Data**

To assess The Peachtree Bank's performance relative to this criterion, all HMDA reportable loans and a sample of 38 small business loans originated from October 1, 1999, through December 31, 2002 within the bank's assessment area were analyzed. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report. For this analysis, the distribution of HMDA loans by borrower income levels and small business lending by revenue size was compared with the available demographic information.

**HMDA Lending for 2002 and prior**

As illustrated in the table on page 12, 3.0 percent of the HMDA loans were originated to low-income borrowers, which is less than the percentage of low-income families in the assessment area at 9.8 percent. It is noted that 2.8 percent of families in the assessment area have incomes below the poverty level. While families below the poverty level are not ineligible for credit, it can be inferred that with a lower capacity for debt repayment, they may not qualify for residential real estate loans. Assuming the 4,430 poverty level families are also classified as low-income, there are 10,922 non-poverty, low-income families representing 7.0 percent of total families. The bank's level of lending to low-income borrowers is below this percentage. The bank's level of HMDA loans at 16.6 percent to moderate-income borrowers exceeds the percentage of moderate-income families at 14.3 percent in the assessment area.

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

According to the 2002 HMDA aggregate lending table in Appendix A, The Peachtree Bank's level of lending to low-income borrowers at 5.3 percent was comparable to aggregate performance at 5.2 percent. The Peachtree Bank's level of HMDA lending to moderate-income borrowers at 17.0 percent was slightly below aggregate performance at 18.0 percent.

**Small Business Lending for 2002 and prior**

All 38 of the small business loans originated in the assessment area reported revenue information. Of the 38 loans, 25 (65.8 percent) were extended to businesses with gross annual revenues of \$1 million or less, which is below the percentage of businesses with revenues below \$1 million at 81.7 percent in the assessment area. As discussed earlier in this report, The Peachtree Bank has several financial institutions in its assessment area with which it competes for small business loans. In addition, management has had to establish a banking presence in the assessment area since opening in October 1998 and has made documented efforts to reach out to small businesses in the community.

**Analysis Based on 2000 Census Data**

To assess The Peachtree Bank's performance relative to this criterion, all HMDA loans and a sample of 32 small business loans originated in 2003 were analyzed. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report. For this analysis, the distribution of HMDA loans and small business lending by revenue size was compared with the available demographic information.

**HMDA Lending for 2003**

As illustrated in the table on page 13, 6.3 percent of the 2003 HMDA loans were originated to low-income borrowers, which is less than the percentage of low-income families in the assessment area at 11.8 percent. It is noted that 3.6 percent of families in the assessment area have incomes below the poverty level. While families below the poverty level are not ineligible for credit, it can be inferred that with a lower capacity for debt repayment, they may not qualify for residential real estate loans. Assuming the 9,170 poverty level families are also classified as low-income, there are 21,388 non-poverty, low-income families representing 8.3 percent of total families. The bank's level of lending to low-income borrowers is also below this percentage. The Peachtree Bank's level of HMDA loans at 12.6 percent to moderate-income borrowers was slightly below the

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)</b>
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level of moderate-income families at 14.7 percent in the assessment area. According to the 2003 HMDA aggregate lending table in Appendix A, The Peachtree Bank's percentage of lending to low-income borrowers at 6.3 percent exceeded aggregate's performance at 5.0 percent. The Peachtree Bank's percentage of lending to moderate-income borrowers at 12.6 percent was below aggregate's performance at 17.3 percent.

### **Small Business Lending for 2003**

Of the 32 small business loans originated in the assessment area during 2003, all 32 reported revenue information. Of these small business loans, 21 (65.6 percent) were extended to businesses with gross annual revenues of \$1 million or less, which is less than the percentage of small business in the assessment area at 81.5 percent.

### **Analysis Based on 2000 Census Data (2004 OMB Changes)**

To assess The Peachtree Bank's performance relative to this criterion, all HMDA loans and a sample of 23 small business loans originated between January 1 and June 30, 2004, within the bank's assessment area were analyzed. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report. For this analysis, the distribution of HMDA loans and small business lending by revenue size was compared with the available demographic information.

