



PUBLIC DISCLOSURE

April 21, 2014

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Thomasville National Bank
Charter Number 22883

301 North Broad Street, Thomasville, GA 31792

Office of the Comptroller of the Currency

Three Ravinia Drive, Suite 1950, 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.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Thomasville National Bank (TNB) has a Satisfactory record of meeting community credit needs based on the following:

- TNB's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the credit needs within its assessment area (AA). The loan-to-deposit averages 93 percent.
- A majority of TNB's loans originated during the evaluation period was inside the bank's assessment areas (AAs) and meets the standard for satisfactory performance.
- The penetration of loans to borrowers of different income levels and to businesses of different sizes within the AA is reasonable.
- The geographic distribution of loans reflects a reasonable dispersion within the AA.
- TNB's community development performance demonstrates an adequate responsiveness to the needs of the AA through community development loans, qualified investments, and community development services, as appropriate.

Scope of Examination

We performed a full scope review of the Thomas County AA and a limited scope review of the St Simons Island AA. The Thomas County AA includes the majority of loan, deposit, and community development activities. The St Simons Island AA is a part of the Brunswick MSA, but a small contributor to the bank's overall loan and deposit levels.

This CRA Performance Evaluation of Thomasville National Bank (TNB) assesses the bank's record of meeting credit needs of the communities in which it operates. We evaluated TNB under the Intermediate Small Bank performance criteria, which include a Lending Test and a Community Development Test. The Lending Test evaluates a bank's record of helping to meet the credit needs of its AAs through its lending activities. The Community Development Test evaluates a bank's community development lending, qualified investments, and community development services. This evaluation covers the period from the date of the previous CRA Examination, January 25, 2010, through April 21, 2014.

- Lending Test conclusions are based on the lending performance of the bank's primary loan products. We evaluated small business and residential mortgage lending from January 1, 2012 through December 31, 2013. Prior to conducting this evaluation, we tested the accuracy of the bank's Home Mortgage Disclosure Act (HMDA) and small business data. We found the data to be substantially accurate; therefore, we relied on this data for January 1, 2012 through December 31, 2013.
- Conclusions regarding the Community Development Test are based on investments, services, and loans completed in TNB's combined AAs, which meet the definition of community development. We conducted the Community Development Test using information from the previous CRA evaluation period, January 25, 2010 through December 31, 2013.
- Our analysis included a full-scope evaluation for the Thomas County Assessment Area (AA).
- Approximately 80 percent of the bank's loans are within the AAs. The bank has two separate AAs. Thomas County, where the main office and one branch are located, comprises one AA. The other AA is St Simons Island in Glynn County, where the bank has a branch. This AA is a part of the Brunswick MSA.
- The review period covered U.S. Census period 2010 (Census).

Description of Institution

Thomasville National Bank (TNB) is an intrastate bank wholly owned by Thomasville Bancshares, Inc., a one-bank holding company. Both the bank and holding company are headquartered at 301 North Broad Street in Thomasville, GA. TNB reported assets of \$592 million as of December 31, 2013.

TNB's primary loan products are loans to businesses and residential mortgage loans. As of December 31, 2013, loans to businesses, including loans secured by nonfarm nonresidential real estate, represented approximately 45 percent, and residential mortgages represented approximately 36 percent, of total loans outstanding. See the following chart for additional information on the composition of the bank's loan portfolio as of December 2013. Net loans of \$475.95 million comprised 80.37 percent of total assets, Tier 1 capital was \$46.54 million, Tier 1 risk-based capital to risk weighted assets equaled 10.74 percent, and Tier 1 leverage capital equaled 8.24 percent.

