

PUBLIC DISCLOSURE

July 15, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**CCB Community Bank
225 East Three Notch Street
Andalusia, Alabama 36420**

RSSD ID NUMBER: 655839

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

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

TABLE OF CONTENTS

	PAGE	
INSTITUTION’S CRA RATING		
Institution’s Community Reinvestment Act (CRA) Rating.....	1	
Summary of Major Factors Supporting Rating.....	1	
INSTITUTION		
Scope of Examination.....	2	
Description of Institution.....	2	
Conclusions with Respect to Performance Tests.....	4	
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW		6
STATE RATING – ALABAMA		
State Rating.....	7	
Scope of Examination.....	7	
COVINGTON COUNTY NONMETROPOLITAN AREA – FULL-SCOPE REVIEW		
Description of Institution’s Operations.....	7	
Conclusions with Respect to Performance Tests.....	11	
STATE RATING – FLORIDA		
State Rating.....	22	
Scope of Examination.....	22	
OKALOOSA COUNTY METROPOLITAN AREA – FULL-SCOPE REVIEW		
Description of Institution’s Operations.....	22	
Conclusions with Respect to Performance Tests.....	27	
APPENDICES		
Appendix A – Scope of Examination.....	37	
Appendix B – Definitions and General Information.....	38	
Appendix C – Glossary.....	40	

INSTITUTION'S CRA RATING

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The following table indicates the performance level of CCB Community Bank (CCB) with respect to the lending and community development tests.

PERFORMANCE LEVELS	CCB Community Bank	
	PERFORMANCE TESTS	
	Lending Test	Community Development Test
Outstanding		
Satisfactory	X	X
Needs to Improve		
Substantial Noncompliance		

Major factors supporting the institution's rating include the following:

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of lending by borrower income and business size reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- By number, a majority of loans were originated inside the bank's assessment areas, although a majority of the loan dollars were outside the assessment areas.
- The bank's loan-to-deposit ratio is more than reasonable.
- The bank demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments or donations, and community development services, given the bank's capacity and the availability of such opportunities in the assessment areas.

INSTITUTION

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, as well as the economic and demographic characteristics of its defined assessment areas. CCB's CRA performance evaluation was based on CRA activities within its assessment areas using the Interagency Intermediate Small Institution Examination Procedures. Under these procedures, effective as of September 1, 2005, institutions meeting the threshold size are evaluated using two separately rated tests: a lending test and a community development test, which includes an evaluation of community development loans, investments, and services in light of community needs within the assessment areas and the capacity of the bank.

For purposes of the CRA, CCB has two assessment areas. The Covington County assessment area in Alabama consists of the entire county. This area is not part of an MSA. The Okaloosa County assessment area in Florida consists of the northern portion of the county and is part of the Crestview-Fort Walton Beach-Destin MSA. Both assessment areas were evaluated using full-scope examination procedures. When determining the overall rating, greater weight was placed on the performance in the Covington County assessment area because a greater percentage of the bank's deposits and loans are in this assessment area. The bank's assessment areas have not changed since the previous examination.

The bank is a HMDA reporter but does not report data on small business loans; therefore, a sample of commercial loans was reviewed. The lending test included an analysis of 260 HMDA-reportable loans and 129 commercial loans originated from January 1, 2011, through December 31, 2012.

For the community development test, the examination covered community development loans, qualified investments or donations, and community development services from July 26, 2011, through July 15, 2013. The CRA defines a community development activity as one that benefits the assessment area or a larger statewide or regional area that includes the assessment area and has a primary purpose of providing any of the following: affordable housing or community services for low- or moderate-income persons; economic development through the financing of small businesses or small farms; revitalization or stabilization of low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; and eligible Neighborhood Stabilization Program (NSP) activities.

As part of this evaluation, local community representatives who are familiar with the economic and demographic characteristics as well as community development opportunities in the bank's assessment areas were contacted. Information obtained from these contacts was used to establish a context for the communities in which the bank operates and to gather information on the bank's performance. Specific information obtained from the community contacts is included in the applicable section of the evaluation for each assessment area.

The bank did not receive any CRA-related complaints during this review period; therefore, complaint activity was not reviewed.

DESCRIPTION OF INSTITUTION

With offices in Alabama and Florida, CCB is a community bank that is wholly owned by Southern National Corporation. Both the bank and the holding company are headquartered in Andalusia, Alabama. The bank has not undergone any significant changes in structure since the previous examination. CCB is a full-service

community bank that offers personal and business deposit and loan products. Online and mobile banking are available through the bank’s Internet website at www.bankccb.com.

No known legal impediments exist that would restrict the bank from meeting the credit needs of its assessment areas. The bank received a “Satisfactory” CRA rating at its previous evaluation dated July 25, 2011, conducted by the Federal Reserve Bank of Atlanta under the Intermediate Small Institution Examination Procedures.

Branch Offices

CCB operates four banking offices: the main office and another office in Covington County, Alabama, and two offices in Okaloosa County, Florida. The bank opened its second office in Florida in Niceville in March 2013. Because the Niceville office was not open during the substantive portion of the CRA review period, its activities were not considered for this evaluation. The bank has not closed any banking offices since the previous examination.

Loan Portfolio

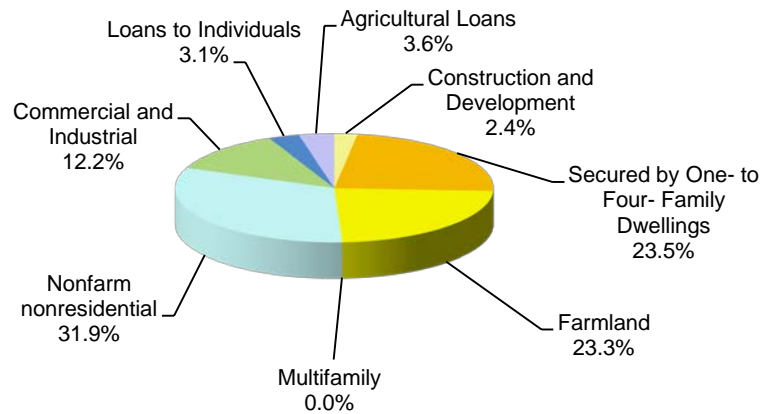
According to the March 31, 2013 Report of Condition, the bank’s assets totaled \$419.7 million, which represents an increase of approximately \$31.9 million (8.2 percent) since the bank’s last CRA evaluation. The following charts show the composition of the loan portfolio according to the Consolidated Reports of Condition and Income.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	3/31/2013		12/31/2012		12/31/2011	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	8,029 ¹	2.4%	7,477 ¹	2.2%	8,543 ¹	2.7%
Secured by One- to Four- Family Dwellings	80,290 ¹	23.5%	81,424 ¹	24.1%	72,101 ¹	23.1%
Other Real Estate: Farmland	79,653 ¹	23.3%	80,668 ¹	23.9%	60,383 ¹	19.3%
Multifamily	0 ¹	0.0%	0 ¹	0.0%	0 ¹	0.0%
Nonfarm nonresidential	108,879 ¹	31.9%	102,960 ¹	30.5%	111,142 ¹	35.6%
Commercial and Industrial	41,743 ¹	12.2%	40,264 ¹	11.9%	44,512 ¹	14.3%
Loans to Individuals	10,556 ¹	3.1%	12,222 ¹	3.6%	11,871 ¹	3.8%
Agricultural Loans	12,268 ¹	3.6%	12,211 ¹	3.6%	3,571 ¹	1.1%
Total	\$341,418¹	100.00%	\$337,226¹	100.00%	\$312,123¹	100.00%

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

As indicated by the table above, the bank remains primarily focused on real estate lending. Loans secured by nonfarm nonresidential property (commercial real estate) make up the largest percentage of the loan portfolio at 31.9 percent of total loans, followed by loans secured by one- to four-family dwellings at 23.5 percent and loans secured by farmland at 23.3 percent. Total loans increased by 9.4 percent over the period shown, but the loan mix did not change significantly.

**Loan Portfolio
as of
3/31/2013**



Credit Products

Loan products offered by the bank include auto and recreational vehicle loans, home improvement loans, home equity loans, mortgage loans, personal credit cards, personal lines of credit, and a variety of business loans, including revolving lines of credit, working capital loans, term loans, commercial real estate loans, letters of credit, and business credit cards.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

CCB's overall CRA rating was determined by evaluating both the Covington County and Okaloosa County assessment areas using full-scope examination procedures. Greater weight was given to performance in the Covington County assessment area, as a higher percentage of the bank's deposits and loans are in this assessment area. Competition, capacity, marketing efforts, and certain economic factors were also considered when evaluating the bank's lending performance.

LENDING TEST

Overview

The lending test rating is satisfactory. The bank's average loan-to-deposit ratio is more than reasonable, and a majority of the loans by number were inside the assessment areas. The geographic distribution of loans is reasonable, as is the distribution of loans by borrower income and business revenue.

Loan-to-Deposit Ratio

CCB's average net loan-to-deposit ratio for the eight-quarter period ending March 31, 2013, was 97.3 percent and is considered more than reasonable given the institution's size, financial condition, lending strategy, and assessment area credit needs. The bank's loan-to-deposit ratio ranged from a high of 101.9 percent as of December 31, 2012, to a low of 90.4 percent as of June 30, 2011. CCB's average loan-to-deposit ratio was compared with the average loan-to-deposit ratios of four other financial institutions of similar asset size with branch offices in the assessment areas. The average ratios of these banks for the same time period ranged from 46.8 percent to 83.4 percent.