### **HMDA Lending for 2004**

As illustrated in the table on page 14, The Peachtree Bank has not originated any HMDA loans to low-income borrowers. The bank originated 14.3 percent of its HMDA loans to moderate-income borrowers, which is comparable to the number of families in the assessment area at 14.7 percent. Aggregate data was not available for 2004 HMDA lending.

### **Small Business Lending for 2004**

Of the 23 small business loans originated between January 1 and June 30, 2004 by the bank in its assessment area, all 23 reported revenue information. Of these small business loans, 8 (34.8 percent) were extended to business with annual revenues of \$1 million or less, which is less than the 81.5 percent of small businesses located in the bank's assessment area.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)</b>
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Based on demographic data, competition and other performance contextual issues, The Peachtree Bank's lending performance reflects **REASONABLE** penetration among individuals of different income levels and businesses of different revenue sizes.

### **Geographic Distribution of Loans**

#### **Analysis based on 1990 Census Data**

To assess Peachtree's performance relative to this criterion, all HMDA reportable loans and a sample of 38 small business loans originated between January 1, 1999 through December 31, 2002, within the bank's assessment area were analyzed and compared to 1990 census data. The bank's assessment area according to 1990 census data contained no low-income census tracts, 1 moderate-income census tracts, 34 middle-income census tracts, 41 upper-income census tracts, and 1 unknown-income census tract.

#### **HMDA Lending for 2002 and prior**

As illustrated in the table on page 12, the bank does not have any HMDA lending in low-income census tracts since there are no low-income census tracts in its assessment area. The level of HMDA loans at 1.3 percent in moderate-income census tracts is lower than the level of owner-occupied units in the moderate-income census tract at 1.5 percent and the percentage of families in moderate-income tracts at 1.5 percent. The tables in Appendix A displays a summary of Peachtree Bank's performance compared to aggregate lending performance from 2000 through 2002 in the origination of HMDA loans in moderate-income census tracts. Comparing aggregate performance of HMDA loans originated in moderate-income tracts to that of the bank, Peachtree Bank outperformed the aggregate in its lending in moderate-income tracts in 2001. In both 2000 and 2002, the aggregate outperformed Peachtree Bank in this same area, although there is not significant lending activity in moderate-income tracts in either year by the aggregate. Again, there are no low-income census tracts in the bank's assessment area, so lending in low-income census tracts was not evaluated. Aggregate lending tables are found in Appendix A of this report.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)</b>
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**Small Business Lending for 2002 and prior**

As illustrated in the table on page 12, no small business loans from the loan sample were originated by the bank in low-income census tracts since there are no low-income census tracts in the bank's assessment area. The bank had no loans to small businesses in moderate-income census tracts between 1999 and 2002, which falls below the number of small businesses located in the bank's one moderate-income census tract of 1.7 percent. The majority of the bank's small business loans were originated in the middle- and upper-income census tracts, which contain the majority of the businesses in the assessment area.

**Analysis Based on 2000 Census Data**

To assess Peachtree's performance relative to this criterion, all HMDA loans and a sample of 32 small business loans originated in 2003 and 23 small business loans originated between January 1 and June 30, 2004, within the bank's assessment area were analyzed. The bank's assessment area according to the 2000 census data no low-income census tracts, 14 moderate-income census tracts, 45 middle-income census tracts, and 55 upper-income census tracts.

**HMDA Lending for 2003**

As illustrated on page 13, the bank's level of HMDA loans at 4.5 percent in moderate-income census tracts is comparable to the level of owner-occupied units at 4.5 percent in the moderate-income census tracts. According to the 2003 HMDA aggregate lending table, The Peachtree Bank's level of lending in moderate-income tracts at 4.5 percent significantly exceeded aggregate performance at 3.1 percent.

**Small Business Lending for 2003**

The bank's level of small business loans at 15.6 percent in moderate-income census tracts exceeds the percentage of small businesses in the moderate-income census tracts at 10.4 percent. The majority of the bank's small business loans were originated in the upper-income census tracts, which contain the majority of the businesses in the assessment area.



