



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 26, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Thumb National Bank and Trust Company
Charter Number 15817

7254 Michigan Avenue
Pigeon, MI 48755-0000

Office of the Comptroller of the Currency

NORTHERN OHIO Field Office
200 Public Square Suite 1610
Cleveland, OH 44114-2301

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.

The major factors supporting the institution's rating are.

- The distribution of loans to borrowers of different incomes as well as to businesses and farms of different sizes is reasonable. In both instances, this meets the standards of satisfactory performance
- The geographic distribution of loans is reasonable and meets the standards for satisfactory performance.
- A majority of the bank's lending activity is inside its Assessment Areas and thus meets the standards of satisfactory performance.
- The loan-to-deposit ratio is more than reasonable and exceeds the standards for satisfactory performance.

SCOPE OF EXAMINATION

The evaluation time period is January 5, 2004 (the date of the previous evaluation) through December 31, 2009. We analyzed home mortgage, business and farm loan activity from January 1, 2007 through December 31, 2009. All home mortgage data was considered in our analysis. Analysis of business and farm loan activity is based on an initial sample of 30 loans for each type of activity in accordance with sampling guidelines. In addition, these loan products are representative of the bank's business strategy since the last examination.

Thumb National Bank and Trust (TNB&T) has two assessment areas (AAs) for evaluation purposes as discussed under the **Description of the Assessment Area** section. Conclusions on the bank's performance are based on full-scope reviews on each of these AAs. We placed more weight on the performance of the Huron AA as it contains the bank's main headquarters, the majority of its branch locations, and a substantial majority of its lending and deposit activity.

Information from members of the local community was considered as well. We contacted two community organizations involved in agricultural and economic development initiatives. Refer to the **Description of Assessment Area** section of this document for additional details.

DESCRIPTION OF INSTITUTION

TNB&T is a full service community bank headquartered in Pigeon, Michigan and approximately 100 miles north of Detroit. This intrastate bank services western Michigan. As of December 31, 2009, the bank reported total assets of \$215 million.

TNB&T is a wholly owned subsidiary of Thumb National Bank & Trust Company Employee Stock Ownership Plan Trust., a one-bank holding company also headquartered in Pigeon. Thumb National Mortgage LLC is a fully owned subsidiary of TNB&T. Thumb National Mortgage LLC was formed in 2003 to provide commercial and home mortgage products to its customers.

TNB&T offers a broad range of loan products including home mortgage, consumer, commercial and farm loans. TNB&T is active in meeting the credit needs of the farming community as this is a major economic base and employer in both AAs. The bank also offers a wide range of deposit products along with online banking, telephone banking, and trust services. Using bank-generated loan origination reports for the evaluation period, we determined the bank's primary products are home mortgage, business and farm loans.

As of December 31, 2009, the bank's loan portfolio was comprised of real estate loans (67 percent), farm loans (15 percent), commercial loans (14 percent), consumer loans (3 percent) and other loans (1 percent). The real estate portfolio is comprised of commercial mortgage loans (35 percent), home mortgage loans (34 percent), farm mortgage loans (22 percent), home equity loans (6 percent), and construction loans (3 percent).

TNB&T operates five full-service branches. The bank opened one new office (Bay City-E Wilder Road) and added two ATMs in Pigeon and Bay City during the evaluation period. No offices were closed during the evaluation period.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. The previous CRA examination was dated January 5, 2004 and resulted in a rating of "Satisfactory".

DESCRIPTION OF ASSESSMENT AREA(S)

TNB&T has two AAs. The Huron AA has 11 tracts that include portions of Huron, Sanilac, and Tuscola Counties. All tracts in this AA are middle- income and comprise the majority of the branches and lending to the community.

The Bay County AA consists of 17 tracts within the Bay City Metropolitan Statistical Area [MSA]. This AA is comprised of moderate-, middle-, and upper-income tracts. The number of Bay County AA tracts decreased since the last evaluation as the AA was re-evaluated using actual lending and deposit information during the evaluation period.

