



PUBLIC DISCLOSURE

October 18, 1999

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Thomasville National Bank
Charter # 22883
301 North Broad Street
Thomasville, Georgia 31792

Office of the Comptroller of the Currency
North Florida Field Office
8382 Baymeadows Road, Suite 1
Jacksonville, Florida 32256

NOTE: 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.

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 Community Reinvestment Act (CRA) performance of the **Thomasville National Bank**, Thomasville, Georgia, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of **October 18, 1999**. This evaluation is based on information since the last CRA examination dated January 30, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

- C The level of lending to borrowers of different income levels is reasonable based on our sample of 1-4 family residential and consumer installment lending activities.
- C The bank lends to businesses of all different sizes.
- C The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- C The bank's loan-to-deposit ratio is above most competing banks at 95% as of June 30, 1999. The bank's average loan-to-deposit ratio for the last ten quarters is 92%.
- C A substantial majority of the loans are extended within the bank's assessment area.

DESCRIPTION OF INSTITUTION

Thomasville National Bank (TNB) is a \$104 million bank which is owned by Thomasville Bancshares Incorporated, a one-bank holding company. The main office is in the downtown area of Thomasville. TNB operates one branch office on Remington Avenue approximately 3 miles northeast of the main office. This branch was opened in October 1998. There are 24 hour automated teller machines and drive-up facilities at both locations. TNB offers a full range of retail and commercial banking products. Net loans represent 83% of total assets as of June 30, 1999. The bank's primary business focus is in residential real estate and business lending. As of June 30, 1999, 1-4 family residential real estate loans comprise 34% of the loan portfolio; business loans, 25%; other real estate loans, 20%; agriculture-related loans, 7%; consumer loans, 8%; and construction loans, 6%.

No financial or legal constraints impede the bank's ability to meet community credit needs. The bank has adequate resources to provide for the credit needs of its assessment area. The type and amount of CRA activities are consistent with the bank's size, financial capacity, and local economic conditions. The bank's prior CRA rating, dated January 30, 1997, was "Satisfactory Record of Meeting Community Credit Needs."

DESCRIPTION OF ASSESSMENT AREA

The assessment area (AA) consists of all of Thomas County, Georgia. The AA includes eleven Block Numbering Areas (BNAs), 9601 through 9611. This is a contiguous area, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Thomas County is a non-Metropolitan Statistical Area (MSA). Based on the non-MSA median family income for the entire assessment area in 1990, four BNAs (36%) are moderate- income and seven BNAs (64%) are middle- income. The economy is primarily based on medical services and small manufacturing, with other service-related businesses and retail stores. The largest employer in the AA is Archbold Memorial Hospital that employs approximately 1,300 full-time employees. Economic conditions have remained relatively strong. The unemployment rate for Thomas County has been near 4% for the last several months. This is comparable with state and national averages in recent months.

The AA population was 38,986, as of the 1990 census. The updated non-MSA median family income in Georgia for 1999 is \$37,500. Census information on family incomes aggregated for this AA indicated that 25% of families were considered low-, 17% moderate-, 21% middle-, and 37% upper-income. This 1990 census demographic data for the AA shows that 14% of the population is age 65 and over, 13% of the households have retirement income, 32% of the households have Social Security income, 12% of the households have public assistance, and 23% of the households are below the poverty level.

The census information indicates the weighted average of median housing value is \$47,418 and the weighted average of median year of construction is 1969. Owner-occupied units only represent 62% of the housing stock, with 33% being rental units.

TNB's competition is strong. The competition comes from four other financial institutions in Thomasville. Competitor banks in the AA range from \$19 million to \$221 million in total loans as of June 30, 1999. The bank's business strategy is to remain competitive and serve the local credit needs with emphasis being placed on professional business and real estate lending.

A community contact was performed with a business and labor organization as part of the CRA evaluation process. The contact indicated that all the local financial institutions are serving the credit needs of the community. The contact stated that financial institutions are providing residential real estate loans for affordable housing for low- and moderate-income families; however, there is a shortage of lower priced housing in the area. The community contact stated all the financial institutions are active in community projects and small business lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes:

The bank's primary product lines are residential real estate loans and business lending. Lending to borrowers of different income levels and to businesses of different sizes is satisfactory.

To reach our conclusions, we sampled 1-4 family residential real estate loans, consumer installment loans, and business loans originated in 1999. These types of loans represented approximately 25%, 27% and 9%, respectively, of all originations extended since the prior CRA evaluation. Also, TNB originated and sold 120 residential real estate loans for \$13,373,000 in 1998 and 1999 to the secondary market.