<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)</b>
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**Analysis Based on 2000 Census Data (2004 OMB Changes)**

To assess The Peachtree Bank's performance relative to this criterion, all HMDA loans and a sample of 23 small business loans originated between January 1 and June 30, 2004, within the bank's assessment area were analyzed. The bank's assessment area consisted of no low-income tracts, 14 moderate-income tracts, 40 middle-income tracts, and 60 upper-income tracts.

**HMDA Lending for 2004**

As illustrated in the table on page 14, the bank did not originate any HMDA loans in moderate-income census tracts. No aggregate lending data were available for 2004.

**Small Business Lending for 2004**

As illustrated in the table on page 14, none of the bank's small business loans were originated in moderate-income census tracts. The majority of the bank's small business loans were originated in the upper-income census tracts, which contain the majority of the businesses in the assessment area. Per bank management, it actively solicits commercial loan applications from all segments of its assessment area including moderate-income tracts. There are a number of financial institutions subject to large bank CRA requirements competing with The Peachtree Bank for a limited number of applications coming from businesses in the moderate-income tracts.

Based on demographic factors, competition in the assessment area and other performance contextual issues, the geographic distribution of loans reflects **REASONABLE** dispersion throughout the assessment area for the 2003 period.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)</b>
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**Complaints**

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

**Compliance with Antidiscrimination Laws**

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

**APPENDIX A: AGGREGATE LENDING TABLES**

**Peer Group Loan Distribution Report**

**Restricted-FR**

**Exam ID: Peachtree Bank**

**Selected Year: 2002**

**Peachtree Bank 2002 Peer**

	By Tract Income			HMDA		By Borrower Income		
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	2,812	6.0%	306,659	3.9%
Moderate	375	0.8%	51,962	0.7%	11,338	24.4%	1,480,175	18.9%
Middle	24,414	52.5%	3,786,083	48.4%	11,607	25.0%	1,755,675	22.5%
Upper	21,715	46.7%	3,976,741	50.9%	13,211	28.4%	2,950,311	37.8%
Unknown	0	0.0%	0	0.0%	7,536	16.2%	1,321,966	16.9%
<b>Total</b>	<b>46,504</b>	<b>100.0%</b>	<b>7,814,786</b>	<b>100.0%</b>	<b>46,504</b>	<b>100.0%</b>	<b>7,814,786</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	3,394	4.6%	336,612	2.6%
Moderate	451	0.6%	57,232	0.4%	10,187	14.0%	1,231,899	9.4%
Middle	29,933	41.0%	4,755,877	36.2%	16,066	22.0%	2,389,958	18.2%
Upper	42,624	58.4%	8,308,048	63.3%	28,134	38.5%	6,374,261	48.6%
Unknown	0	0.0%	0	0.0%	15,227	20.9%	2,788,427	21.3%
<b>Total</b>	<b>73,008</b>	<b>100.0%</b>	<b>13,121,157</b>	<b>100.0%</b>	<b>73,008</b>	<b>100.0%</b>	<b>13,121,157</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	126	6.7%	3,322	3.7%
Moderate	20	1.1%	737	0.8%	369	19.5%	10,933	12.2%
Middle	832	44.0%	32,643	36.5%	500	26.5%	18,677	20.9%
Upper	1,037	54.9%	56,146	62.7%	784	41.5%	50,278	56.2%
Unknown	0	0.0%	0	0.0%	110	5.8%	6,316	7.1%
<b>Total</b>	<b>1,889</b>	<b>100.0%</b>	<b>89,526</b>	<b>100.0%</b>	<b>1,889</b>	<b>100.0%</b>	<b>89,526</b>	<b>100.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	25	80.6%	83,962	58.0%	0	0.0%	0	0.0%
Upper	6	19.4%	60,769	42.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	31	100.0%	144,731	100.0%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>144,731</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>144,731</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	0	0.0%	0	0.0%	6,332	5.2%	646,593	3.1%
Moderate	846	0.7%	109,931	0.5%	21,894	18.0%	2,723,007	12.9%
Middle	55,204	45.5%	8,658,565	40.9%	28,173	23.2%	4,164,310	19.7%
Upper	65,382	53.8%	12,401,704	58.6%	42,129	34.7%	9,374,850	44.3%
Unknown	0	0.0%	0	0.0%	22,904	18.9%	4,261,440	20.1%
<b>Total</b>	<b>121,432</b>	<b>100.0%</b>	<b>21,170,200</b>	<b>100.0%</b>	<b>121,432</b>	<b>100.0%</b>	<b>21,170,200</b>	<b>100.0%</b>
	<b>SMALL BUSINESS</b>			<b>SMALL BUSINESS/FARM</b>		<b>SMALL FARM</b>		
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	547	1.4%	24,471	1.7%	0	0.0%	0	0.0%
Middle	17,633	45.7%	693,276	48.0%	25	55.6%	2,647	51.3%
Upper	19,434	50.3%	718,324	49.7%	20	44.4%	2,516	48.7%
Unknown	1,008	2.6%	8,124	0.6%	0	0.0%	0	0.0%
<b>Total</b>	<b>38,622</b>	<b>100.0%</b>	<b>1,444,195</b>	<b>100.0%</b>	<b>45</b>	<b>100.0%</b>	<b>5,163</b>	<b>100.0%</b>
	<b>By Loan Size</b>							
\$100,000 or Less	35,763	92.6%	411,800	28.5%	30	66.7%	1,022	19.8%
\$100,001 - \$250,000	1,394	3.6%	246,695	17.1%	8	17.8%	1,309	25.4%
\$250,001 - \$1 Million*	1,465	3.8%	785,700	54.4%	7	15.6%	2,832	54.9%
Over \$1 Million*	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>38,622</b>	<b>100.0%</b>	<b>1,444,195</b>	<b>100.0%</b>	<b>45</b>	<b>100.0%</b>	<b>5,163</b>	<b>100.0%</b>
	<b>By Revenue</b>							
<b>Total \$1 Million or Less</b>	<b>10,906</b>	<b>28.2%</b>	<b>648,950</b>	<b>44.9%</b>	<b>38</b>	<b>84.4%</b>	<b>3,839</b>	<b>74.4%</b>