Assessment Area Concentration

By number of loans, CCB originated a majority of its HMDA and the sample of commercial loans to borrowers in its assessment areas; however, by dollar amount, less than a majority was inside the assessment areas. The table below shows, by product type, the number and percentage of loans reviewed that were originated inside and outside the bank’s assessment areas.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	24	92.3	\$1,492	94.0	2	7.7	\$95	6.0
Home Purchase - Conventional	114	80.3	\$12,254	65.5	28	19.7	\$6,458	34.5
Multi-Family Housing	1	33.3	\$204	12.0	2	66.7	\$1,500	88.0
Refinancing	121	69.1	\$16,879	39.1	54	30.9	\$26,302	60.9
Total HMDA related	260	75.1	\$30,829	47.3	86	24.9	\$34,355	52.7
Commercial	129	70.5	\$7,932	35.4	54	29.5	\$14,481	64.6
Total Commercial related	129	70.5	\$7,932	35.4	54	29.5	\$14,481	64.6
TOTAL LOANS	389	73.5	\$38,761	44.2	140	26.5	\$48,836	55.8

Note: Affiliate loans not included

By number of loans originated, 75.1 percent of the HMDA-reportable loans and 70.5 percent of the commercial loans were made to consumers and businesses inside the assessment areas. However, only 44.2 percent of the dollars associated with these loans went to borrowers inside the assessment areas. Bank management explained that the bank has a large poultry farm loan portfolio, with loans in several surrounding counties as well as Covington County. The loans may be commercial loans or, when renewed, generally become HMDA-reportable because of the presence of a dwelling that is part of the collateral. These loans are generally high dollar loans.

Distribution of Lending by Geography, Borrower Income, and Business Size

As part of the analysis, the bank’s lending was compared with available demographic data. Because of the timing of the availability of U.S. census data, the loans made in 2011 were analyzed using 2000 census information, and the loans made in 2012 were analyzed using 2010 census data. Therefore, in the discussions of the geographic distribution of loans and lending to borrowers of different incomes and businesses of different sizes, separate tables are presented depicting 2011 and 2012 lending.

The geographic distribution of HMDA and commercial loans reflects reasonable dispersion throughout the assessment areas, given the opportunity and competition in these markets. In addition, the distribution of lending by borrower income and business size reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Details of the analyses of HMDA and commercial lending within each assessment area are presented later in this report.

COMMUNITY DEVELOPMENT TEST

The community development test rating is satisfactory. The bank demonstrated adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need for and availability of such opportunities for community development in the bank’s assessment areas.

The following table provides a summary of the bank's community development activities in its assessment areas during the review period. The community development activities are discussed in more detail in the individual assessment area conclusions.

CCB COMMUNITY BANK – COMMUNITY DEVELOPMENT ACTIVITIES			
Assessment Area	Loans	Investments/Donations	Service Hours
Covington County	\$3,286,404	\$3,000	337
Okaloosa County	\$652,886	\$10,300	229
Total	\$3,939,290	\$13,300	566

The bank originated or renewed seven qualified community development loans totaling approximately \$3.9 million. The loans contributed to affordable housing or were made to organizations that provide services that benefit low- and moderate-income individuals.

The bank made donations totaling \$13,300 to various organizations that provide services that benefit low- and moderate-income individuals and families, and an organization engaged in providing affordable housing.

Bank representatives contributed approximately 566 hours of qualified community development services to organizations that benefit low- and moderate-income residents and small businesses in the assessment areas. Bank representatives provided financial expertise primarily by serving as officers or board members of organizations that support community services benefiting low- and moderate-income individuals and families, organizations engaged in providing affordable housing, and organizations that promote economic development. In addition, bank representatives provided financial education that benefited low- and moderate-income individuals.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.

ALABAMA

CRA RATING FOR ALABAMA: Satisfactory

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the rating include the following:

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of lending by borrower income and business size reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The bank demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments or donations, and community development services, given the bank's capacity and the availability of such opportunities in the assessment area.

SCOPE OF EXAMINATION

The scope of the evaluation for Alabama is consistent with the overall scope described in the Institution section of this report. The Covington County assessment area is the bank's only assessment area in Alabama and was evaluated using full-scope examination procedures. Because they would have been duplicative, separate evaluations for the State of Alabama and the Covington County assessment area were not performed. All of the bank's home mortgage loans reported under HMDA and a sample of commercial loans made from January 1, 2011, through December 31, 2012, were reviewed. Community development loans, investments, and services from July 26, 2011, through July 15, 2013, were also considered.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN COVINGTON COUNTY, ALABAMA

Overview

The Covington County assessment area consists of the entire county. This area is not part of an MSA. The bank has not made any changes to the assessment area since the previous examination. CCB operates two banking offices in this assessment area: its main office in Andalusia in a middle-income tract and a branch in Opp in a moderate-income tract. Deposits in the assessment area totaled \$294.9 million as of June 30, 2012, representing 85.8 percent of the bank's deposits in the two counties in which it operates. Of the loans reviewed for this evaluation, 91.9 percent of the HMDA loans and 86.8 percent of the sample of commercial loans were made in the Covington County assessment area.

Population Information

According to 2010 census data, the population of the assessment area was 37,765. Population in the assessment area increased by only 134 people (0.4 percent) between 2000 and 2010, compared with a 7.5 percent growth in the population of Alabama. With an estimated 2012 population of 9,064¹, Andalusia is the largest city in the county and is the county seat.

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the Department of Housing and Urban Development's (HUD) estimated median family income for the relevant area. The following chart sets forth the estimated median family income for the years 2011 and 2012 for the nonmetropolitan areas of Alabama. The

¹ U.S. Census Bureau. "State & County QuickFacts." (accessed on July 17, 2013); available from: <http://quickfacts.census.gov/qfd/index.html>.

chart also provides a range of the estimated annual family income for each income category (low, moderate, middle, and upper). The chart shows that the HUD estimated median family income for the nonmetropolitan areas increased by \$600 (1.3 percent) between 2011 and 2012.

**Borrower Income Levels
Alabama State Non-metro**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2011	\$47,000	0 - \$23,499	\$23,500 - \$37,599	\$37,600 - \$56,399	\$56,400 - & above
2012	\$47,600	0 - \$23,799	\$23,800 - \$38,079	\$38,080 - \$57,119	\$57,120 - & above

2010 census data shows 10,073 families in the assessment area. Of those families, 25.0 percent were low-income, 17.9 percent were moderate-income, 17.4 percent were middle-income, and 39.7 percent were upper-income. Of the total families, 1,584 (15.7 percent) had incomes below the poverty level. Compared to 2000 census data, the distribution of families by income level has not changed significantly.

Food stamp usage, an indicator of financial distress, has increased in the assessment area in the past few years. In 2010, 21.6 percent of the population received food stamps. Statewide, 18.0 percent of the population received food stamps in 2010.²

Assessment Area Demographics

The following table provides demographic characteristics of the Covington County assessment area based on the 2010 census. Certain components of the data in the table are discussed in this evaluation as they apply to specific parts of the analysis. Census tract designations changed between 2000 and 2010. In 2000, the county consisted of five moderate-income tracts and nine middle-income tracts. As of the 2010 census, the county consists of one low-income tract, two moderate-income tracts, eight middle-income tracts, and three upper-income tracts. All of the middle-income tracts are considered distressed due to poverty.

² U.S. Census Bureau. Accessed through PolicyMap. (accessed on July 18, 2013); available from: <http://www.policymap.com>.

Assessment Area Demographics

Assessment Area: AL Covington 2012

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	7.1	746	7.4	272	36.5	2,522	25.0
Moderate-income	2	14.3	1,580	15.7	345	21.8	1,807	17.9
Middle-income	8	57.1	5,152	51.1	678	13.2	1,748	17.4
Upper-income	3	21.4	2,595	25.8	289	11.1	3,996	39.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	14	100.0	10,073	100.0	1,584	15.7	10,073	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	1,074	373	3.4	34.7	596	55.5	105	9.8
Moderate-income	3,125	1,622	14.9	51.9	892	28.5	611	19.6
Middle-income	10,246	6,122	56.4	59.8	1,815	17.7	2,309	22.5
Upper-income	4,383	2,740	25.2	62.5	503	11.5	1,140	26.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	18,828	10,857	100.0	57.7	3,806	20.2	4,165	22.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	195	9.7	167	9.2	16	14.7	12	13.0
Moderate-income	290	14.4	260	14.3	16	14.7	14	15.2
Middle-income	1,136	56.3	1,027	56.5	63	57.8	46	50.0
Upper-income	397	19.7	363	20.0	14	12.8	20	21.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,018	100.0	1,817	100.0	109	100.0	92	100.0
Percentage of Total Businesses:			90.0		5.4		4.6	

Based on 2010 ACS Information.

Housing Characteristics

The 2010 census data shows 18,828 housing units in the assessment area. 10,857 units (57.7 percent) were owner-occupied, 20.2 percent were rental units, and 22.1 percent were vacant. The vacancy rate has increased from 15.8 percent as of the 2000 census, and is higher than the statewide vacancy rate of 15.2 percent. In the low-income tract, only 34.7 percent of the housing units were owner-occupied, which reduces the opportunity for home mortgage lending in this tract.

The median age of the housing stock in 2010 was 37 years. Statewide, the median age was 30 years. The median housing value in the assessment area in 2010 was \$85,657, a 62 percent increase over the median value of \$52,857 in 2000. The median housing value ranged from \$47,500 in the low-income tract to \$99,447 in upper-income tracts. The median housing value in the assessment area was less than the statewide median value of \$117,600, which represented a 53 percent increase over the 2000 median value.

Over the past ten years, the number of single-family building permits issued has remained at 20 or fewer annually, with 13 issued in 2012. No permits for multifamily (five or more units) buildings have been issued since two were issued in 2007.³

The housing affordability ratio is defined as the median household income divided by the median housing value. A higher ratio means housing is considered more affordable while a lower ratio means housing is considered less affordable. Based on 2010 census data, the housing affordability ratio for the assessment area was 39.2 percent compared to 35.8 percent for the state of Alabama, meaning housing is considered more affordable in the Covington County assessment area compared to Alabama as a whole. In 2000, the affordability ratio was 49.6 percent in the assessment area and 44.5 percent for the state of Alabama. Affordability worsened in the assessment area over the decade.