The loan distribution shown below for residential real estate lending is somewhat misleading due to a relatively high population of persons over the age of 65, the significant number of households with retirement income, the significant number of households below the poverty level, and the large number of rental units in the assessment area. These types of households are generally low- or moderate-income households or retired households who rarely seek residential real estate financing. Also, affordable housing for purchase is not available because of the large number of rental units. The consumer installment loan sample is comparable to the AA family income.

The following table shows the distribution of loan sample originations for 1-4 family residential real estate borrowers of different income levels within the AA:

Income Levels	# of Loans	% of Loans #	Loan \$ (000's)	% of Loans \$	Assessment Area Family Income
<i>Low- Income</i>	1	3%	15	1%	25%
<i>Moderate- Income</i>	6	18%	295	7%	17%
<i>Middle- Income</i>	6	18%	465	12%	21%
<i>Upper- Income</i>	21	62%	3,266	80%	37%

The following table shows the distribution of loan sample originations for consumer installment borrowers of different income levels within the AA:

Income Levels	# of Loans	% of Loans #	Loan \$ (000's)	% of Loans \$	Assessment Area Family Income
<i>Low- Income</i>	2	11%	4	2%	25%
<i>Moderate- Income</i>	7	36%	52	31%	17%
<i>Middle- Income</i>	2	11%	24	14%	21%
<i>Upper- Income</i>	8	42%	89	53%	37%

TNB extends credit to businesses of all sizes. The following table reflect the distribution of business-related loan sample originations by size of annual revenues.

Distribution by Business Gross Revenue

	Under \$100M		\$100M- \$250M		\$250M- \$500M		\$500M- \$1MM		Over \$1MM	
#	1	5%	3	15%	7	35%	4	20%	5	25%
\$ (000's)	100	3%	239	7%	2,035	56%	364	10%	877	24%

Based on 1990 business demographic data, 88% of nonfarm-related businesses have total revenues of

less than \$1,000,000.

Geographic Distribution of Loans:

The geographic distribution of sampled loan originations reflects adequate penetration throughout the assessment area. There are no low- or upper-income BNAs identified in TNB's AA. Our sample of residential lending revealed that lending was provided in most BNAs. Some of the BNAs were mostly rural farm and plantation land with limited housing opportunities. Also, according to the 1990 census, only 29% of the 1-4 family housing units were located in moderate-income BNAs. The following tables illustrates the geographic distribution of residential real estate loan originations sampled.

Distribution of Home Mortgage Loan Originations in 1999 Within Assessment Area By Income Level of BNAs								
	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
Assessment Area Data	#	%	#	%	#	%	#	%
BNAs	0	0%	4	36%	7	64%	0	0%
1-4 Family Units in AA	n/a	0%	4,720	29%	11,216	71%	n/a	0%
Loan Product	#	%	#	%	#	%	#	%
Sample of Mortgage Loans	n/a	0%	8	24%	26	76%	n/a	0%

Loan-to-Deposit Ratio:

The bank's loan-to-deposit ratio is good. This ratio as of June 30, 1999, was 95%. The bank's average loan-to-deposit ratio for the ten quarters since the last CRA evaluation was 92%. TNB's ratio grew during that period from 87%. The loan-to-deposit ratios of three similarly situated competitor banks and one Savings and Loan Association, located in Thomasville, ranged from 65% to 95% as of June 30, 1999. One competitor bank's loan-to-deposit ratio was also 95%.

Lending in the Assessment Area:

Lending in the assessment area is good. Based on our sample of residential real estate and consumer installment loans, a substantial majority of the bank's loans are within its assessment area. The following tables represent the results of our sample of loans.

Percentage of Loans by Number and Dollar Amount Within Assessment Area

	Total Number of Loans Sampled	% of Loans Within AA (#)	Total \$ Amount of Loans Sampled (000's)	% of Loans Within AA (\$)
Real Estate	36	94%	\$4,263	78%
Consumer	20	95%	172	98%

Business	20	80%	\$3,615	88%
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Response to Complaints:

The bank has not received any complaints concerning their performance under the CRA.

Compliance with Antidiscrimination Laws:

In conjunction with the CRA evaluation, we performed a Fair Lending examination which included a review of the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We used 1999 black denied applicants for residential purchase loans for the prohibited basis and white applicants for the control group. Our review of policies and procedures and sampled loans did not reveal any evidence of disparate treatment. No substantive violations of the antidiscrimination laws and regulations were identified.