



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

June 14, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Thomasville National Bank
Charter Number 22883**

**301 North Broad Street
Thomasville, GA 31792**

**Comptroller of the Currency
North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, FL 32256**

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.

Thomasville National Bank's performance rating is supported by the following.

- The loan-to-deposit ratio meets satisfactory performance given the bank's size, financial condition, and the credit needs within the community.
- The majority of loans and other lending activities are in the bank's assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and farms of different sizes.
- There was reasonable dispersion of its lending activities throughout the assessment area during the evaluation period.

DESCRIPTION OF INSTITUTION

As of June 14, 2004, Thomasville National Bank (TNB) was a \$212 million retail banking institution located in Thomasville, Georgia. The bank is owned by Thomasville Bancshares, Incorporated, a one-bank holding company located at 301 North Broad Street, Thomasville, Georgia. The bank services the credit and deposit needs of its customers from its main office at the same address, and a branch office located at 1320 Remington Avenue in Thomasville. Both facilities offer full-service banking, including drive-up and ATM services. TNB's primary lending focus is commercial and residential lending. There are no known financial or legal impediments that would hinder the bank from meeting the credit needs of its assessment area.

TNB offers a wide variety of financial products including commercial loans, residential mortgage loans, agricultural loans, consumer loans and deposit accounts. As of March 31, 2004, net loans of \$188 million comprised 66% of assets. The composition of the loan portfolio is as follows: commercial/commercial real estate, \$89 million or 47%; residential real estate, \$70 million or 37%; consumer lending, \$10 million or 6%; agricultural lending, \$9 million or 5%; state and political subdivisions, \$8 million or 4%; and other loans, \$2 million or 1%.

The bank's last Public Evaluation was in October 1999 and the rating was *Satisfactory*. This Public Evaluation covers the period of time from November 1999 to May 2004.

DESCRIPTION OF THOMAS COUNTY

TNB designates the geographic boundaries of Thomas County in Georgia as its assessment area (AA). The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The city of Thomasville is the Thomas County seat and the county's largest municipality. Other incorporated areas include Barwick, Boston, Coolidge, Meigs, Ochlocknee and Pavo. As of the 1990 Census, Thomas County was located in a Non-

Metropolitan Statistical Area (NMSA). The 2002 Housing and Urban Development estimate of the NMSA median family income for Georgia was \$42,200. Based on this figure, low-income, defined as less than 50% of median family income, would be less than \$21,100. Moderate-income, more than 50% but less than 80% of median family income, would range between \$21,100 and \$33,759. Middle-income, more than 80% but less than 120% of median family income, would range between \$33,760 and \$50,640 and upper-income, more than 120%, would be greater than \$50,640.

Thomas County is located in southwest Georgia, bordering the State of Florida, approximately 25 miles north of Tallahassee, Florida. The estimated 2002 population for the county was 42,976. The average unemployment rate as of April 2004 was 3.4% compared to the state of Georgia average of 3.8%. According to the 1990 Census, 31% of households in Thomas County receive Social Security and 13% were retired. Additionally, 90% of housing units in the area were occupied with 62% being owner-occupied. Major industries in Thomas County include manufacturing and the service industries. The effect of the North American Free Trade Agreement (NAFTA) has negatively impacted the economy. However, conditions are improving. There was some loss in the manufacturing industry; however, new industries have replaced them. The largest employers in the county include Archbold Memorial Hospital, Thomas County Schools, Southwestern State Hospital, Flowers Foods of Thomasville, Inc., and Thomasville City Schools.

According to the 1990 census, there were 11 block-numbering areas (BNAs) in Thomas County. Four were designated moderate-income and seven were designated middle-income. There were no low-income or upper-income BNAs. Also in Thomas County, 25% of families were considered low-income, 17% moderate-income, 21% middle-income and 37% were considered upper-income.