Between 2000 and 2010 the homeownership rate in the assessment area declined from 77.7 percent to 73.9 percent but was still higher than the statewide homeownership rate of 69.7 percent.⁴

Employment Information

According to Regional Economic Information System (REIS) data for 2011, primary employment sectors in the county included government and government enterprises, manufacturing, and retail trade.⁵ Major employers include Shaw Industries, PowerSouth, Covington County School System, and Wal-Mart.⁶

The following table shows the 2011 and 2012 unemployment rates for Covington County and for the state of Alabama.

Unemployment Rates

Assessment Area: AL Covington

Area	Years - Annualized	
	2011	2012
Covington Co.	8.6	7.5
Alabama	8.7	7.3

Not Seasonally Adjusted

Unemployment rates decreased from 2011 to 2012 in both the county and the state. Covington County’s unemployment rate was slightly lower than the state’s in 2011 but slightly higher in 2012.

Competition

Based on the FDIC Deposit Market Share Report as of June 30, 2012, CCB was ranked first in Covington County based on deposit market share.

³ U.S. Census Bureau, Residential Construction Branch. Accessed through PolicyMap. (accessed on July 18, 2013); available from: www.policymap.com.

⁴ U.S. Census Bureau and HUD. Accessed through PolicyMap. (accessed on July 18, 2013); available from: <http://www.policymap.com>.

⁵ 2011 Regional Economic Information System (REIS) data.

⁶ Economic Development Partnership of Alabama from information provided by local economic development contacts; provided through the Opp & Covington County Area Chamber of Commerce.

Deposit Market Share and Ranking As of June 30, 2012			
Rank	Institution	Deposit Market Share	# Branches Inside Assessment Area
1 st	CCB Community Bank	40.3%	2
	Other Top Financial Institutions		
2 nd	Southern Independent Bank	21.9%	2
3 rd	Wells Fargo Bank	17.1%	3
4 th	Regions Bank	9.9%	2
	8 institutions in the assessment area	100.0%	15

CCB is also a market leader in terms of HMDA lending. The bank ranked 1st of 93 HMDA reporters in 2011 with 13.9 percent of total loans. In 2012 CCB again ranked 1st of 97 reporters, with 18.5 percent of total loans. Overall HMDA lending in the assessment area increased from 2011 to 2012. Other top HMDA reporters were BB&T, Regions Bank, and Wells Fargo Bank.

Community Contacts

As part of the CRA examination, information was obtained from a community contact regarding local economic conditions and community development needs. According to the contact, the economic conditions of the county have remained relatively the same over the past 12 to 18 months. The greatest issue facing the county is the lack of industry. While there is an abundance of small businesses, most of these businesses have very few employees. The greatest community development need is infrastructure, such as highway expansion. The county has a number of vacant buildings that are ready for use if only businesses could be attracted to the county. Another problem the county is facing is that it is losing businesses. Within the past two years, a manufacturing facility laid off about 200 employees due to the loss of an expected contract. A manufacturer will be closing its local facility in August 2013 in order to consolidate manufacturing operations. The potential job loss is about 25 people. In 2011, a textile mill relocated from Covington County to Phenix City, Alabama. In the contact’s opinion, all the financial institutions in the area are very willing to help and are supportive of the community development organizations in the county.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

The bank’s lending performance is satisfactory. The evaluation included 239 HMDA loans and a sample of 112 commercial loans made in the Covington County assessment area. For this review, a greater number of HMDA loans than commercial loans were evaluated; however, commercial loans make up the majority of the bank’s universe of lending. Therefore, HMDA and commercial loans were considered similarly when assessing the bank’s lending performance.

The geographic distribution of loans reflects reasonable penetration throughout the assessment area. Also, the distribution of borrowers reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes.

Geographic Distribution of Loans

For this analysis, the geographic distribution of HMDA loans and a sample of commercial loans was compared to available demographic information. HMDA lending was also compared to the aggregate performance of lenders in the assessment area. Performance context issues were taken into consideration. Considering all of these factors, the bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Residential Real Estate (HMDA) Lending

The following two tables show the geographic distribution of CCB's HMDA-reportable loans for 2011 and 2012 originated in the Covington County assessment area. The tables also include a comparison of the bank's HMDA lending to the aggregate HMDA lenders within the assessment area. The HMDA aggregate data consists of the combined total of lending activity reported by all lenders subject to HMDA reporting requirements in the assessment area.

Geographic Distribution of HMDA Loans

Assessment Area: AL Covington

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2011					Bank & Aggregate Lending Comparison 2011					
		Count		Bank Dollar		Owner Occupied Units %	Count		Dollar			
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Agg \$ %	
HOME PURCHASE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	3	7.1%	\$130	3.3%	25.5%	3	7.1%	18.4%	\$130	3.3%	17.7%
	Middle	39	92.9%	\$3,773	96.7%	74.5%	39	92.9%	81.6%	\$3,773	96.7%	82.3%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>42</i>	<i>100.0%</i>	<i>\$3,903</i>	<i>100.0%</i>	<i>100.0%</i>	<i>42</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$3,903</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	12	25.0%	\$1,095	16.9%	25.5%	12	25.0%	18.2%	\$1,095	16.9%	15.0%
	Middle	36	75.0%	\$5,370	83.1%	74.5%	36	75.0%	81.8%	\$5,370	83.1%	85.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>48</i>	<i>100.0%</i>	<i>\$6,465</i>	<i>100.0%</i>	<i>100.0%</i>	<i>48</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$6,465</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	5	55.6%	\$160	35.0%	25.5%	5	55.6%	24.0%	\$160	35.0%	27.8%
	Middle	4	44.4%	\$297	65.0%	74.5%	4	44.4%	76.0%	\$297	65.0%	72.2%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>9</i>	<i>100.0%</i>	<i>\$457</i>	<i>100.0%</i>	<i>100.0%</i>	<i>9</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$457</i>	<i>100.0%</i>	<i>100.0%</i>
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	47.8%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	52.2%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>0.0%</i>
HMDA TOTALS	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	20	20.2%	\$1,385	12.8%	25.5%	20	20.2%	18.7%	\$1,385	12.8%	16.1%
	Middle	79	79.8%	\$9,440	87.2%	74.5%	79	79.8%	81.3%	\$9,440	87.2%	83.9%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>99</i>	<i>100.0%</i>	<i>\$10,825</i>	<i>100.0%</i>	<i>100.0%</i>	<i>99</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$10,825</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Geographic Distribution of HMDA Loans

Assessment Area: AL Covington

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2012					Bank & Aggregate Lending Comparison 2012					
		Count		Bank Dollar		Owner Occupied Units %	Count			Dollar		
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Agg \$ %	
HOME PURCHASE	Low	2	3.3%	\$58	0.9%	3.4%	2	3.3%	2.0%	\$58	0.9%	1.3%
	Moderate	1	1.7%	\$24	0.4%	14.9%	1	1.7%	7.0%	\$24	0.4%	5.5%
	Middle	37	61.7%	\$3,897	58.5%	56.4%	37	61.7%	57.8%	\$3,897	58.5%	52.7%
	Upper	20	33.3%	\$2,680	40.2%	25.2%	20	33.3%	33.2%	\$2,680	40.2%	40.5%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>60</i>	<i>100.0%</i>	<i>\$6,659</i>	<i>100.0%</i>	<i>100.0%</i>	<i>60</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$6,659</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	5	7.7%	\$724	8.5%	3.4%	5	7.7%	3.6%	\$724	8.5%	3.9%
	Moderate	4	6.2%	\$960	11.2%	14.9%	4	6.2%	10.3%	\$960	11.2%	9.6%
	Middle	35	53.8%	\$4,770	55.8%	56.4%	35	53.8%	54.0%	\$4,770	55.8%	50.9%
	Upper	21	32.3%	\$2,095	24.5%	25.2%	21	32.3%	32.1%	\$2,095	24.5%	35.6%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>65</i>	<i>100.0%</i>	<i>\$8,549</i>	<i>100.0%</i>	<i>100.0%</i>	<i>65</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$8,549</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	3.4%	0	0.0%	1.7%	\$0	0.0%	1.3%
	Moderate	3	21.4%	\$375	39.0%	14.9%	3	21.4%	15.0%	\$375	39.0%	20.4%
	Middle	10	71.4%	\$495	51.5%	56.4%	10	71.4%	61.7%	\$495	51.5%	61.8%
	Upper	1	7.1%	\$91	9.5%	25.2%	1	7.1%	21.7%	\$91	9.5%	16.5%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>14</i>	<i>100.0%</i>	<i>\$961</i>	<i>100.0%</i>	<i>100.0%</i>	<i>14</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$961</i>	<i>100.0%</i>	<i>100.0%</i>
MULTI FAMILY	Low	1	100.0%	\$204	100.0%	27.8%	1	100.0%	100.0%	\$204	100.0%	100.0%
	Moderate	0	0.0%	\$0	0.0%	13.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	51.2%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	7.9%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>1</i>	<i>100.0%</i>	<i>\$204</i>	<i>100.0%</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$204</i>	<i>100.0%</i>	<i>100.0%</i>
HMDA TOTALS	Low	8	5.7%	\$986	6.0%	3.4%	8	5.7%	3.0%	\$986	6.0%	3.2%
	Moderate	8	5.7%	\$1,359	8.3%	14.9%	8	5.7%	9.5%	\$1,359	8.3%	8.6%
	Middle	82	58.6%	\$9,162	56.0%	56.4%	82	58.6%	55.8%	\$9,162	56.0%	51.7%
	Upper	42	30.0%	\$4,866	29.7%	25.2%	42	30.0%	31.6%	\$4,866	29.7%	36.5%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>140</i>	<i>100.0%</i>	<i>\$16,373</i>	<i>100.0%</i>	<i>100.0%</i>	<i>140</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$16,373</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

The geographic distribution of HMDA loans is reasonable. The bank's predominant HMDA loan types are refinance loans followed by home purchase loans. Refinance and home purchase lending in the low-income tract in 2012 was excellent. The bank made 7.7 percent of its refinance loans and 3.3 percent of its home purchase loans in this tract, substantially meeting or exceeding the percentage of owner-occupied housing units that are in the tract (3.4 percent), and significantly exceeding aggregate performance. Refinance and home purchase lending in moderate-income tracts in 2011 and 2012 was generally poor and was less than the percentage of owner-occupied units in those tracts, and less than aggregate performance; however, refinance

lending in moderate-income tracts was excellent in 2011 compared with both the demographic data and aggregate performance. With a much lower volume, home improvement lending was excellent in moderate-income tracts, exceeding both the percentage of owner-occupied units and aggregate performance; however, in 2012 the bank did not make any home improvement loans in the low-income tract.