At the time of the last performance evaluation, TNB&T had just entered the Bay County area and used the entire county as its AA. After reviewing deposit and loan data collected during the evaluation period, the actual market area was smaller than initially projected and the AA adjusted accordingly.

Both AAs are consistent with the requirements of the regulation. See the accompanying tables for demographic information.

Huron AA

Demographic Information for the Huron AA						
Demographic Characteristics	#	Low (% Of #)	Moderate (% Of #)	Middle (% Of #)	Upper (% Of #)	NA* (% Of #)
Geographies (Census Tracts)	11	0.0	0.0	100.0%	0.0	0.0
Population by Income Level of Geography	36,235	0.0	0.0	100.0%	0.0	0.0
Family Distribution by Income Level of Geography	10,226	0.0	0.0	100.0%	0.0	0.0
Owner-Occupied Housing Units by Income Level of Geography	11,972	0.0	0.0	100.0%	0.0	0.0
Businesses by Income Level of Geography	2,781	0.0	0.0	100.0%	0.0	0.0
Farms by Income Level of Geography	556	0.0	0.0	100.0%	0.0	0.0
Distribution of Families by Income Level Throughout AA	10,226	16.99%	21.48%	25.36%	36.17%	0.0
Businesses by Revenue Level	Revenues <= \$1 Million 99.10%	Revenues > \$1 Million		Revenues not Reported		
Farm		.90%		0.0%		
Non-Farm	81.73%	3.16%		15.10%		
HUD Adjusted Median (ADM) Family Income 2009 Huron AA	<ul style="list-style-type: none"> Low Income (below 50% of ADM) = \$52,700 Moderate Income (50 to 79.99% of ADM) = \$0 - \$26,349 Middle Income (80% to 119.99% of ADM) = \$26,350 - \$42,159 Upper Income (120% and above ADM) = \$42,160 - \$63,239 			Unemployment Rate: Dec 2009 United States = 10% Michigan = 14.3% Huron County = 16.3% Sanilac County = 19% Tuscola County = 17.3%		
Households Below the Poverty Level	= \$63,240 - Above = 1,389 [9.78%]					

(*) The NA category consists of geographies that have not been assigned an income classification.

Data Sources: 2000 U.S. Census; US Department of Labor. Dun and Bradstreet 2009.

The Counties of Huron, Sanilac, and Tuscola are primarily rural and agricultural in nature. Agriculture provides a significant economic base for this three county area as the majority of the land is used for farming. This area is a major supplier of beans and sugar beets and also provide cattle, poultry, hogs, wheat, potatoes, dairy products, and corn. This three county area also offers health care, manufacturing and service related jobs. Some of the major employers in Huron, Sanilac and Tuscola Counties are illustrated below:

COUNTY	MAJOR EMPLOYERS
Huron	Tower Automotive-Elkton, Huron Casting Inc., Gemini Plastics, Thumb Tool & Engineering, Scheurer Hospital, Huron Medical Center, and the Active Feed Company.

Sanilac	Trelleborg Automotive, Huron Inc., Midwest Rubber Company, and the Marlette Community Hospital
Tuscola	Walbro, Grade-Vassar Foundry Inc., Caro Regional Center, and the Michigan Sugar Company

There are 10 financial institutions serving the Counties of Huron, Sanilac, and Tuscola based on a June 30, 2009 Federal Deposit Insurance Corporation (FDIC) deposit market share report. There are three regional banks and seven community banks operating a total of 26 offices. Not reflected in these numbers are a number of credit unions also operating in this AA. The number of financial institutions in the AA provides a competitive banking environment. TNB&T ranks first with approximately 23 percent of the insured deposit market.