Loan Type	\$ (000)	%
Construction	8,756	1.80
Commercial Real Estate	125,762	25.92
Residential Real Estate	177,353	36.56
Agricultural Real Estate and Farm	40,731	8.40
Multi Family	17,589	3.63
Other Consumer	10,449	2.16
C&I	90,113	18.57
Political Subdivisions	9,082	1.87
Other	5,329	1.10
TOTAL GROSS LOANS	\$485,164	100%

Source: December 31, 2013 Consolidated Report of Condition (Call Report)

TNB offers full-service banking, including drive-up and ATM services, at its main office and the one branch located in Thomas County. TNB has a full service branch in St. Simons Island, GA. TNB's primary lending focus is commercial and residential lending. There are no legal, financial, or other factors impeding TNB's ability to help meet the credit needs in its AAs.

TNB received a "Satisfactory" rating on the January 25, 2010 CRA Performance Evaluation. Since that evaluation, the bank opened a branch on St Simons Island on September 27, 2010 under the name St Simons Bank and Trust.

Description of Assessment Area(S)

Thomas County AA

This AA consists of Thomas County, Georgia. The city of Thomasville is the largest city in this AA. The main office and one branch are located in the Thomas county AA. The following tables provide a description of the Thomas County AA based on data from the 2010 U.S. Census.

Demographic and Economic Characteristics of Thomas County AA – Activity Year 2013	
<i>Population</i>	
Number of Families	11,528
Number of Households	17,399
<i>Geographies</i>	
Number of Census Tracts	11
% Low-Income Census Tracts	9.09%
% Moderate-Income Census Tracts	0.00%
% Middle-Income Census Tracts	72.73%
% Upper-Income Census Tracts	18.18%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	\$46,670
2012 HUD-Adjusted MFI	\$45,200
2013 HUD-Adjusted MFI	\$45,600
<i>Economic Indicators</i>	
Unemployment Rate – for Thomas County December 2013	6.3%
2013 Median Housing Value	\$140,896
% of Households Below Poverty Level	22.63%

Source: 2010 U.S. Census data and HUD updated income data.

Thomas County has 11 census tracts, of which one is low-income, eight are distressed nonmetropolitan middle-income, and two are upper-income. As of December 2013, approximately 23 percent of area households report income below the poverty level compared to 19 percent for the state of Georgia. Based on the 2010 U.S. Census. The weighted average of HUD (Housing and Urban Development) updated area median family income for 2013 was \$45,600. Unemployment in Thomas County was 6.3 percent as of December 31, 2013 according to the Bureau of Labor and Statistics.

According to the 2010 U.S. Census data, there are 19,930 housing units in this AA. This is comprised of 54 percent owner occupied units, 33 percent rental occupied units, and 13 percent vacant units. Approximately 23 percent of families in this AA are low-income, 15 percent are moderate-income families, 19 percent are middle-income families, and 43 percent are upper-income families. The median housing value is \$140,896, with a median age of 31 years.

We contacted two community contacts with a local government organization. These representatives are knowledgeable of the economic and business development environment in the community. These contacts indicated that there is need for revitalization of downtown Thomasville and more affordable housing in Thomas County. The contacts were favorable in their comments about the performance of TNB and its participation in the community. Contacts noted that TNB is in the forefront of community participation from banks in the AA.

Conclusions with Respect to Performance Tests

LENDING TEST

Loan-to-Deposit Ratio

TNB's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance given the bank's size, financial condition, and the credit needs within its AA. This determination is based on the bank's quarterly average loan-to-deposit ratio of 93.45 percent from March 31, 2010 through December 31, 2013. During the evaluation period since the January 2010 CRA review, TNB's loan-to-deposit ratio ranged from a low of 85.42 percent (June 2011) and a high of 102.23 percent (June 2013). The average loan-to-deposit ratio of the only similarly situated bank (Thomas County Federal Savings), within the AA for the same period was 96.83 percent.

Lending in the Assessment Areas

A majority of TNB's loans originated during the evaluation period were inside the bank's AAs. For the evaluation period, 80 percent of the number and 63 percent of the dollar volume of all loans were made inside the bank's AAs. The chart below details the dispersion by loan category.

