



PUBLIC DISCLOSURE

June 17, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Atlanta
Charter Number 718004

1349 W. Peachtree Street, Suite 100
Atlanta, GA 30309

Office of the Comptroller of the Currency

Three Ravinia Drive
Suite 550
Atlanta, GA 30346

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 this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

Summarize the major factors supporting the institution's rating.

- A reasonable loan-to-deposit ratio;
- A majority of the bank's loan originations were made in the assessment area;
- Loans to businesses of different sizes are weak; and,
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.

SCOPE OF EXAMINATION

This CRA Performance Evaluation is an assessment of Bank of Atlanta (BofA) ability to meet the credit needs of its community. We conducted a full-scope review of the bank's assessment area (AA), which encompasses six counties in the Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area (MSA). The bank was evaluated utilizing the Small Bank examination procedures focusing on lending. This evaluation covers the period of June 2008 through December 2012.

The bank operated one branch in North Carolina through 2011. The Bank maintained only .44 percent market share in 2011; and only .31 percent share in 2010 within this North Carolina market. These branches, sold in January 2012, along with all assets are immaterial to the overall banking operation and not considered in this evaluation.

BofA offers traditional loan and deposit products with commercial loans comprising the majority of lending activities. Loan products include residential real estate, small business, and consumer credits. In addition, the bank offers loans through the Small Business Administration's government guaranteed loan program. In recent years, BofA residential lending has been minimal. We sampled commercial loans for the period 2010, 2011, and 2012 to assess the bank's business lending. As of December 31, 2012 the loan portfolio composition was as follows:

Loan Category	\$ (000s)	%
Commercial	75,828	65
Residential	30,418	26
Construction	4,587	4
Other	5,188	5
Total	\$115,911	100%

The bank received a "Satisfactory" CRA rating at its prior performance evaluation dated June 23, 2008.

DESCRIPTION OF INSTITUTION

Bank of Atlanta is a federally chartered savings bank located in Atlanta, Georgia and is a wholly owned subsidiary of Atlanta Bancorporation, Inc. (ABI). The holding company was formed to acquire Gibsonville Community Bank, a North Carolina state chartered savings bank located in Gibsonville, NC, convert it to a federal thrift charter, move its headquarters to Atlanta, and change the name to Bank of Atlanta. Bank of Atlanta commenced operations in its Atlanta main office on April 28, 2006. The bank operated a loan production office (LPO) in Stockbridge, Georgia until the economic struggles of late 2009 caused the bank to close the office. BofA sold the assets and liabilities of Gibson Community Bank in January 2012. This sale removed the Bank from North Carolina. The main office of Bank of Atlanta is located at One Midtown Plaza 1349 W. Peachtree Street Atlanta, GA 30309. This office is located in an upper-income census tract within Fulton County. BofA has one branch located at 1970 Satellite Blvd. Duluth, GA 30097 that opened in 2007. This branch is located in an upper-income census tract within Gwinnett County. The bank is ranked 30th in deposit market share in both Fulton and Gwinnett Counties. BofA has a nominal deposit market share in Fulton County (\$82 million) and Gwinnett County (\$57 million).

The bank's total assets as of December 31, 2012 were \$185 million. Bank of Atlanta offers commercial, commercial real estate, consumer loans, and home equity lines of credit. Legal impediments have prevented the institution from helping to meet the credit needs of its AA. BofA has experienced financial constraints and, since November 2010, has been operating under an Order that restricted asset growth.

DESCRIPTION OF ASSESSMENT AREA(S)

The bank has one delineated assessment area in Georgia based on the location of its main and branch office. This AA is comprised of six whole, contiguous counties (Barrow, Clayton, DeKalb, Forsyth, Fulton, and Gwinnett) located within the Atlanta – Sandy Springs – Marietta Metropolitan Statistical Area. The 570 census tracts in the AA are comprised of 182 upper-income, 158 middle-income, 145 moderate-income, and 85 low-income census tracts.

The AA meets the legal requirements of the regulation and does not arbitrarily exclude any low- or moderate-income census tracts.