Local economic conditions for the Counties of Huron, Sanilac, and Tuscola are adversely impacted by stressed economic conditions. These counties have experienced higher unemployment compared to the State of Michigan as a whole. This is partly due to a loss of manufacturing jobs in the domestic automobile manufactures and the absence of new businesses moving into the area to compensate for this loss. The unadjusted unemployment rate as of December 2009 for Huron County was 16.3 percent, Sanilac County was 19 percent, and Tuscola County was 17.3 percent. These unemployment rates compare unfavorably with the State of Michigan unadjusted unemployment rate of 14.3 percent. Since 2007 all three counties were designated distressed middle-income nonmetropolitan areas due to their high levels of unemployment.

We determined the community’s credit needs by contacting a representative from a local farming organization as well as conducting discussions with bank management. Credit and non-credit needs of the community include:

- Lines of credit to farmers for working capital and farm production needs
- Loans to purchase or repair machinery and equipment
- Consumer credit counseling for foreclosure prevention and surviving the impact of the economic downturn
- Continued demand for home mortgage and small business lending

Bay County AA

Demographic Information for the Bay County AA						
Demographic Characteristics	#	Low (% Of #)	Moderate (% Of #)	Middle (% Of #)	Upper (% Of #)	NA* (% Of #)
Geographies (Census Tracts)	18	0.00	33.33%	55.56%	11.11%	0.00
Population by Income Level of	79,402	0.00	17.93%	72.38%	9.69%	0.00

Geography						
Family Distribution by Income Level of Geography	21,772	0.00	15.52%	73.97%	10.50%	0.00
Owner-Occupied Housing Units by Income Level of Geography	150,932	0.00	13.79%	74.81%	11.40%	0.00
Businesses by Income Level of Geography	5,619	0.00	23.30%	68.25%	8.45%	0.00
Farms by Income Level of Geography	317	0.00	5.36%	86.75%	7.89%	0.00
Distribution of Families by Income Level Throughout AA	21,772	18.78%	19.44%	22.03%	39.75%	0.00
Businesses by Revenue Level	Revenues <= \$1 Million		Revenues > \$1 Million		Revenues not Reported	
Farm	99.05%		0.32%		0.63%	
Non-Farm	77.67%		4.72%		17.62%	
HUD Adjusted Median (ADM) Family Income 2009 Bay County AA				Unemployment Rate: Dec 2009		
• Low Income (below 50% of ADM)	= \$56,500			United States	= 10%	
• Moderate Income (50 to 79.99% of ADM)	= \$0 - \$28,249			Michigan	= 14.3%	
• Middle Income (80% to 119.99% of ADM)	= \$28,250 - \$45,199			Bay County	= 13.7%	
• Upper Income (120% and above ADM)	= \$45,200 - \$67,799					
Households Below the Poverty Level	= \$67,800 - Above					
	= 3,220 [10.10%]					

(*) The NA category consists of geographies that have not been assigned an income classification.
Data Sources: 2000 U.S. Census; US Department of Labor. Dun and Bradstreet 2009.

The Bay County AA is primarily a mix of metropolitan, rural and agricultural areas in nature. Farming provides a significant economic base for this area. This area is a supplier of sugar beets, potatoes, vegetables, and pickles. This area also relies on the automotive, education, government, health care, manufacturing and service industries and tourism. Bay City represents the largest city within the county. Some of the major employers in Bay County are illustrated below:

COUNTY	MAJOR EMPLOYERS
Bay	Bay Regional Medical Center, Dow Corning Corporation, Bay Public Schools, Delta College, Michigan Sugar Company, GM Powertrain, Meijer Incorporated, and Bay County Government

There are eight financial institutions serving the Bay County AA based on a June 30, 2009 FDIC deposit market share report. There are three regional banks and five community banks operating a total of 31 offices. Not reflected in these numbers are a number of credit unions also operating in this AA. The number of financial institutions in the AA provides a competitive banking environment. TNB&T ranks seventh with 2.37 percent share of the insured deposit market.