**APPENDIX A: AGGREGATE LENDING TABLES**

**Peer Group Loan Distribution Report**

**Peachtree Bank 2003 Peer**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	3,610	6.7%	432,557	4.7%
Moderate	1,825	3.4%	230,263	2.5%	13,283	24.7%	1,780,995	19.3%
Middle	22,146	41.1%	3,169,437	34.4%	11,947	22.2%	1,855,517	20.1%
Upper	29,853	55.5%	5,812,896	63.1%	15,844	29.4%	3,590,040	39.0%
Unknown	0	0.0%	0	0.0%	9,140	17.0%	1,553,487	16.9%
<b>Total</b>	<b>53,824</b>	<b>100.0%</b>	<b>9,212,596</b>	<b>100.0%</b>	<b>53,824</b>	<b>100.0%</b>	<b>9,212,596</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	4,635	4.1%	481,674	2.4%
Moderate	3,284	2.9%	382,323	1.9%	15,365	13.7%	1,924,872	9.7%
Middle	35,060	31.3%	4,853,285	24.6%	21,726	19.4%	3,262,360	16.5%
Upper	73,634	65.8%	14,532,213	73.5%	44,410	39.7%	9,662,827	48.9%
Unknown	0	0.0%	0	0.0%	25,842	23.1%	4,436,088	22.4%
<b>Total</b>	<b>111,978</b>	<b>100.0%</b>	<b>19,767,821</b>	<b>100.0%</b>	<b>111,978</b>	<b>100.0%</b>	<b>19,767,821</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	110	7.3%	3,456	4.1%
Moderate	51	3.4%	1,821	2.1%	288	19.2%	9,743	11.5%
Middle	507	33.8%	20,864	24.6%	347	23.2%	16,839	19.8%
Upper	940	62.8%	62,192	73.3%	706	47.1%	49,648	58.5%
Unknown	0	0.0%	0	0.0%	47	3.1%	5,191	6.1%
<b>Total</b>	<b>1,498</b>	<b>100.0%</b>	<b>84,877</b>	<b>100.0%</b>	<b>1,498</b>	<b>100.0%</b>	<b>84,877</b>	<b>100.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	3	15.8%	32,320	12.3%	0	0.0%	0	0.0%
Middle	8	42.1%	50,500	19.2%	0	0.0%	0	0.0%
Upper	8	42.1%	180,408	68.5%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	19	100.0%	263,228	100.0%
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>263,228</b>	<b>100.0%</b>	<b>19</b>	<b>100.0%</b>	<b>263,228</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	0	0.0%	0	0.0%	8,355	5.0%	917,687	3.1%
Moderate	5,163	3.1%	646,727	2.2%	28,936	17.3%	3,715,610	12.7%
Middle	57,721	34.5%	8,094,086	27.6%	34,020	20.3%	5,134,716	17.5%
Upper	104,435	62.4%	20,587,709	70.2%	60,960	36.4%	13,302,515	45.4%
Unknown	0	0.0%	0	0.0%	35,048	20.9%	6,257,994	21.3%
<b>Total</b>	<b>167,319</b>	<b>100.0%</b>	<b>29,328,522</b>	<b>100.0%</b>	<b>167,319</b>	<b>100.0%</b>	<b>29,328,522</b>	<b>100.0%</b>

