



PUBLIC DISCLOSURE

August 19, 2019

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Southcrest Bank, NA
Charter Number: 11833

1475 West Peachtree Street, NE,
Suite 200
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, and should not 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.



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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**

The lending test is rated: Satisfactory

The community development test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test is rated Satisfactory based on the bank's performance in its MSA and Non MSA assessment areas, considered together. For small business loans in both AAs, the bank's lending levels in low- and moderate-income census tracts generally exceed the percentages of businesses located in those census tracts and aggregate lending levels. For consumer loans, the bank's lending levels in the MSA AA well exceed the percentage of households located in low- and moderate-income census tracts. There were no loans made by the bank in moderate-income census tracts within the Non MSA AA, though 26 percent of Non MSA AA households are located in those tracts.
- For small business loans in both assessment areas, the bank's lending levels to businesses with annual revenues less than \$1 million exceed aggregate lending levels. For consumer loans in both assessment areas, the bank's lending levels generally exceed the percentages of households that are low- and moderate-income.
- The bank originated a majority of its consumer and small business loans within its assessment areas.
- The loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The bank exhibits adequate responsiveness to community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s).

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit (LTD) ratio is reasonable. The LTD ratio demonstrates the bank's commitment to lend within its assessment area. The LTD ratio was calculated by averaging the bank's LTD ratios over the past 14 business quarters beginning January 1, 2016 and ending June 30, 2019. During this period, the bank's LTD ratio averaged 64.3 percent, with a quarterly low of 56.02 percent and a quarterly high of 72.31 percent. There are 91 competitor banks in the bank's assessment areas, with a combined 372 branch offices. Approximately half of the competitor banks are much larger than Southcrest with respect to branch networks, total deposits, and asset size. There are three similarly situated banks within the assessment areas. Over the same review period, the similarly situated banks have a combined average LTD ratio of 75.9 percent, which is comparable to Southcrest Bank's average LTD ratio.

The bank's LTD ratio meets the standard for satisfactory performance.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment areas.

The bank originated and purchased 64.17 percent of its total loans inside the bank's AAs during the evaluation period. While only 38.23 percent of the dollar amount of loans were originated inside the assessment, it is noted that 85.46 percent of consumer loans were made within the assessment area. As consumer loans generally have lower dollar amounts than business loans, the overall percentage of the dollar amounts of loans within the assessment area is considered satisfactory. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	29	48.33	31	51.67	60	6,747	36.10	11,967	63.90	18,714
Consumer	48	80.00	12	20.00	60	736	85.46	125	14.54	861
Total	77	64.17	43	35.83	120	7,483	38.23	12,092	61.77	19,575

The bank's record of lending within its assessment areas meets the standards for satisfactory performance.



Description of Institution

Southcrest Bank, National Association (Southcrest) is an interstate bank headquartered in Atlanta, Georgia. The bank is wholly-owned by Southcrest Financial Group, a bank holding company located in Georgia. Formerly, Southcrest Financial Group owned four subsidiary banks: the Bank of Upson, First National Bank of Polk County, Peachtree Bank, and the Bank of Chickamauga. The company (HC) operates a 9 branch network throughout Georgia through its subsidiary bank. The bank has branches located in Atlanta, Cumming, Fayetteville, Thomaston, Manchester, Luthersville, Cedartown, Rockmart and Chickamauga, Georgia. The bank provides a full range of banking services in its primary market area.

As of June 30, 2019, Southcrest Bank reported total assets of \$526 million, total loans of \$316 million, total deposits of \$432 million, and total equity of \$57 million. Leverage capital (Tier 1 – Core) ratio was 9.95 percent with common equity Tier 1 and total risk based capital ratios of 13.88 percent and 14.67 percent, respectively.

Southcrest Bank's nine branches offer a wide range of products and services to business and consumer/personal customers. Products offered to business customers include checking, money market, and time deposit accounts along with commercial loans and treasury services. Services and tools offered to business customers include remote deposit capture, mobile banking, positive pay, ACH, online wires, and merchant services. Products offered to consumer/personal customers include checking, savings, money market, time deposits, and individual retirement accounts with consumer loans/lines of credit and credit cards. Electronic services offered to consumer/personal customers include online banking, online bill pay, e-statements, mobile banking, mobile deposit, telephone banking, mobile deposit, telephone banking and SecureLOCK equipment.