Assessment Areas 2012-2013

Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	350	84.75	63	15.25	413	60,025	86.46	9,403	13.54	69,428
Business	265	72.01	103	27.99	368	84,476	52.56	76,238	47.44	160,714
Consumer	315	82.89	65	17.11	380	5,403	71.22	2,183	28.78	7,586
Other Loans	11	91.67	1	8.33	12	3,455	59.18	2,383	40.82	5,838
Totals	941	80.22	232	19.78	1,173	153,360	62.96	90,206	37.04	243,566

Source: Bank Data

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

The distribution of loans made to individuals and families of different income levels and businesses of different sizes is reasonable and meets the standard for satisfactory performance. The bank's lending reflects a reasonable penetration among individuals of different income levels.

The following activity relates to activity from January 1, 2012 through December 31, 2013, for the full scope AA.

Thomas County AA

The distribution of loans originated to business with revenues less than \$1 million is consistent with the demographic by number of loans and is lower than the demographic by dollar amount of loans, yet reasonable. The percentage of businesses within the AA that generate revenues less than \$1 million is 72 percent based on the independent data provided by Dunn and Bradstreet. TNB originated 73 percent of its total small business loans to businesses with revenues less than \$1 million.

Revenues are unreported or unknown for 23 percent of businesses in this AA. Table 2A shows the distribution of commercial loans among businesses of different sizes in this AA.

Table 2A - Borrower Distribution of Loans to Businesses in Thomas County				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	72.41%	4.52%	23.07%	100%
% of Bank Loans in AA by #	72.73%	27.27%	0.00%	100%
% of Bank Loans in AA by \$	62.19%	37.81%	0.00%	100%

Source: Loan sample; Dunn and Bradstreet data.

Residential loans originated to low-income borrowers are lower than the percentage of low-income families within the AA. Approximately 23 percent of families are low-income, and 15 percent are moderate-income. Based upon the 2010 U.S. Census, median family income for the area is \$46,670. The median housing cost was \$140,896. The level of residential loans to low-income level borrowers is reasonable given that 23 percent of families in the AA are below the poverty level. In addition, approximately one third of occupied housing units in the AA are rental properties.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Thomas County								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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
HMDA	23.40	6.31	15.30	10.81	18.51	13.96	42.79	54.50

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

Note: No income data available for 14.41 percent of the loans.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope reviews, the lending performance for borrowers of different income levels and businesses of different sizes in the St. Simons Island, Glynn County, Brunswick AA is consistent with the bank’s overall performance.

Geographic Distribution of Loans

TNB’s geographic loan distribution meets the standard for satisfactory performance. Small business and residential mortgage lending reflects a reasonable dispersion throughout the AA. The following relates to activity from January 1, 2012 through December 31, 2013.

Thomas County AA

The geographic distribution of small business loans in middle-income CTs is equal to the percentage of small businesses in this area. The only low-income CT in the AA is located in the far northeast corner of Thomas County. This CT is not convenient to the bank’s offices in Thomasville. Table 3A summarizes the distribution of small business loans by CT income level.

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
Commercial	9.09	4.55	0.00	0.00	72.73	72.73	18.18	22.73

Source: Bank Loan Sample; Dunn & Bradstreet data.

The percentage of distribution of residential loans in the AA is lower than the percentage of owner-occupied housing units in low-income CTs. Only 3 percent of owner-occupied housing units are located in low-income geographies. As noted earlier, this CT is geographically distant from the bank’s locations. Further, the level of lending in middle-income level CTs is higher than owner-occupied housing. All eight of middle-income CTs are designated “Distressed Due to Poverty.” Table 3 reflects the analysis of HMDA reportable loans for January 1, 2012 through December 31, 2013.