The majority of HMDA lending occurred in the middle-income tracts, which is reasonable given that the majority of owner-occupied units are located in these tracts.

Commercial Lending

The following two tables show the geographic distribution of the sample of commercial loans made in the Covington County assessment area in 2011 and 2012.

Geographic Distribution of Commercial Loans

Assessment Area: AL Covington

Tract Income Levels	Bank Lending & Demographic Data Comparison				
	2011				
	Count		Bank Dollar		Small Businesses
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	11	18.0%	\$1,256	39.9%	28.9%
Middle	50	82.0%	\$1,894	60.1%	71.1%
Upper	0	0.0%	\$0	0.0%	0.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
Tr Unknown	0	0.0%	\$0	0.0%	0.0%
<i>Total</i>	<i>61</i>	<i>100.0%</i>	<i>\$3,150</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2011 D&B information according to 2000 Census Boundaries

Geographic Distribution of Commercial Loans

Assessment Area: AL Covington

Tract Income Levels	Bank Lending & Demographic Data Comparison				
	2012				
	Count		Bank Dollar		Small Businesses
	#	%	\$ (000s)	\$ %	%
Low	1	2.0%	\$107	3.6%	9.2%
Moderate	3	5.9%	\$12	0.4%	14.3%
Middle	25	49.0%	\$1,236	41.2%	56.5%
Upper	22	43.1%	\$1,649	54.9%	20.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
Tr Unknown	0	0.0%	\$0	0.0%	0.0%
<i>Total</i>	<i>51</i>	<i>100.0%</i>	<i>\$3,004</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2012 D&B information according to 2010 ACS Boundaries.

The geographic distribution of commercial loans is poor. In 2012 the bank made one loan (2.0 percent) in the low-income tract, which contains 9.2 percent of the small businesses in the assessment area. The bank's lending in moderate-income tracts was also less than the percentage of small businesses that are located in those tracts (28.9 percent based on 2000 census boundaries and 14.3 percent based on 2010 census boundaries).

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

For this analysis, the distribution of HMDA loans across borrower income levels and a sample of commercial loans across business revenue sizes was compared to available demographic information. HMDA lending was also compared to the aggregate performance of lenders in the assessment area. Performance context issues were taken into consideration. Considering all of these factors, the bank's distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

Residential Real Estate (HMDA) Lending

The following two tables show the distribution of CCB's HMDA-reportable loans for 2011 and 2012 by the income level of the borrowers. The tables also include a comparison of the bank's HMDA lending to the aggregate HMDA lenders within the assessment area.

Borrower Distribution of HMDA Loans

Assessment Area: AL Covington

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison					Bank & Aggregate Lending Comparison					
		2011					2011					
		Count		Bank Dollar		Families by Family Income %	Count			Dollar		
		#	%	\$ (000s)	\$ %		Bank #	Bank %	Agg %	Bank \$ (000s)	Bank \$ %	Agg \$ %
HOME PURCHASE	Low	1	2.4%	\$53	1.4%	23.2%	1	2.4%	5.6%	\$53	1.4%	2.6%
	Moderate	6	14.3%	\$387	9.9%	20.3%	6	14.3%	18.8%	\$387	9.9%	11.9%
	Middle	13	31.0%	\$869	22.3%	19.8%	13	31.0%	23.1%	\$869	22.3%	21.5%
	Upper	16	38.1%	\$1,646	42.2%	36.6%	16	38.1%	36.3%	\$1,646	42.2%	45.6%
	Unknown	6	14.3%	\$948	24.3%	0.0%	6	14.3%	16.2%	\$948	24.3%	18.3%
	<i>Total</i>	42	100.0%	\$3,903	100.0%	100.0%	42	100.0%	100.0%	\$3,903	100.0%	100.0%
REFINANCE	Low	2	4.2%	\$91	1.4%	23.2%	2	4.2%	5.4%	\$91	1.4%	2.3%
	Moderate	7	14.6%	\$421	6.5%	20.3%	7	14.6%	11.2%	\$421	6.5%	7.4%
	Middle	9	18.8%	\$706	10.9%	19.8%	9	18.8%	17.8%	\$706	10.9%	13.0%
	Upper	25	52.1%	\$5,029	77.8%	36.6%	25	52.1%	46.7%	\$5,029	77.8%	57.7%
	Unknown	5	10.4%	\$218	3.4%	0.0%	5	10.4%	18.9%	\$218	3.4%	19.7%
	<i>Total</i>	48	100.0%	\$6,465	100.0%	100.0%	48	100.0%	100.0%	\$6,465	100.0%	100.0%
HOME IMPROVEMENT	Low	1	11.1%	\$18	3.9%	23.2%	1	11.1%	8.0%	\$18	3.9%	1.9%
	Moderate	3	33.3%	\$114	24.9%	20.3%	3	33.3%	22.0%	\$114	24.9%	23.9%
	Middle	2	22.2%	\$95	20.8%	19.8%	2	22.2%	20.0%	\$95	20.8%	16.1%
	Upper	3	33.3%	\$230	50.3%	36.6%	3	33.3%	48.0%	\$230	50.3%	58.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	2.0%	\$0	0.0%	0.1%
	<i>Total</i>	9	100.0%	\$457	100.0%	100.0%	9	100.0%	100.0%	\$457	100.0%	100.0%
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	20.3%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	19.8%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	36.6%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	0	0.0%	\$0	0.0%	100.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
HMDA TOTALS	Low	4	4.0%	\$162	1.5%	23.2%	4	4.0%	5.6%	\$162	1.5%	2.3%
	Moderate	16	16.2%	\$922	8.5%	20.3%	16	16.2%	14.5%	\$922	8.5%	9.1%
	Middle	24	24.2%	\$1,670	15.4%	19.8%	24	24.2%	19.7%	\$1,670	15.4%	15.7%
	Upper	44	44.4%	\$6,905	63.8%	36.6%	44	44.4%	43.4%	\$6,905	63.8%	54.1%
	Unknown	11	11.1%	\$1,166	10.8%	0.0%	11	11.1%	16.9%	\$1,166	10.8%	18.8%
	<i>Total</i>	99	100.0%	\$10,825	100.0%	100.0%	99	100.0%	100.0%	\$10,825	100.0%	100.0%

Originations & Purchases

Borrower Distribution of HMDA Loans

Assessment Area: AL Covington

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison					Bank & Aggregate Lending Comparison					
		2012					2012					
		Count		Bank Dollar		Families by Family Income %	Count		Dollar			
		#	%	\$(000s)	\$ %		Bank #	Agg %	Bank \$(000s)	Bank \$ %	Agg \$ %	
HOME PURCHASE	Low	2	3.3%	\$87	1.3%	25.0%	2	3.3%	4.7%	\$87	1.3%	2.1%
	Moderate	8	13.3%	\$320	4.8%	17.9%	8	13.3%	19.1%	\$320	4.8%	12.6%
	Middle	11	18.3%	\$1,039	15.6%	17.4%	11	18.3%	27.0%	\$1,039	15.6%	25.7%
	Upper	38	63.3%	\$5,181	77.8%	39.7%	38	63.3%	43.0%	\$5,181	77.8%	53.3%
	Unknown	1	1.7%	\$32	0.5%	0.0%	1	1.7%	6.3%	\$32	0.5%	6.3%
	<i>Total</i>	<i>60</i>	<i>100.0%</i>	<i>\$6,659</i>	<i>100.0%</i>	<i>100.0%</i>	<i>60</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$6,659</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	5	7.7%	\$209	2.4%	25.0%	5	7.7%	6.4%	\$209	2.4%	3.4%
	Moderate	12	18.5%	\$622	7.3%	17.9%	12	18.5%	13.2%	\$622	7.3%	7.4%
	Middle	11	16.9%	\$873	10.2%	17.4%	11	16.9%	16.9%	\$873	10.2%	12.8%
	Upper	29	44.6%	\$5,537	64.8%	39.7%	29	44.6%	47.6%	\$5,537	64.8%	58.2%
	Unknown	8	12.3%	\$1,308	15.3%	0.0%	8	12.3%	15.9%	\$1,308	15.3%	18.1%
	<i>Total</i>	<i>65</i>	<i>100.0%</i>	<i>\$8,549</i>	<i>100.0%</i>	<i>100.0%</i>	<i>65</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$8,549</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	2	14.3%	\$116	12.1%	25.0%	2	14.3%	16.7%	\$116	12.1%	9.7%
	Moderate	3	21.4%	\$103	10.7%	17.9%	3	21.4%	13.3%	\$103	10.7%	6.4%
	Middle	2	14.3%	\$63	6.6%	17.4%	2	14.3%	26.7%	\$63	6.6%	20.6%
	Upper	7	50.0%	\$679	70.7%	39.7%	7	50.0%	43.3%	\$679	70.7%	63.3%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>14</i>	<i>100.0%</i>	<i>\$961</i>	<i>100.0%</i>	<i>100.0%</i>	<i>14</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$961</i>	<i>100.0%</i>	<i>100.0%</i>
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	25.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	17.9%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	17.4%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	39.7%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	1	100.0%	\$204	100.0%	0.0%	1	100.0%	100.0%	\$204	100.0%	100.0%
	<i>Total</i>	<i>1</i>	<i>100.0%</i>	<i>\$204</i>	<i>100.0%</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$204</i>	<i>100.0%</i>	<i>100.0%</i>
HMDA TOTALS	Low	9	6.4%	\$412	2.5%	25.0%	9	6.4%	6.6%	\$412	2.5%	3.2%
	Moderate	23	16.4%	\$1,045	6.4%	17.9%	23	16.4%	15.2%	\$1,045	6.4%	9.1%
	Middle	24	17.1%	\$1,975	12.1%	17.4%	24	17.1%	21.0%	\$1,975	12.1%	17.3%
	Upper	74	52.9%	\$11,397	69.6%	39.7%	74	52.9%	45.6%	\$11,397	69.6%	56.6%
	Unknown	10	7.1%	\$1,544	9.4%	0.0%	10	7.1%	11.5%	\$1,544	9.4%	13.9%
	<i>Total</i>	<i>140</i>	<i>100.0%</i>	<i>\$16,373</i>	<i>100.0%</i>	<i>100.0%</i>	<i>140</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$16,373</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