ATLANTA-SANDY SPRINGS-MARIETTA, GA MSA

The **Atlanta-Sandy Springs-Marietta Metropolitan Statistical Area** is the most populous metro area in Georgia and the ninth-largest metropolitan statistical area (MSA) in the United States. Its' economic, cultural, and demographic center is Atlanta, Georgia's, the state capital and largest city. The Atlanta metropolitan area spans up to 28 counties in north Georgia and has an estimated population of 5.4 million.

The 2010 U.S. Census Bureau data discloses there are 1.2 million households in the AA in which 64 percent are reported as families. Of these 788 thousand families, 8.49 percent are low-income, 22 percent are moderate-income, 31 percent are middle-income and 38 percent are upper-income. Approximately 11 percent of these households or 17.6 percent of the families live below the poverty threshold, with 2 percent receiving public assistance.

The assessment areas contain 1.4 million housing units. Of these units, 57 percent are owner-occupied, 31 percent are renter-occupied, and 12 percent are vacant. The median housing value in the assessment areas is \$234,710.

Demographic Information for the Atlanta AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	570	15	25	27	32
Population by Geography	3,350,751	8	22	32	38
Owner-Occupied Housing by Geography	787,388	4	16	34	46
Businesses by Geography	517,206	6	19	31	43
Farms by Geography	6,817	5	18	37	41
Family Distribution by Income Level	587,191	8	23	32	37
Household Distribution by Income Level	1,217,841	8	22	31	38
Census Median Family Income (MFI)		\$65,661	Median Housing Value		\$234,710
HUD-Adjusted MFI: 2011		\$68,300	Families Below the Poverty Level		11.41
HUD- Adjusted MFI: 2010		\$71,800	Unemployment Rate		6.06*
			Civilians not in the workforce		28%

*2011 average unemployment rate for the MSA.

Barrow County: Barrow County is the most eastward county of the Atlanta Metropolitan Area. Barrow County is also the most rural county within the AA. Winder, Georgia is the county seat of Barrow County.

Barrow County includes 18 census tracts consisting of 1 low- income; 4 moderate- income; and 13 middle- income tracts. Twenty-eight percent of the census tracts are low- to- moderate income. Winder is approximately 27 miles from a BofA branch location.

Service related industry accounts for 62 percent of the industry mix while private sector employers provide 81 percent of employment opportunities. Major employers in Barrow County include Winder HMA Inc., Barrow Regional Medical Center, Wal-Mart, United Waste Services, Publix Super Market Inc., McDonalds, Johns Manville International Inc., Harrison Poultry Inc., GP Enterprises Inc. and Chico’s Distribution Services LLC. The population of Barrow County is 46,144. The 2011 average unemployment rate for Barrow County is 8.4 percent.

Clayton County: Clayton County is within the five-county core of the Atlanta Metropolitan Area, and is the county in which most of Hartsfield-Jackson Atlanta International Airport lies. As home to the world’s busiest airport, Clayton County is a major tourism and retail center.

From airport hotels to world-renowned attractions like Spivey Hall and the region's only indoor mall, the economic impact of spending by visitors (and locals) is immense. Jonesboro, Georgia is the county seat of Clayton County.

Clayton County includes 50 census tracts consisting of seven low- income; 30 moderate-income; 11 middle- income; and 1 upper- income tracts. Seventy-four percent of the census tracts are low- to- moderate income. Jonesboro is approximately 21 miles from a BofA branch location.

Service related industry accounts for 79 percent of the industry mix while private sector employers provide 86 percent of employment opportunities. Major employers in Clayton County include Air Tran Airways, Clayton State University, Delta Airlines, FedEx Ground, Georgia Power, and Southern Regional Medical Center. The population of Clayton County is 259,424. The 2011 average unemployment rate for Clayton County is 11.1 percent.

DeKalb County: DeKalb County is included in the five-county core of the Atlanta metropolitan statistical area, lies east of Fulton County and contains roughly 10 percent of the city of Atlanta's population. The other 90 percent lies in Fulton County. The county seat is the city of Decatur. It is the second most populated county in Georgia.

DeKalb County has 145 census tracts consisting of 17 low- income, 44 moderate- income, 42 middle- income, and 40 upper- income tracts. Decatur, Georgia is approximately 6 miles from any BofA branch location. Forty-seven percent of DeKalb County residents work in the county they reside in. Sixteen percent commute to Gwinnett County for employment.