The following table highlights the demographic composition of Thomas County.

| Type of income BNA | Number of BNA | Percentage of Total Number of BNAs | Number of Households in BNAs | Percentage of Households in BNAs |
|---|---------------|------------------------------------|------------------------------|----------------------------------|
| Low (less than \$21,100) | 0 | 0% | 0 | 0% |
| Moderate (\$21,100 to \$33,759) | 4 | 37% | 4,326 | 30% |
| Middle (\$33,760 to \$50,640) | 7 | 63% | 9,987 | 70% |
| Upper (greater than \$50,640) | 0 | 0% | 0 | 0% |

All of these county figures are based on published demographic information.

The banking industry in the assessment area is competitive. The county contains two other community banks, Commercial Bank and Thomas County Bank. Multinational and regional banks serving the community include Bank of America, SunTrust, and Farmers and Merchants Bank. Other financial institutions include Thomas County Federal Savings and Loan and Multiple Employee Group Federal Credit Union. The bank also competes with financial institutions in neighboring counties. As part of our examination, we met with a representative from the community regarding local economic conditions and community credit needs. Based on information provided by a representative of a local housing developer, a primary lending need in the area is affordable housing. While the area financial institutions are positively perceived for their involvement in the local community, demand for affordable housing has increased since NAFTA caused so many jobs to be lost in Southwest Georgia. Our contact feels that performance in meeting this credit need could be enhanced by partnering with affordable housing developers who assist low- and moderate-income individuals in obtaining housing.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

To evaluate the following performance criteria, we focused on 2000 through 2002 loan activity per regulatory requirements to maintain consistency with Census information. Updated income and census tract data for loans originated in 2003 and 2004 would not be consistent with data used to categorize prior years' loan activity. As such, they were not used in this analysis. We used data collected from 2000 through 2002 for residential mortgages, business lending and consumer lending. Specific information regarding data analyzed is discussed under each criterion.

Loan-to-Deposit Ratio – Meets the Standard for Satisfactory Performance

The bank's loan-to-deposit (LTD) ratio is satisfactory based on its size and assessment of area credit needs. The average net LTD ratio is 99% using quarter-end information from December 31, 1999 to March 31, 2004. The bank's ratio was compared to two other institutions of similar size and structure in the AA whose ratios also averaged 97% during the same time period. The average LTD ratio for the nationwide peer group was 70%. As of June 14, 2004, TNB's loan-to-deposit ratio was 108%.

Lending in Assessment Area - Meets the Standard for Satisfactory Performance

A majority of the bank's lending is within its defined AA. Since the bank focuses on commercial lending we selected a sample of 23 of those types of loans originated by the bank between January 2000 and December 2002. We found that 20 loans in that sample were originated within the bank's AA as detailed below.

| Business Lending In the Assessment Area | | | | | |
|--|-----------------------------|------------|--------------------------|------------|--|
| | # of Loans in Sample | % | \$ of Loans (000) | % | |
| Inside AA | 20 | 87 | 1,221 | 94 | |
| Outside AA | 3 | 13 | 72 | 6 | |
| Totals | 23 | 100 | 1,293 | 100 | |

Because the bank also focuses on residential real estate lending, we performed an analysis of the distribution of those types of loans originated in the same time frame of January 2000 to December 2002. The results of the analysis are as follows.

| Residential Real Estate Lending In the Assessment Area | | | | | |
|---|-----------------------------|------------|--------------------------|------------|--|
| | # of Loans in Sample | % | \$ of Loans (000) | % | |
| Inside AA | 20 | 80 | 1,841 | 71 | |
| Outside AA | 5 | 20 | 739 | 29 | |
| Totals | 25 | 100 | 2,580 | 100 | |

We also performed an analysis of the distribution of consumer type loans originated in the same time frame of January 2000 to December 2002. The results of the analysis are as follows.

| Consumer Lending In the Assessment Area | | | | | |
|--|-----------------------------|------------|--------------------------|------------|--|
| | # of Loans in Sample | % | \$ of Loans (000) | % | |
| Inside AA | 20 | 83 | 337 | 78 | |
| Outside AA | 6 | 17 | 97 | 22 | |
| Totals | 26 | 100 | 434 | 100 | |

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes - Meets the Standard for Satisfactory Performance