Local economic conditions in the Bay County AA are also adversely impacted by economic conditions. The unadjusted unemployment rate as of December 2009 for

Bay County was 13.7 percent. This unemployment rate is below the State of Michigan overall unemployment rate of 14.3 percent. Efforts by local economic development groups have included expansions to several existing businesses which helped offset larger job losses experienced in other portions of the state. Examples include construction of a regional warehouse distribution center for Fabriano Brothers Incorporated, an expansion of Tubular Metal Systems facilities and a multi-million dollar upgrade to the GM Powertrain Plant.

We determined the community's credit needs by contacting a representative from an economic development agency as well as conducting discussions with bank management. Credit and non-credit needs of the community include:

- Machinery and equipment loans to small businesses
- Small business loans of \$50,000-\$100,000 for new business start-ups or working capital needs
- Loans to revitalize and stabilize downtown Bay City

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance under the lending test is Satisfactory. This conclusion is based primarily on performance within the Huron AA, as this is the AA where the bank has a majority of its branches and deposits. The borrower and geographic distribution components receive the most weight in our analysis of this component.

Loan-to-Deposit Ratio

The bank's net loan-to-deposit ratio is more than reasonable and exceeds the standards for satisfactory performance given the bank's size, financial condition, and the credit needs of the bank's AAs. The bank's average quarterly loan-to-deposit ratio over the 24 quarters ending December 31, 2009 is 96.94 percent. This was well above the 79.77 percent experienced by other banks in its national peer group during the same period. It is also noted that TNB&T's loan-to-deposit ratio as of December 31, 2009 was 87.22%.

Lending in Assessment Area

Table 1 details TNB&T's aggregate lending in its Huron and Bay County AAs by number of loan originations and dollar volume during the evaluation period.

TNB&T's record of lending in its AAs is reasonable and meets the standards for satisfactory performance. A majority of lending activity has occurred inside the bank's AAs. As reflected in Table 1, approximately 67 percent of the number of loans and 60 percent of dollars of loans originated during the evaluation period are located within the bank's AAs. Furthermore, a substantial majority of business and farm loans were made inside the AAs in both numbers and dollar amounts. We base these percentages on all home mortgage activity and a sample of business and farm loans originated by the bank

during the evaluation period.

Table 1 - Lending in TNB&T's Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	572	63.49	329	36.51	901	58,734	57.58	43,269	42.42	102,003
Business	57	95.00	3	5.00	60	3,677	71.11	1,494	28.89	5,171
Farming	55	91.67	5	8.33	60	4,523	97.37	122	2.63	4,645
Totals	684	66.99	337	33.01	1,021	66,934	59.86	44,885	40.14	111,819

Source: Reported HMDA Data and initial samples of 30 business loans & 30 farming loans.

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

The borrower distribution of loans reflects a reasonable penetration among borrowers of different incomes and businesses and farms of different sizes. Conclusions are based on loan originations and purchases made during the evaluation period.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. It is especially difficult for the segment of the low-income population that lives below the poverty line to afford and maintain a home. This has an impact on the opportunity to lend to the low-income population of the community. Refer to the **Description of Assessment Areas** section for demographic information including poverty rates.

Huron AA

The overall borrower distribution of loans is reasonable in the Huron AA. We base this finding on reasonable penetration of home mortgage loans among borrowers of different income levels and among business and farm loans to businesses and farms of different sizes. Refer to Table 2 for the primary data used to assess the borrower distribution of home mortgage lending in the Huron AA.

Table 2a - Borrower Distribution of Home Mortgage Loans in Huron AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	16.99	15.63	21.48	30.47	25.36	20.31	36.17	30.47
Home Improvement	16.99	8.89	21.48	20.00	25.36	31.11	36.17	33.33
Home Refinance	16.99	9.02	21.48	24.81	25.36	26.32	36.17	38.72

Source: Data reported under HMDA; 2000 U.S. Census data

Income information was not reported for 3.13% of home purchase, 6.67% of home improvement, and 1.13% of home refinance loans within the Huron AA.