The distribution of HMDA loans by borrower income level is reasonable. The bank's HMDA lending overall to low-income borrowers is poor when compared to percentage of low-income families in the assessment area, but commensurate with the aggregate performance, in both 2011 and 2012. When considering the bank's strongest HMDA loan product, refinance loans, lending to low-income borrowers was again less than the demographic,

but similar to or greater than the aggregate performance. In 2012, the bank’s home refinance lending to moderate-income borrowers exceeded both the percentage of moderate-income families in the assessment area and the aggregate lenders; home refinance lending to moderate-income borrowers exceeded the aggregate performance in 2011. Over the review period, home purchase lending to moderate-income borrowers was less than the percentage of moderate-income families in the assessment area and less than aggregate performance.

Although a much smaller volume of loans, home improvement lending to low-income borrowers over the review period was similar to or better than the aggregate; home improvement lending to moderate-income borrowers was better than the aggregate.

Commercial Lending

The following two tables show, by business revenue and loan size, the number and dollar volume of the sample of commercial loans made in the Covington County assessment area in 2011 and 2012.

Commercial Loans by Business Revenue & Loan Size

Assessment Area: AL Covington

Business Revenue & Loan Size		Bank Lending & Demographic Data Comparison				
		2011				
		Bank		Total Businesses		Total Businesses %
Count #	%	\$ (000s)	%			
BUSINESS REVENUE	\$1million or Less	56	91.8%	\$2,663	84.5%	90.4%
	Over \$1 Million	5	8.2%	\$487	15.5%	5.0%
	<i>Total Rev. available</i>	61	100.0%	\$3,150	100.0%	95.4%
	Rev. Not Known	0	0.0%	\$0	0.0%	4.5%
	<i>Total</i>	<i>61</i>	<i>100.0%</i>	<i>\$3,150</i>	<i>100.0%</i>	<i>100.0%</i>
LOAN SIZE	\$100,000 or Less	52	85.2%	\$1,276	40.5%	
	\$100,001 - \$250,000	7	11.5%	\$1,078	34.2%	
	\$250,001 - \$1 Million	2	3.3%	\$796	25.3%	
	Over \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	<i>61</i>	<i>100.0%</i>	<i>\$3,150</i>	<i>100.0%</i>	
LOAN SIZE & Rev \$1 Mill or Less	\$100,000 or Less	48	85.7%	\$1,043	39.2%	
	\$100,001 - \$250,000	7	12.5%	\$1,078	40.5%	
	\$250,001 - \$1 Million	1	1.8%	\$542	20.4%	
	<i>Total</i>	<i>56</i>	<i>100.0%</i>	<i>\$2,663</i>	<i>100.1%</i>	

Originations & Purchases
Based on 2011 D&B

Commercial Loans by Business Revenue & Loan Size

Assessment Area: AL Covington

Business Revenue & Loan Size		Bank Lending & Demographic Data Comparison				
		2012				
		Bank		Total Businesses		
		Count		\$ (000s)		
		#	%	\$	%	%
BUSINESS REVENUE	\$1million or Less	49	96.1%	\$2,813	93.7%	90.0%
	Over \$1 Million	2	3.9%	\$190	6.3%	5.4%
	<i>Total Rev. available</i>	51	100.0%	\$3,004	100.0%	95.4%
	Rev. Not Known	0	0.0%	\$0	0.0%	4.6%
	<i>Total</i>	<i>51</i>	<i>100.0%</i>	<i>\$3,004</i>	<i>100.0%</i>	<i>100.0%</i>
LOAN SIZE	\$100,000 or Less	43	84.3%	\$1,026	34.2%	
	\$100,001 - \$250,000	6	11.8%	\$915	30.5%	
	\$250,001 - \$1 Million	2	3.9%	\$1,063	35.4%	
	Over \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	<i>51</i>	<i>100.0%</i>	<i>\$3,004</i>	<i>100.0%</i>	
LOAN SIZE & Rev \$1 Mill or Less	\$100,000 or Less	41	83.7%	\$836	29.7%	
	\$100,001 - \$250,000	6	12.2%	\$915	32.5%	
	\$250,001 - \$1 Million	2	4.1%	\$1,063	37.8%	
	<i>Total</i>	<i>49</i>	<i>100.0%</i>	<i>\$2,813</i>	<i>100.0%</i>	

Originations & Purchases
Based on 2012 D&B

The distribution of commercial loans by business revenue size is excellent. The percentage of the bank’s loans made to businesses with annual gross revenues of \$1 million or less exceeded the percentage of businesses in the assessment area that are considered small businesses in both 2011 and 2012. Furthermore, approximately 85 percent of the loans were in amounts of \$100,000 or less, and more than 96 percent were in amounts of \$250,000 or less, which typically represent loan amounts requested by small businesses.

COMMUNITY DEVELOPMENT TEST

The bank’s community development performance is satisfactory. The bank demonstrates adequate responsiveness to the community development needs of the assessment area through community development loans, qualified investments or donations, and community development services, considering the bank’s capacity and the need for and availability of such opportunities for community development in the bank’s assessment area.

During the review period, CCB originated or renewed six community development loans totaling approximately \$3.3 million in the Covington County assessment area. The loans contributed to affordable housing or were made to organizations that provide services that benefit low- and moderate-income individuals.

The bank made donations totaling \$3,000 to an organization engaged in providing affordable housing and an organization that provides services that benefit low- and moderate-income individuals and families.

Bank representatives used their financial and technical expertise to provide financial services that benefit low- and moderate-income residents and small businesses in the assessment area. During the review period, bank staff contributed approximately 337 hours of qualified community development services to community

organizations serving the Covington County assessment area. Bank representatives provided financial expertise primarily by serving as officers or board members of organizations engaged in providing affordable housing and organizations that promote economic development. In addition, bank representatives provided financial education that benefited low- and moderate-income individuals.

FLORIDA

CRA RATING FOR FLORIDA: Satisfactory

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the rating include the following:

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of lending by borrower income and business size reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The bank demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments or donations, and community development services, given the bank's capacity and the availability of such opportunities in the assessment area.

SCOPE OF EXAMINATION

The scope of the evaluation for Florida is consistent with the overall scope described in the Institution section of this report. The Okaloosa County assessment area is the bank's only assessment area in Florida and was evaluated using full-scope examination procedures. Because they would have been duplicative, separate evaluations for the State of Florida and the Okaloosa County assessment area were not performed. All of the bank's home mortgage loans reported under HMDA and a sample of commercial loans made from January 1, 2011, through December 31, 2012, were reviewed. Community development loans, investments, and services from July 26, 2011, through July 15, 2013, were also considered.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE OKALOOSA COUNTY ASSESSMENT AREA

Overview

The Okaloosa County assessment area consists of the northern portion of the county. Okaloosa County makes up the Crestview-Fort Walton Beach-Destin MSA. The bank has not made any changes to the assessment area since the previous examination. CCB operates one banking office in this assessment area: the Crestview office in a moderate-income tract. Deposits in the county totaled \$48.9 million as of June 30, 2012, representing 14.2 percent of the bank's deposits in the two counties in which it operates. Of the loans reviewed for this evaluation, 8.1 percent of the HMDA loans and 13.2 percent of the sample of commercial loans were made in the Okaloosa County assessment area.

Population Information

According to 2010 census data, the population of the assessment area was 53,967. Population in the assessment area increased by 12,808 people (31.1 percent) between 2000 and 2010, compared with a 17.6 percent growth in the population of Florida. With an estimated 2012 population of 22,351⁷, Crestview is the largest city in the county and is the county seat.

⁷ U.S. Census Bureau. "State & County QuickFacts." (accessed on July 22, 2013); available from: <http://quickfacts.census.gov/qfd.html>.

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the Department of Housing and Urban Development’s (HUD) estimated median family income for the relevant area. The following chart sets forth the estimated median family income for the years 2011 and 2012 for the Crestview MSA. The chart also provides a range of the estimated annual family income for each income category (low, moderate, middle, and upper). The chart shows that the HUD estimated median family income for the MSA increased by \$900 (1.3 percent) between 2011 and 2012.

**Borrower Income Levels
Crestview-Fort Walton Beach-Destin, FL MSA**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2011	\$67,500	0 - \$33,749	\$33,750 - \$53,999	\$54,000 - \$80,999	\$81,000 - & above
2012	\$68,400	0 - \$34,199	\$34,200 - \$54,719	\$54,720 - \$82,079	\$82,080 - & above

2010 census data shows 13,910 families in the assessment area. Of those families, 22.4 percent were low-income, 21.8 percent were moderate-income, 23.8 percent were middle-income, and 32.0 percent were upper-income. Of the total families, 1,470 (10.6 percent) had incomes below the poverty level. Compared to 2000 census data, the distribution of families by income level has not changed significantly.