Table 3 - Geographic Distribution of Residential Real Estate Loans in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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
HMDA	2.83	0.45	0.00	0.00	76.07	86.49	21.10	13.06

Source: 2012 and 2013 HMDA; U.S. Census data.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the lending performance for loan distribution of small business loans and residential mortgage loans in the geography of St. Simons Island is consistent with the bank’s overall performance.

Responses to Complaints

There have been no consumer complaints relating to the bank's CRA performance during the evaluation period, and this has a neutral impact on the bank's overall performance.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test is rated "Satisfactory".

The bank's community development (CD) performance reflects adequate responsiveness to CD needs within the combined AAs. The bank has conducted CD activities through a mix of CD loans, investments, and services. The availability of bank products has a positive impact on the overall community development rating. The branch distribution is adequate. More detail on the level of activity within each of the three components of the CD Test is provided below.

Number and Amount of Community Development Loans

TNB originated eight community development loans totaling approximately \$6.4 million during the evaluation period, all in the Thomas County AA. TNB's performance in this area, with consideration given to the available opportunities, reflects adequate responsiveness to the communities' needs. However, the bank did not originate any loans that meet the definition of community development in the St. Simons Island AA.

Number and Amount of Qualified Investments

During this evaluation period, TNB's qualified investments in the Thomas County AA included donations to eight organizations totaling \$611,500. The level of investments reflects adequate responsiveness to the communities' needs. All funds are specifically targeted to benefit low- or moderate-income individuals within this AA.

During this evaluation period, TNB's qualified investments in the St. Simons Island AA included one donation to an organization totaling \$105,000. The level of investments reflects adequate responsiveness to the communities' needs. All funds are specifically targeted to benefit low- or moderate-income individuals within this AA. The bank's level of investments in the St. Simons Island AA was not significant enough to impact the overall rating.

Extent to Which the Bank Provides Community Development Services

TNB's CD services within the combined AAs include the bank's products, services, and branch locations that may provide assistance or community services to low- or moderate-income individuals. In addition to their full-service branch and ATM locations, TNB also offers Internet banking and telephone banking for added availability to the bank's products. Branch and ATM delivery systems include three full-service branch locations and two ATMs. The branch in the St. Simons Island AA does not have an ATM. The table below provides a summary of TNB's branch and ATM distribution.

Distribution of Bank Offices and ATMs by Census Tract – Combined AAs						
Census Tract Income Level	Tracts in AA		Full-Service Offices		Automated Teller Machines*	
	#	%	#	%	#	%
Low	1	06.67	0	00.00	0	00.00
Moderate	0	00.00	0	00.00	0	00.00
Middle	8	53.33	2	66.67	2	100.00
Upper	6	40.0	1	33.33	0	00.00
Total	15	100.00	3	100.0%	2**	100.00

Source: 2000 U.S. Census Data; *No ATMs accept deposits; **Includes - ATMs contiguous to banking locations.

Although the bank does not have any branches in low- or moderate-income CTs, the middle-income CTs in which the branches and ATMs are located are classified “Distressed Due to Poverty.”

TNB employees provided adequate responsiveness to community development services by participating in organizations that benefit low- to moderate-income individuals, promote economic development, or provide affordable housing. During the evaluation period, bank employees provided their financial services expertise to several different community development organizations within the AAs. Examples of TNB’s community development services are listed below.

- Board Member - TEAM 2000 (economic development program Thomas County).
- Board Member - Thomasville Downtown Development Authority.
- Board Members - United Way of Thomas County
- Board Member - Main Street Advisory Board, Thomasville.
- Board Member - City of Thomasville Payroll Development Authority (economic development program).
- Board Member - St. Simons and Sea Island Chamber of Commerce.

In addition to the above, bank officers serve in leadership positions in at least 13 additional organizations in the AAs, but the purposes of these organizations do not meet the definition of community development.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. § 25.28(c) in determining a national bank’s CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the national bank, or in any assessment area by an affiliate whose loans have been considered as part of the national bank’s lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.