The dispersion of loans to borrowers of different income levels and to businesses of different sizes is satisfactory. For this criterion, we used the same samples of residential, consumer and commercial loans originated within the AA discussed in the previous performance criterion. As the following tables indicate, TNB's lending to borrowers of low- and moderate-income levels is satisfactory in view of the demographics of the AA. In residential lending, approximately 15% of the number of loans and 8% of the dollar volume of loans were granted to low- and moderate-income borrowers. Distribution at other income levels is considered reasonable.

| Distribution of Residential Loans by Borrower Income Level in Assessment Area | | | | |
|--|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Income Level | % Families in Assessment Area | % of Loans by Number | % of Loans by Dollar | Average Loan (\$000) |
| Low | 25% | 5% | 1% | 22 |
| Moderate | 17% | 10% | 7% | 65 |
| Middle | 21% | 25% | 17% | 63 |
| Upper | 37% | 60% | 75% | 114 |
| Total | 100% | 100% | 100% | |

In consumer lending, 25% of the number of loans and 27% of the dollar amount of loans were granted to low- and moderate-income households.

| Distribution of Consumer Loans by Borrower Income Level in Assessment Area | | | | |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Income Level | % Households in Assessment Area | % of Loans by Number | % of Loans by Dollar | Average Loan (\$000) |
| Low | 28% | 5% | 5% | 15 |
| Moderate | 16% | 20% | 22% | 19 |
| Middle | 16% | 35% | 25% | 12 |
| Upper | 40% | 40% | 48% | 20 |
| Total | 100% | 100% | 100% | |

The bank's lending volume regarding loans to small businesses is satisfactory. We obtained annual revenue information for business loans used in our analysis. Our analysis determined that the bank makes loans to businesses of varying sizes within the AA, but particularly to small businesses (those with annual revenues less than \$1million.) A breakdown of loans by size is given below.

| Total Annual Revenue | Percentage of Total Business Loans Sampled | | |
|--|--|---------------|-------------------------------|
| | Number of loans | Dollar Volume | % Business in Assessment Area |
| <\$500 thousand | 50% | 20% | 62% |
| \$500 to \$999 thousand | <u>5%</u> | <u>2%</u> | <u>4%</u> |
| <\$1 million (small Business) | 55% | 22% | 66% |
| >\$1 million (large business) ¹ | 45% | 73% | 4% |

Geographic Distribution of Loans - Meets the Standard for Satisfactory Performance

There is a reasonable distribution of loans extended within the assessment area. Our analysis used the same residential real estate related loans within the assessment area discussed in the previous performance criteria. The following table reflects the distribution of these loans within the bank's assessment area by income designation of BNA.

| Geographic Analysis of Residential Loans Sampled by Percentage Originating Between January 2000 and December 2002 | | | |
|---|--|---|---|
| Type Of BNA | Number of Loans Within the Type of BNA | Dollar Amount of Loans Within the Type of BNA | Owner Occupied Units Within the Type of BNA |
| Low | 0 | 0 | 0 |
| Moderate-Income | 37% | 35% | 29% |
| Middle-Income | 63% | 65% | 71% |
| Upper-Income | 0 | 0 | 0 |

The sample analysis disclosed that TNB originated loans in all but one middle-income BNA. This distribution is considered reasonable and consistent with the location of the bank's offices, financial and human resources, and families within the respective BNA's.

¹ According to the 1990 Census, 30% of businesses did not report revenue.

Our analysis of the consumer related loans also reflect reasonable distribution throughout the lending area. In this sample, we again found only one middle-income BNA with no loans originated.

| Geographic Analysis of Consumer Loans Sampled by Percentage Originating Between January 2000 and December, 2002 | | | |
|--|---|--|--|
| Type Of BNA | Number of Loans Within the Type of BNA | Dollar Amount of Loans Within the Type of BNA | Households Within the Type of BNA |
| Low | 0 | 0 | 0 |
| Moderate-Income | 40% | 36% | 30% |
| Middle-Income | 60% | 64% | 70% |
| Upper-Income | 0 | 0 | 0 |

Responses to Complaints

TNB has not received any complaints concerning its performance in helping to meet the credit needs within its AA during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.