Service related industry provides 75 percent of the employment opportunities in DeKalb County. Private sector jobs account for 83 percent of the employment while 17 percent are government sector jobs. Major employers in DeKalb County include AT&T Mobility, Children's Healthcare, DeKalb Medical Center, Emory University, United Parcel Service, and Georgia Perimeter College.

DeKalb County's population of 691,893 has an unemployment rate of 9.3 percent. Twelve percent of DeKalb County residents commuted to Fulton County for employment in 2012; another 16 percent commuted to Gwinnett County. Fourteen percent of the households in DeKalb County live below the poverty level.

Forsyth County: Forsyth County is a part of the Atlanta metropolitan area and is the northern most county in the AA. It has been one of the fastest growing areas in the United States in terms of percentage of growth for several years. The county seat is Cumming, Georgia. The county's proximity to Atlanta and its appeal as a commuter area for people working in the Atlanta area resulted in a population growth to 175,500 people. The influx of high earning professionals increased the average income to a point where Forbes.com named it as the 13th wealthiest county in the United States in terms of median household income.

Forsyth County has only 45 census tracts including two moderate-income, fifteen middle-income, and twenty-eight upper-income tracts. There are no low- income tracts in Forsyth

County. Cumming, Georgia is within 20 miles of a BofA branch location. The median family income of Forsyth County is \$98,015, ranking it the highest of the five county AA. Only nine percent of Forsyth residents commute to Gwinnett County.

Service related industry comprises 66 percent of all private sector jobs. Employers in Forsyth County include The Kroger Co, Siemens Energy & Automation Inc., Scientific Games Products Inc., Publix Super Market Inc., Northside Forsyth Hospital, Koch Foods of Cumming LLC., and Hoover Universal Inc. The local unemployment rate was 7 percent during 2012. Households living below poverty level were 5.48 percent. The median housing price in Forsyth County is \$280,170.

Fulton County: Fulton County is the principal county of the Atlanta metropolitan area. Fulton County is one of the five core counties and the most populous county in Georgia. The county lies south of Forsyth and west of Clayton, DeKalb, and Gwinnett counties. Atlanta is the largest city in Fulton County and geographically divides the county's northern and southern sections.

Fulton County has 204 census tracts consisting of 53 low- income, 39 moderate- income, 31 middle- income, and 79 upper- income tracts. Atlanta is approximately 3 miles from a BofA branch location. In 2012, five percent of Fulton County residents commuted to Gwinnett County. Eight percent commuted from Gwinnett County.

Private sector jobs are prevalent in Fulton County and account for 88 percent of employment opportunities. Service related industry provides for 82 percent of workforce opportunities. Companies headquartered in Fulton County include Mellow Mushroom, AFC Enterprises (Popeye's Chicken/Cinnabon), AT&T Mobility, Chick-fil-A, Delta Airlines, Grady Health systems, The Coca-Cola Company, and Home Depot. The local unemployment rate is 9.6 percent. Fulton County population of 920,581 and a median housing price of \$278,281 are the largest of the six counties in the AA. Fourteen percent of the households live below the poverty level.

Gwinnett County is located in northern Georgia. It is part of the Atlanta- Sandy Springs- Marietta Metropolitan Statistical Area. The county is the Atlanta metropolitan area's northeastern link to Interstate 85, and is the second most populous county in the state, after Fulton. Gwinnett County is located south of Forsyth and east of Fulton County.

Lawrenceville is the county seat of Gwinnett County. BofA only branch is located in Gwinnett County. There are 113 census tracts within the county. These consist of 7 low-income, 26 middle- income, 46 moderate- income, and 34 upper- income tracts. Fifty-eight percent of Gwinnett residents live and work in Gwinnett County.

Service related industry accounts for 76 percent of all private sector employment opportunities. Major employers based in county include Wal-Mart, Waffle House Inc., The Kroger Company, Publix Super Market Inc., Primerica Life Insurance Co., NCR Corporation, Gwinnett Hospital System Inc., Eastside Medical Center, Cisco Systems Inc., and Acumen Fiscal Agent.

The local unemployment rate is 7.8 percent. The population of Gwinnett County is 805,321. Households living below the poverty level are 9.2 percent. The median housing price in Gwinnett County is \$199,373 and annual median income is \$72,997.