The distribution of home purchase loans reflects reasonable penetration among borrowers of different income levels. While the percentage of home purchase loans to low-income borrowers is slightly below the percentage of low-income families in the area, the percentage of loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA.

The distribution of home improvement loans reflects reasonable penetration among borrowers of different income levels. While the percentage of home refinance loans to low-income borrowers is significantly below the percentage of low-income families in the area, consideration is given to the impact that the area’s poverty level has on the opportunities to lend to the low-income segment of the community. The percentage of loans to moderate-income borrowers is comparable to the percentage of moderate-income families in the AA.

The distribution of home refinance loans reflects reasonable penetration among borrowers of different income levels. While the percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the area, consideration is given to the impact that the area’s poverty level has on the opportunities to lend to the low-income segment of the community. The percentage of loans to moderate-income borrowers is near the percentage of moderate-income families in the AA.

Table 2b - Distribution of Loans to Businesses & Farms of Different Sizes in Huron AA

Size of Business Loan Type	GAR ≤ \$1MM		GAR > \$1MM		GAR Not Reported	
	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business	81.73	96.55	3.16	3.45	15.10	0.00
Farming	99.10	89.29	0.90	10.71	0.00	0.00

Source: Sample results; 2009 Dun & Bradstreet business & farm data. GAR=Gross Annual Revenues.

The distribution of business loans reflects excellent penetration among businesses of different sizes. This is based on a sample of 29 business loans within the AA with one loan being eliminated because it resides outside of the AA. Approximately 97 percent of loans were made to businesses with gross annual revenues of less than \$1 million. According to Dun & Bradstreet business demographic data, 82 percent of area businesses have gross annual revenues less than or equal to \$1 million, although revenue data is not available for approximately 15 percent of the AA’s businesses.

The distribution of farm loans reflects reasonable penetration among businesses of different sizes. This is based on a sample of 28 farm loans with two loans being eliminated because it resides outside of the AA. Approximately 89 percent of loans were made to farms with gross annual revenues of less than \$1 million. According to Dun & Bradstreet business demographic data, 99 percent of area farms have gross

annual revenues less than or equal to \$1 million.

Bay County AA

The overall borrower distribution of loans is reasonable in the Bay County AA. We base this finding on reasonable penetration of home mortgage loans among borrowers of different income levels and among business and farm loans to businesses and farms of different sizes. Refer to Table 3a for the primary data used to assess the borrower distribution of home mortgage lending in the Bay County AA.

Table 3a Borrower Distribution of Home Mortgage Loans in Bay County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	18.78	8.70	19.44	30.43	22.03	8.70	39.75	52.17
Home Improvement	18.78	16.67	19.44	0.00	22.03	16.67	39.75	66.67
Home Refinance	18.78	4.26	19.44	17.02	22.03	21.28	39.75	48.94

Source: Data reported under HMDA; 2000 U.S. Census data.

The distribution of home purchase loans reflects reasonable penetration among borrowers of different income levels. While the percentage of home purchase loans to low-income borrowers is significantly below the percentage of low-income families in the area, consideration is given to the impact that the area’s poverty level has on the opportunities to lend to the low-income segment of the community. The percentage of loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA.

The distribution of home improvement loans reflects reasonable penetration among borrowers of different income levels. The percentage of home purchase loans to low-income borrowers is slightly below the percentage of low-income families in the area. However, home improvement loans to moderate-income borrowers are significantly below the percentage of moderate-income families in the area. Consideration is given to the fact the bank has a minimal presence in this AA, a market share under three percent, and a poverty level of ten percent.

The distribution of home refinance loans reflects reasonable penetration among borrowers of different income levels. While the percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the area, consideration is given to the impact that the area’s poverty level has on the opportunities to lend to the low-income segment of the community. The percentage of loans to moderate-income borrowers is slightly below the percentage of moderate-income families in the AA.