Originations and Purchases

**APPENDIX A: AGGREGATE LENDING TABLES**

**Loan Distribution Table**

Assessment Area: Peachtree Bank 2002

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	1	5.0%	89	2.0%
Moderate	0	0.0%	0	0.0%	6	30.0%	995	22.2%
Middle	9	45.0%	1,929	43.0%	5	25.0%	856	19.1%
Upper	11	55.0%	2,557	57.0%	8	40.0%	2,546	56.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>20</b>	<b>100.0%</b>	<b>4,486</b>	<b>100.0%</b>	<b>20</b>	<b>100.0%</b>	<b>4,486</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	4	5.4%	408	2.4%
Moderate	0	0.0%	0	0.0%	10	13.5%	1,332	7.8%
Middle	25	33.8%	4,221	24.7%	11	14.9%	1,874	11.0%
Upper	49	66.2%	12,844	75.3%	45	60.8%	12,262	71.9%
Unknown	0	0.0%	0	0.0%	4	5.4%	1,189	7.0%
<b>Total</b>	<b>74</b>	<b>100.0%</b>	<b>17,065</b>	<b>100.0%</b>	<b>74</b>	<b>100.0%</b>	<b>17,065</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	5	5.3%	497	2.3%
Moderate	0	0.0%	0	0.0%	16	17.0%	2,327	10.8%
Middle	34	36.2%	6,150	28.5%	16	17.0%	2,730	12.7%
Upper	60	63.8%	15,401	71.5%	53	56.4%	14,808	68.7%
Unknown	0	0.0%	0	0.0%	4	4.3%	1,189	5.5%
<b>Total</b>	<b>94</b>	<b>100.0%</b>	<b>21,551</b>	<b>100.0%</b>	<b>94</b>	<b>100.0%</b>	<b>21,551</b>	<b>100.0%</b>
<b>SMALL BUSINESS/FARM</b>								
Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>By Tract Income</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	9	36.0%	1,185	37.6%	0	0.0%	0	0.0%
Upper	16	64.0%	1,966	62.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>25</b>	<b>100.0%</b>	<b>3,151</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Loan Size</b>								
\$100,000 or less	15	60.0%	445	14.1%	0	0.0%	0	0.0%
\$100,001 - \$250,000	6	24.0%	1,056	33.5%	0	0.0%	0	0.0%
\$250,001 - \$1 Million*	4	16.0%	1,650	52.4%	0	0.0%	0	0.0%
Over \$1 Million*	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>25</b>	<b>100.0%</b>	<b>3,151</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Revenue</b>								
\$1 Million or Less	17	68.0%	1,929	61.2%	0	0.0%	0	0.0%
Over \$1 Million	8	32.0%	1,222	38.8%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>25</b>	<b>100.0%</b>	<b>3,151</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Originations and Purchases

\*Small Business loans are loan sizes that are \$1 Million or less

\*Small Farm loans are loan sizes that are \$500,000 or less