Community Contact

During the CRA evaluation, we interviewed Partnership Gwinnett, a division of the Gwinnett Chamber of Commerce located in Suwanee and the City of Milton Community Development Corporation located in Milton, Georgia. The City of Milton CDC provided valuable insight to the community and the lack of community development opportunities in the area. Local institutions meet community credit needs. Partnership Gwinnett confirmed financial institutions are actively meeting the community’s small business credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

BofA maintains a reasonable loan-to-deposit ratio during the review period. The bank’s quarterly loan-to-deposit (LTD) ratio averaged 79 percent since June 2008 and compares favorably to the 85 percent average ratio of four similarly situated banks. Each of these institutions is in the Atlanta MSA and range in size from \$164 million to \$215 million. Quarterly peer bank averages ranged from a low of 75 percent to a high of 91 percent. The bank’s LTD meets the standard for satisfactory performance.

Average Loan to Deposit Ratios June 2008 - December 31, 2012						
BANK NAME	CITY	STATE	COUNTY	Cert #	TOTAL ASSETS (000s)	Avg. LTD Ratio
Bank of Atlanta	Atlanta	GA	FULTON	32362	189,524	79.15
Brookhaven Bank	Atlanta	GA	DEKALB	58456	164,890	90.64
Verity Bank	Winder	GA	BARROW	58711	166,780	74.70
Midtown Bank & Trust Company	Atlanta	GA	FULTON	57580	183,720	90.71
Citizens Bank of Forsyth County, The	Cumming	GA	FORSYTH	34229	215,053	85.41
SUMMARY						
Bank of Atlanta - Avg. LTD Ratio				79.15%		
Other Institutions - Avg. LTD Ratio				85.36%		
Other Institutions - High Avg. LTD Ratio				90.71%		
Other Institutions - Low Avg. LTD Ratio				74.70%		

Lending in Assessment Area (AA)

Lending in the bank’s AA is satisfactory. Overall, a majority of the business loans (54%) reviewed originated inside the AA during the evaluation period.

Table 1 - Lending in Atlanta GA MSA AA										
Loan Type	Number of Loans					Dollars of Loans ('000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	57	54	49	46	106	42,303	47	46,815	53	89,118

Lending to Businesses of Different Sizes

The distribution of loans to businesses reflects a “needs to improve” distribution among businesses of different sizes. In the loan sample, twenty-five percent of the bank’s business loans originated to small businesses. Small businesses are businesses with gross annual revenues of one million dollars or less. This performance is weak when compared to the demographic data that shows 65 percent of the businesses in the AA are considered small businesses.

However, the supervisory restrictions placed on lending activities in 2010 and continuing in 2011 are mitigating factors contributing to the insufficient volume of loan originations to small businesses.

Table 2A - Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	65	2	33	100%
% of Bank Loans in AA by #	25	47	28	100%
% of Bank Loans in AA by \$	12	82	6	100%

Data Source: 2000 US Census Data. Sample of Business Loans 2010/ 2011

Table 2A - Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	72	3	25	100%
% of Bank Loans in AA by #	25	75	0	100%
% of Bank Loans in AA by \$	14	86	0	100%

Source: Loan sample; Dunn and Bradstreet data. Sample of Business Loans 2012

Geographic Distribution of Loans

The overall geographic distribution of business loans in the Atlanta MSA is excellent. The bank’s percent of small loans, during 2010 and 2011, to businesses in low-income geographies equals the percent of businesses in these geographies. The bank’s percent of small loans to businesses in moderate-income geographies exceeds the percent of businesses in these geographies.

While the bank did not originate loans to businesses located in low-income geographies during 2012, the percent of businesses loans originated in moderate-income geographies significantly exceeds the percent of businesses in these geographies.

Table 3A - Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	5	5	14	38	34	24	47	33

Source: Indicate source, i.e., loan sample or data collected by bank; D & B data. 2010/ 2011 Loan Data

Table 3A - Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	5	0	14	54	34	21	47	25

Source: Indicate source, i.e., loan sample or data collected by bank; D & B data. 2012 Loan Data

Responses to Complaints

There were no CRA-related complaints received by the bank or the OCC during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.