Food stamp usage, an indicator of financial distress, has increased in the county in the past few years. In 2010, 10.5 percent of the population received food stamps. Statewide, 15.9 percent of the population received food stamps in 2010.⁸

Assessment Area Demographics

The following table provides demographic characteristics of the Okaloosa assessment area based on the 2010 census. Certain components of the data in the table are discussed in this evaluation as they apply to specific parts of the analysis. Census tract designations changed slightly between 2000 and 2010, and one tract was divided into two. In 2000, the county consisted of two moderate-income tracts and five middle-income tracts. As of the 2010 census, the county consists of three moderate-income tracts and five middle-income tracts.

⁸ U.S. Census Bureau. Accessed through PolicyMap. (accessed on July 18, 2013); available from: <http://www.policymap.com>.

Assessment Area Demographics

Assessment Area: FL Okaloosa 2012

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	3,110	22.4
Moderate-income	3	37.5	4,626	33.3	771	16.7	3,037	21.8
Middle-income	5	62.5	9,284	66.7	699	7.5	3,316	23.8
Upper-income	0	0.0	0	0.0	0	0.0	4,447	32.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8	100.0	13,910	100.0	1,470	10.6	13,910	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	7,416	4,465	30.7	60.2	1,672	22.5	1,279	17.2
Middle-income	14,587	10,086	69.3	69.1	3,049	20.9	1,452	10.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	22,003	14,551	100.0	66.1	4,721	21.5	2,731	12.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,395	42.4	1,296	41.9	43	47.8	56	52.3
Middle-income	1,896	57.6	1,798	58.1	47	52.2	51	47.7
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,291	100.0	3,094	100.0	90	100.0	107	100.0
Percentage of Total Businesses:			94.0		2.7		3.3	

Based on 2010 ACS Information.

Housing Characteristics

The 2010 census data shows 22,003 housing units in the assessment area. 14,551 units (66.1 percent) were owner-occupied, 21.5 percent were rental units, and 12.4 percent were vacant. Relative to the county as a whole and the state of Florida, the percentage of owner-occupied units in the assessment area is high and the percentage of vacant units is low. The vacancy rate is much higher in moderate-income tracts than in middle-income tracts.

The median age of the housing stock in 2010 was 20 years. Statewide, the median age was 25 years. The median housing value in the assessment area in 2010 was \$172,792, a 125 percent increase over the median value of \$76,859 in 2000. The median housing value in the assessment area was less than the statewide median value of \$205,600, which represented a 121 percent increase over the 2000 median value.

The number of single-family building permits issued annually in the county has dropped sharply since peaking at 1,768 in 2005. Permits reached a low in 2008 with 351 issued but have risen somewhat since then with 643

issued in 2012. Permits for multifamily (five or more units) buildings peaked at 51 in 2005. No permits were issued in 2009 through 2011, but nine were issued in 2012.⁹

The housing affordability ratio is defined as the median household income divided by the median housing value. A higher ratio means housing is considered more affordable while a lower ratio means housing is considered less affordable. Based on 2010 census data, the housing affordability ratio for the assessment area was 29.1 percent compared to 23.2 percent for the state of Florida, meaning housing is considered more affordable in the assessment area compared to Florida as a whole. In 2000, the affordability ratio was 47.2 percent in the assessment area and 41.7 percent for the state of Florida. Affordability worsened considerably in the assessment area over the decade.

Between 2000 and 2010 the homeownership rate in the county declined slightly from 66.4 percent to 65.1 percent, which was a little lower than the statewide homeownership rate of 67.4 percent.¹⁰

Employment Information

According to Regional Economic Information System (REIS) data for 2011, primary employment sectors in Okaloosa County included government and government enterprises, retail trade, and accommodation and food services.¹¹

The military makes up the largest segment of the local economy followed by the tourism industry, which has recovered from the 2010 oil spill. Okaloosa County is home to Eglin Air Force Base, one of the largest air force bases in the world. The county is the center of a high tech, defense, and aerospace industry cluster. Seven of the ten largest defense contractors in Florida have a presence in the county, and most of the top ten private sector employers are defense or aerospace-related.¹² Major private sector employers include Fort Walton Beach Medical Center, L-3 Crestview Aerospace, Lockheed Martin, InDyne, and North Okaloosa Medical Center.¹³

The Eglin military reservation takes up nearly half of the county. The estimated annual impact of the military on Okaloosa County is \$5.2 billion with more than 58,800 local jobs. Helped by an influx of special forces troops and airmen along with their families and support staff, Crestview and its housing market did not suffer as much from the recent recession as other areas.¹⁴

The following table shows the 2011 and 2012 unemployment rates for the Crestview MSA (Okaloosa County) and the state of Florida.

⁹ U.S. Census Bureau, Residential Construction Branch. Accessed through PolicyMap. (accessed on July 18, 2013); available from: www.policymap.com.

¹⁰ U.S. Census Bureau and HUD. Accessed through PolicyMap. (accessed on July 18, 2013); available from: <http://www.policymap.com>.

¹¹ 2011 Regional Economic Information System (REIS) data.

¹² 850 Business Magazine. "Okaloosa: A booming center of economic development in Northwest Florida." April-May 2013. (accessed on July 11, 2013); available from: <http://www.850businessmagazine.com/April-May-2013/Okaloosa-A-booming-center-of-economic-development-in-Northwest-Florida/index.php?cparticle=1&siarticle=0>.

¹³ Economic Development Council of Okaloosa County. "Employers: Top Ten Private Sector." (accessed on July 22, 2013); available from: <http://www.florida-edc.org/site-selectors/employers.aspx>.

¹⁴ Crestview News Bulletin. "Military annually brings \$5.2 billion to Okaloosa County." April 24, 2013. (accessed on July 11, 2013); available from: <http://www.crestviewbulletin.com/forward/military-annually-brings-5-2-billion-to-okaloosa-county-1.132289>.

Unemployment Rates

Assessment Area: FL Okaloosa

Area	Years - Annualized	
	2011	2012
Crestview MSA	7.3	6.2
Florida	10.3	8.6

Not Seasonally Adjusted

Unemployment rates decreased from 2011 to 2012 in both the county and the state. Okaloosa County's unemployment rate was considerably lower than the state's rate for both years.

Competition

Based on the FDIC Deposit Market Share Report as of June 30, 2012, CCB was ranked 17th in Okaloosa County based on deposit market share.

Deposit Market Share and Ranking As of June 30, 2012			
Rank	Institution	Deposit Market Share	# Branches Inside the County
17 th	CCB Community Bank	1.4%	1
Top Financial Institutions			
1 st	Regions Bank	14.8%	8
2 nd	Synovus Bank	13.3%	9
3 rd	Beach Community Bank	9.8%	6
	22 institutions in the county	100.0%	79

HMDA lending in the Okaloosa assessment area is competitive. CCB ranked 33rd of 120 reporters in 2011 with 0.2 percent of total loans. In 2012 CCB ranked 28th of 140 reporters with 0.6 percent of total loans. Overall HMDA lending in the assessment area increased from 2011 to 2012. The top HMDA reporters in 2012 were Wells Fargo Bank, JPMorgan Chase Bank, and Bank of America.

Community Contacts

As part of the CRA examination, information was obtained from a community contact regarding local economic conditions and community development needs. According to the contact, the area has been experiencing good growth. Eglin Air Force Base has provided a cushion against the economic decline experienced in other areas. Also, compared to the beach area in the southern part of Okaloosa County, where the economy was adversely affected by the BP oil spill because of reliance on tourism, the Crestview area's economy is better sustained. The contact considers the lack of restaurants and retail in the Crestview area to be a handicap in competing with the beach area. In the contact's opinion, the banks in the area are very involved in the community, but small businesses as well as real estate developers, both residential and commercial, seem to be having difficulty obtaining financing. The contact expressed concern that this may be due to regulatory changes and restrictions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

The bank's lending performance is satisfactory. The evaluation included 21 HMDA loans and a sample of 17 commercial loans made in the Okaloosa County assessment area. For this review, a greater number of HMDA loans than commercial loans were evaluated; however, commercial loans make up the majority of the bank's universe of lending. Therefore, HMDA and commercial loans were considered similarly when assessing the bank's lending performance.

The geographic distribution of loans reflects reasonable penetration throughout the assessment area. Also, the distribution of borrowers reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes.

Geographic Distribution of Loans

For this analysis, the geographic distribution of HMDA loans and a sample of commercial loans was compared to available demographic information. HMDA lending was also compared to the aggregate performance of lenders in the assessment area. Performance context issues were taken into consideration. Considering all of these factors, the bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Residential Real Estate (HMDA) Lending

The following two tables show the geographic distribution of CCB's HMDA-reportable loans for 2011 and 2012 originated in the Okaloosa County assessment area. The tables also include a comparison of the bank's HMDA lending to the aggregate HMDA lenders within the assessment area. The HMDA aggregate data consists of the combined total of lending activity reported by all lenders subject to HMDA reporting requirements in the assessment area.