Table 3b - Distribution of Loans to Businesses & Farms of Different Sizes in Bay County AA						
Size of Business	GAR ≤ \$1MM		GAR > \$1MM		GAR Not Reported	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business	77.67	89.66	4.72	10.34	17.62	0.00
Farming	99.05	96.15	0.32	3.85	0.63	0.00

Source: Sample results; 2009 Dun & Bradstreet business & farm data. GAR=Gross Annual Revenues

The distribution of business loans reflects excellent penetration among businesses of different sizes. This is based on a sample of 29 business loans with one loan being eliminated because it resides outside of the AA. Approximately 90 percent of loans were made to businesses with gross annual revenues of less than \$1 million. According to Dun & Bradstreet business demographic data, approximately 78 percent of area businesses have gross annual revenues less than or equal to \$1 million, although revenue data is not available for approximately 18 percent of the AA’s businesses.

The distribution of farm loans reflects reasonable penetration among farms of different sizes. This is based on a sample of 26 farm loans with four loans being eliminated because it resides outside of the AA. Approximately 96 percent of loans were made to farms with gross annual revenues of less than \$1 million. According to Dun & Bradstreet business demographic data, 99 percent of area farms have gross annual revenues less than or equal to \$1 million, although revenue data is not available for approximately 1 percent of the AA’s farms.

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion among geographies of different income levels and meets the standards of satisfactory performance. We based this conclusion on performance from the Bay County AA only. As the Huron AA has no low- or moderate-income census tracts, a geographic distribution analysis is not meaningful for that AA.

Home Mortgage Lending – Bay County AA

The geographic distribution of loans reflects reasonable dispersion among geographies of different income levels and lending in most tracts of the AA. For our conclusions, we placed more weight on moderate-income performance, as there are no low-income geographies within the AA. Consideration is given to the fact almost three quarters of owner-occupied homes are in the middle income census tracts as noted in the **Description of Assessment Areas** section. Refer to Table 4 below for the primary data used to assess the geographic distribution of home mortgage lending.

Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	NA	NA	13.79	13.04	74.81	60.87	11.40	26.09
Home Improvement	NA	NA	13.79	16.67	74.81	66.67	11.40	16.67
Home Refinance	NA	NA	13.79	10.64	74.81	65.96	11.40	23.40

Source: Data reported under HMDA; 2000 U.S. Census data.

The distribution of home purchase loans reflects a reasonable dispersion among census tracts of different income levels. The percentage of loans made in moderate-income areas is near the percentage of owner-occupied housing units located in the moderate-income portions of the AA.

The distribution of home improvement loans reflects an excellent dispersion among census tracts of different income levels. The percentage of loans made in moderate-income areas substantially exceeds percentage of owner-occupied housing units located in the moderate-income portions of the AA.

The distribution of home refinance loans reflects an reasonable dispersion of loans among census tracts of different income levels. The percentage of loans made in moderate-income areas is slightly below the percentage of owner-occupied housing units for that segment of the community.

Business and Farm Lending – Bay County AA

The dispersion of business and farm loans among census tracts of different income levels is reasonable and reflects lending in most tracts of the AA. The percentages of loans in moderate-income areas are near the percentages of businesses located in those segments of the AA. Refer to Table 5 below for the primary data used to assess the geographic distribution of business and farm lending.

The dispersion of farm loans among census tracts of different income levels is reasonable and reflects lending in most tracts of the AA. Although the number of farm loans made is significantly below the percentages of loans, the substantial majority of farms reside in middle income census tracts. Refer to Table 5 below for the primary data used to assess the geographic distribution of business and farm lending.

Table 5 - Geographic Distribution of Loans to Businesses & Farms in Bay County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business	NA	NA	23.30	23.08	68.25	57.69	8.45	19.23
Farming	NA	NA	5.36	0.00	86.75	100.00	7.89	0.00

Source: Business sample results; 2009 Dun & Bradstreet business data

Responses to Complaints

TNB&T has not received any written complaints during the evaluation period regarding its performance in meeting the credit and deposit needs of its AAs.

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.