Geographic Distribution of HMDA Loans

Assessment Area: FL Okaloosa

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2011					Bank & Aggregate Lending Comparison 2011					
		Count		Bank Dollar		Owner Occupied Units %	Count		Dollar			
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Agg \$ %	
HOME PURCHASE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	1	33.3%	\$140	50.9%	17.2%	1	33.3%	13.4%	\$140	50.9%	12.8%
	Middle	2	66.7%	\$135	49.1%	82.8%	2	66.7%	86.6%	\$135	49.1%	87.2%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>3</i>	<i>100.0%</i>	<i>\$275</i>	<i>100.0%</i>	<i>100.0%</i>	<i>3</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$275</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	1	100.0%	\$77	100.0%	17.2%	1	100.0%	17.4%	\$77	100.0%	19.0%
	Middle	0	0.0%	\$0	0.0%	82.8%	0	0.0%	82.6%	\$0	0.0%	81.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>1</i>	<i>100.0%</i>	<i>\$77</i>	<i>100.0%</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$77</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	17.2%	0	0.0%	27.5%	\$0	0.0%	40.8%
	Middle	0	0.0%	\$0	0.0%	82.8%	0	0.0%	72.5%	\$0	0.0%	59.2%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	25.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	75.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>0.0%</i>
HMDA TOTALS	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	2	50.0%	\$217	61.6%	17.2%	2	50.0%	15.1%	\$217	61.6%	15.0%
	Middle	2	50.0%	\$135	38.4%	82.8%	2	50.0%	84.9%	\$135	38.4%	85.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>4</i>	<i>100.0%</i>	<i>\$352</i>	<i>100.0%</i>	<i>100.0%</i>	<i>4</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$352</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Geographic Distribution of HMDA Loans

Assessment Area: FL Okaloosa

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2012					Bank & Aggregate Lending Comparison 2012					
		Count		Bank Dollar		Owner Occupied Units %	Count		Dollar			
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	\$ %	Agg \$ %	
HOME PURCHASE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	4	44.4%	\$617	43.5%	30.7%	4	44.4%	21.9%	\$617	43.5%	20.4%
	Middle	5	55.6%	\$800	56.5%	69.3%	5	55.6%	78.1%	\$800	56.5%	79.6%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	9	100.0%	\$1,417	100.0%	100.0%	9	100.0%	100.0%	\$1,417	100.0%	100.0%
REFINANCE	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	1	14.3%	\$102	5.7%	30.7%	1	14.3%	22.1%	\$102	5.7%	22.6%
	Middle	6	85.7%	\$1,686	94.3%	69.3%	6	85.7%	77.9%	\$1,686	94.3%	77.4%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	7	100.0%	\$1,788	100.0%	100.0%	7	100.0%	100.0%	\$1,788	100.0%	100.0%
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	30.7%	0	0.0%	25.5%	\$0	0.0%	45.0%
	Middle	1	100.0%	\$74	100.0%	69.3%	1	100.0%	74.5%	\$74	100.0%	55.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	1	100.0%	\$74	100.0%	100.0%	1	100.0%	100.0%	\$74	100.0%	100.0%
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	9.8%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	90.2%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	0	0.0%	\$0	0.0%	100.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
HMDA TOTALS	Low	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	5	29.4%	\$719	21.9%	30.7%	5	29.4%	22.1%	\$719	21.9%	21.7%
	Middle	12	70.6%	\$2,560	78.1%	69.3%	12	70.6%	77.9%	\$2,560	78.1%	78.3%
	Upper	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	17	100.0%	\$3,279	100.0%	100.0%	17	100.0%	100.0%	\$3,279	100.0%	100.0%

Originations & Purchases

The geographic distribution of HMDA loans is reasonable. The bank's predominant HMDA loan types are home purchase loans followed by refinancings, although the HMDA volume is low. HMDA volume in 2011 was so low (three home purchase loans, one refinance loan, and no home improvement loans) that comparisons to demographic and aggregate data are not meaningful. In 2012, the percentage of the bank's home purchase loans in moderate-income tracts (44.4 percent) exceeded the percentage of owner-occupied housing units in the assessment area that are in those tracts (30.7 percent) and significantly exceeded aggregate performance. Refinance lending in moderate-income tracts was less than the percentage of owner-occupied units in those

tracts and less than aggregate performance. The bank made only one home improvement loan; it was in a middle-income tract.

The majority of HMDA lending occurred in the middle-income tracts, which is reasonable given that the majority of owner-occupied units are located in these tracts.

Commercial Lending

The following two tables show the geographic distribution of the sample of commercial loans made in the Okaloosa County assessment area in 2011 and 2012.

Geographic Distribution of Commercial Loans

Assessment Area: FL Okaloosa

Tract Income Levels	Bank Lending & Demographic Data Comparison				
	2011				
	Count		Bank Dollar		Small Businesses
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	0	0.0%	\$0	0.0%	23.3%
Middle	7	100.0%	\$762	100.0%	76.7%
Upper	0	0.0%	\$0	0.0%	0.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
Tr Unknown	0	0.0%	\$0	0.0%	0.0%
<i>Total</i>	<i>7</i>	<i>100.0%</i>	<i>\$762</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2011 D&B information according to 2000 Census Boundaries

Geographic Distribution of Commercial Loans

Assessment Area: FL Okaloosa

Tract Income Levels	Bank Lending & Demographic Data Comparison				
	2012				
	Count		Bank Dollar		Small Businesses
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	5	50.0%	\$416	40.9%	41.9%
Middle	5	50.0%	\$600	59.1%	58.1%
Upper	0	0.0%	\$0	0.0%	0.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
Tr Unknown	0	0.0%	\$0	0.0%	0.0%
<i>Total</i>	<i>10</i>	<i>100.0%</i>	<i>\$1,017</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2012 D&B information according to 2010 ACS Boundaries.

The geographic distribution of commercial loans is reasonable. In 2011, all the commercial loans in the sample were made to businesses in middle-income tracts, where 76.7 percent of the small businesses in the assessment area were located based on 2000 census boundaries. In 2012, the commercial loans in the sample were split equally between moderate- and middle-income tracts and more closely reflected the geographic distribution of small businesses.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

For this analysis, the distribution of HMDA loans across borrower income levels and a sample of commercial loans across business revenue sizes was compared to available demographic information. HMDA lending was also compared to the aggregate performance of lenders in the assessment area. Performance context issues were taken into consideration. Considering all of these factors, the bank's distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

Residential Real Estate (HMDA) Lending

The following two tables show the distribution of CCB's HMDA-reportable loans for 2011 and 2012 by the income level of the borrowers. The tables also include a comparison of the bank's HMDA lending to the aggregate HMDA lenders within the assessment area.

Borrower Distribution of HMDA Loans

Assessment Area: FL Okaloosa

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison					Bank & Aggregate Lending Comparison					
		2011					2011					
		Count		Bank Dollar		Families by Family Income %	Count			Dollar		
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %		
HOME PURCHASE	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	6.2%	\$0	0.0%	2.9%
	Moderate	1	33.3%	\$140	50.9%	21.7%	1	33.3%	20.3%	\$140	50.9%	15.9%
	Middle	0	0.0%	\$0	0.0%	24.6%	0	0.0%	37.4%	\$0	0.0%	41.5%
	Upper	1	33.3%	\$40	14.5%	30.5%	1	33.3%	20.7%	\$40	14.5%	24.2%
	Unknown	1	33.3%	\$95	34.5%	0.0%	1	33.3%	15.5%	\$95	34.5%	15.6%
	<i>Total</i>	<i>3</i>	<i>100.0%</i>	<i>\$275</i>	<i>100.0%</i>	<i>100.0%</i>	<i>3</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$275</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	6.4%	\$0	0.0%	3.1%
	Moderate	1	100.0%	\$77	100.0%	21.7%	1	100.0%	9.9%	\$77	100.0%	6.5%
	Middle	0	0.0%	\$0	0.0%	24.6%	0	0.0%	14.5%	\$0	0.0%	12.3%
	Upper	0	0.0%	\$0	0.0%	30.5%	0	0.0%	22.6%	\$0	0.0%	24.9%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	46.6%	\$0	0.0%	53.3%
	<i>Total</i>	<i>1</i>	<i>100.0%</i>	<i>\$77</i>	<i>100.0%</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$77</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	13.7%	\$0	0.0%	5.0%
	Moderate	0	0.0%	\$0	0.0%	21.7%	0	0.0%	19.6%	\$0	0.0%	12.4%
	Middle	0	0.0%	\$0	0.0%	24.6%	0	0.0%	21.6%	\$0	0.0%	26.4%
	Upper	0	0.0%	\$0	0.0%	30.5%	0	0.0%	39.2%	\$0	0.0%	46.3%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	5.9%	\$0	0.0%	9.9%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	21.7%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	24.6%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	30.5%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>\$0</i>	<i>0.0%</i>	<i>0.0%</i>
HMDA TOTALS	Low	0	0.0%	\$0	0.0%	23.2%	0	0.0%	6.4%	\$0	0.0%	3.0%
	Moderate	2	50.0%	\$217	61.6%	21.7%	2	50.0%	16.6%	\$217	61.6%	12.8%
	Middle	0	0.0%	\$0	0.0%	24.6%	0	0.0%	29.2%	\$0	0.0%	31.8%
	Upper	1	25.0%	\$40	11.4%	30.5%	1	25.0%	21.7%	\$40	11.4%	24.6%
	Unknown	1	25.0%	\$95	27.0%	0.0%	1	25.0%	26.0%	\$95	27.0%	27.8%
	<i>Total</i>	<i>4</i>	<i>100.0%</i>	<i>\$352</i>	<i>100.0%</i>	<i>100.0%</i>	<i>4</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$352</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Borrower Distribution of HMDA Loans

Assessment Area: FL Okaloosa

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison					Bank & Aggregate Lending Comparison					
		2012					2012					
		Count		Bank Dollar		Families by Family Income %	Count			Dollar		
		#	%	\$(000s)	\$ %		Bank #	Agg %	Bank \$(000s)	Bank \$ %	Agg \$ %	
HOME PURCHASE	Low	1	11.1%	\$139	9.8%	22.4%	1	11.1%	10.0%	\$139	9.8%	5.2%
	Moderate	2	22.2%	\$174	12.3%	21.8%	2	22.2%	25.7%	\$174	12.3%	21.4%
	Middle	2	22.2%	\$345	24.3%	23.8%	2	22.2%	32.9%	\$345	24.3%	37.3%
	Upper	2	22.2%	\$504	35.6%	32.0%	2	22.2%	21.5%	\$504	35.6%	27.4%
	Unknown	2	22.2%	\$255	18.0%	0.0%	2	22.2%	9.8%	\$255	18.0%	8.7%
	<i>Total</i>	9	100.0%	\$1,417	100.0%	100.0%	9	100.0%	100.0%	\$1,417	100.0%	100.0%
REFINANCE	Low	0	0.0%	\$0	0.0%	22.4%	0	0.0%	5.5%	\$0	0.0%	3.2%
	Moderate	2	28.6%	\$224	12.5%	21.8%	2	28.6%	9.4%	\$224	12.5%	6.9%
	Middle	2	28.6%	\$362	20.2%	23.8%	2	28.6%	17.1%	\$362	20.2%	15.4%
	Upper	3	42.9%	\$1,202	67.2%	32.0%	3	42.9%	26.2%	\$1,202	67.2%	28.2%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	41.8%	\$0	0.0%	46.4%
	<i>Total</i>	7	100.0%	\$1,788	100.0%	100.0%	7	100.0%	100.0%	\$1,788	100.0%	100.0%
HOME IMPROVEMENT	Low	0	0.0%	\$0	0.0%	22.4%	0	0.0%	13.7%	\$0	0.0%	5.5%
	Moderate	0	0.0%	\$0	0.0%	21.8%	0	0.0%	13.7%	\$0	0.0%	16.2%
	Middle	0	0.0%	\$0	0.0%	23.8%	0	0.0%	27.5%	\$0	0.0%	20.0%
	Upper	1	100.0%	\$74	100.0%	32.0%	1	100.0%	41.2%	\$74	100.0%	57.2%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	3.9%	\$0	0.0%	1.1%
	<i>Total</i>	1	100.0%	\$74	100.0%	100.0%	1	100.0%	100.0%	\$74	100.0%	100.0%
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	22.4%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	21.8%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	23.8%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	32.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	<i>Total</i>	0	0.0%	\$0	0.0%	100.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
HMDA TOTALS	Low	1	5.9%	\$139	4.2%	22.4%	1	5.9%	7.7%	\$139	4.2%	4.1%
	Moderate	4	23.5%	\$398	12.1%	21.8%	4	23.5%	17.0%	\$398	12.1%	13.7%
	Middle	4	23.5%	\$707	21.6%	23.8%	4	23.5%	24.5%	\$707	21.6%	25.6%
	Upper	6	35.3%	\$1,780	54.3%	32.0%	6	35.3%	24.3%	\$1,780	54.3%	28.0%
	Unknown	2	11.8%	\$255	7.8%	0.0%	2	11.8%	26.5%	\$255	7.8%	28.7%
	<i>Total</i>	17	100.0%	\$3,279	100.0%	100.0%	17	100.0%	100.0%	\$3,279	100.0%	100.0%

Originations & Purchases

The distribution of HMDA loans by borrower income level is reasonable. HMDA volume in 2011 was so low (three home purchase loans, one refinance loan, and no home improvement loans) that comparisons to demographic and aggregate data are not meaningful. In 2012, the percentage of the bank's home purchase loans made to low-income borrowers (11.1 percent) was less than the percentage of low-income families in the

assessment area (22.4 percent) but was greater than aggregate performance. At 22.2 percent, home purchase lending to moderate-income borrowers exceeded the percentage of moderate-income families in the assessment area (21.8 percent) but was less than aggregate performance. The bank did not make any refinance loans to low-income borrowers, but its refinance lending to moderate-income borrowers exceeded both the demographic data and aggregate performance. The bank's only home improvement loan made in 2012 was to an upper-income borrower.

Commercial Lending

The following two tables show, by business revenue and loan size, the number and dollar volume of the sample of commercial loans made in the Okaloosa County assessment area in 2011 and 2012.

Commercial Loans by Business Revenue & Loan Size

Assessment Area: FL Okaloosa

Business Revenue & Loan Size		Bank Lending & Demographic Data Comparison				
		2011				
		Bank		\$ (000s)		Total
		Count				Businesses
		#	%	\$	%	%
BUSINESS REVENUE	\$1million or Less	6	85.7%	\$597	78.3%	94.2%
	Over \$1 Million	1	14.3%	\$165	21.7%	2.5%
	<i>Total Rev. available</i>	7	100.0%	\$762	100.0%	96.7%
	Rev. Not Known	0	0.0%	\$0	0.0%	3.3%
	<i>Total</i>	7	100.0%	\$762	100.0%	100.0%
LOAN SIZE	\$100,000 or Less	4	57.1%	\$159	20.9%	
	\$100,001 - \$250,000	2	28.6%	\$285	37.4%	
	\$250,001 - \$1 Million	1	14.3%	\$318	41.7%	
	Over \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	7	100.0%	\$762	100.0%	
LOAN SIZE & Rev \$1 Mill or Less	\$100,000 or Less	4	66.7%	\$159	26.6%	
	\$100,001 - \$250,000	1	16.7%	\$120	20.1%	
	\$250,001 - \$1 Million	1	16.7%	\$318	53.2%	
	<i>Total</i>	6	100.1%	\$597	99.9%	

Originations & Purchases
Based on 2011 D&B

Commercial Loans by Business Revenue & Loan Size

Assessment Area: FL Okaloosa

Business Revenue & Loan Size		Bank Lending & Demographic Data Comparison				
		2012				
		Bank		Total Businesses		
		Count		\$ (000s)		
		#	%	\$	%	%
BUSINESS REVENUE	\$1million or Less	10	100.0%	\$1,017	100.0%	94.0%
	Over \$1 Million	0	0.0%	\$0	0.0%	2.7%
	<i>Total Rev. available</i>	10	100.0%	\$1,017	100.0%	96.7%
	Rev. Not Known	0	0.0%	\$0	0.0%	3.3%
	<i>Total</i>	<i>10</i>	<i>100.0%</i>	<i>\$1,017</i>	<i>100.0%</i>	<i>100.0%</i>
LOAN SIZE	\$100,000 or Less	6	60.0%	\$233	22.9%	
	\$100,001 - \$250,000	4	40.0%	\$784	77.1%	
	\$250,001 - \$1 Million	0	0.0%	\$0	0.0%	
	Over \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	<i>10</i>	<i>100.0%</i>	<i>\$1,017</i>	<i>100.0%</i>	
LOAN SIZE & Rev \$1 Mill or Less	\$100,000 or Less	6	60.0%	\$233	22.9%	
	\$100,001 - \$250,000	4	40.0%	\$784	77.1%	
	\$250,001 - \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	<i>10</i>	<i>100.0%</i>	<i>\$1,017</i>	<i>100.0%</i>	

Originations & Purchases
Based on 2012 D&B

The distribution of commercial loans by business revenue size is excellent. The percentage of the bank’s loans made to businesses with annual gross revenues of \$1 million or less was less than the percentage of businesses in the assessment area that are considered small businesses in 2011, but exceeded that percentage in 2012. Furthermore, almost 60 percent of the loans were in amounts of \$100,000 or less and 94 percent were in amounts of \$250,000 or less, which typically represent loan amounts requested by small businesses.

COMMUNITY DEVELOPMENT TEST

The bank’s community development performance is satisfactory. The bank demonstrates adequate responsiveness to the community development needs of the assessment area through community development loans, qualified investments or donations, and community development services, considering the bank’s capacity and the need for and availability of such opportunities for community development in the bank’s assessment area.

During the review period, CCB originated one community development loan for approximately \$653,000 in the Okaloosa County assessment area. The loan enabled the provision of water service to low- and moderate-income housing.

The bank made donations totaling \$10,300 to various organizations that provide services that benefit low- and moderate-income individuals and families.

Bank representatives used their financial and technical expertise to provide financial services that benefit low- and moderate-income residents in the assessment area. During the review period, bank staff contributed approximately 229 hours of qualified community development services to community organizations serving the

Okaloosa County assessment area. Bank representatives provided financial expertise primarily by serving as officers or board members of organizations that support community services benefiting low- and moderate-income individuals and families.

APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED			
Lending: January 1, 2011, through December 31, 2012			
Community development activities: July 26, 2011, through July 15, 2013			
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
CCB Community Bank, Andalusia, Alabama		Commercial loans HMDA loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
N/A	N/A	N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Covington County, Alabama (non-MSA)	Full-scope Review	Opp Office 609 Florala Highway Opp, Alabama 36467	None
Okaloosa County, Florida (MSA 18880)	Full-scope Review	None	None

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM -	Automated Teller Machine
CDC -	Community Development Corporation
CDFI -	Community Development Financial Institution
CRA -	Community Reinvestment Act (Regulation BB)
FDIC -	Federal Deposit Insurance Corporation
FFIEC -	Federal Financial Institutions Examination Council
HMDA -	Home Mortgage Disclosure Act (Regulation C)
HUD -	Department of Housing and Urban Development
LMI -	Low- and Moderate-Income
LTD -	Loan-to-Deposit
LTV -	Loan-to-Value Ratio
MD -	Metropolitan Division
MSA -	Metropolitan Statistical Area
OMB -	Office of Management and Budget
REIS -	Regional Economic Information System
SBA -	Small Business Administration
USDA -	United States Department of Agriculture

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.

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION (Continued)

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 CCB Community Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of July 15, 2013. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C – GLOSSARY

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

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- I. Low- or moderate-income geographies;
- II. Designated disaster areas; or
- III. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Effective January 19, 2010, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation revised the definition of community development to include loans, investments, and services by financial institutions that-

- I. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
- II. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
- III. Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

APPENDIX C – GLOSSARY (Continued)

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending and Community Development Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

APPENDIX C – GLOSSARY (Continued)

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

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

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.