There are no legal or financial impediments that hinder the bank's ability to meet the credit needs of the community. Southcrest Bank received an overall "Satisfactory" rating at its prior CRA Evaluation dated June 20, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation is an assessment of Southcrest Bank's ability to meet the credit needs of its community. Southcrest was evaluated using the Intermediate Small Bank evaluation procedures, which includes a lending and community development test. We tested the integrity of internal loan data to ensure reliability and reviewed loans and investments that meet the definition of community development. The data was determined to be reliable for purposes of evaluating the bank's CRA performance.

Southcrest Bank's primary loan products over the evaluation period are consumer loans and small business loans. For purposes of this evaluation, we gave equal weight to the bank's consumer lending and its record of lending to small businesses. To evaluate performance under the lending test, we reviewed consumer loans and small business loans originated between January 1, 2016 and December 31, 2018. This information was derived through sampling information contained in the bank's internal records. We reviewed a sample of 30 small business loans and 30 consumer loans originated during 2016, 2017 and 2018 for each of the assessment areas selected for full scope reviews. In assessing performance with respect to the community development test, we evaluated the bank's loans, services, grants, donations, and investments that satisfied the definition of community development. .

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Southcrest operates offices only in the state of Georgia. In the state of Georgia, we selected two assessment areas for full scope review. One assessment area, which consists of Fayette, Forsyth, Fulton, and Meriwether Counties, is in the Atlanta-Sandy Springs-Roswell, Georgia MSA. The other full scope assessment areas in Georgia include Polk and Upson Counties, which are not part of an MSA. For purposes of this evaluation, we will combine the two non-MSA assessment areas. The bank has one other assessment areas in Georgia, which was given a limited scope review. This is the Walker County AA.



Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- Southcrest Bank's mortgage lending is reasonable in the AAs
- Lending to borrowers of different income levels in the AAs show a reasonable borrower distribution

Description of Institution's Operations in Georgia

MSA AA

Southcrest Bank's MSA AA consists of Fayette, Forsyth, Fulton, and Meriwether Counties. The MSA AA is located within the Atlanta-Sandy Springs-Roswell, Georgia MSA. The combined counties consist of 280 census tracts. Of the 280 geographies, 50 are designated as low-income, 42 as moderate-income, 47 are middle-income, and 136 are upper-income. There are five census tracts in the MSA assessment area that have not been assigned an income classification. Within the MSA assessment area, there are five branch offices. Two of these branch offices are located in moderate-income census tracts in Meriwether County. One office is located in a middle-income census tract in Forsyth County. The remaining offices are located in upper-income census tracts located in Fulton and Fayette Counties.

The 2015 census data reports a total population of \$1.3 million persons, total families of 304,323 and total households of 503,424. Of the total assessment area population, 10.78 percent of persons are over 65. Demographic information further reflects that 20.39 percent of the total assessment area families are classified as low-income, 13.2 percent as moderate-income, 15.14 percent as middle-income, and 51.26 percent as upper-income. In addition, 50.8 percent of the housing units in the MSA AA were owner-occupied, and the median housing value was \$241,961. Housing stock primarily consists of slightly older homes with the median year built of 1974. According to 2015 Projected Geodemographic data, 147,428 businesses operate within the MSA assessment area, of which 2,157 are farms. Small businesses, reporting revenues of less than or equal to \$1 million, represent 85.45 percent of total assessment area businesses.

Southcrest does not have a major presence in the MSA assessment area where banking competition is very high. The largest banking competitors in the MSA assessment area include SunTrust, Bank of America, and Wells Fargo. The bank has total deposits in the MSA AA of \$153.9 million, with a deposit market share of 0.14 percent. The bank ranked 26 among its competition in the MSA AA for deposit market share.

We made contact with a neighborhood development partnership that is focused on the creation and preservation of mixed-income housing in the city of Atlanta. According to the community contact, there are ample opportunities for banks to support community housing initiatives.



Table A – Demographic Information of the Assessment Area
Assessment Area: MSA AA 2015 Census

Demographic Characteristics	#	Low % of	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	280	17.86	15.00	16.79	48.57	1.79
Population by Geography	1.3MM	12.09	15.07	19.03	52.86	.95
Housing Units by Geography	581,767	13.80	16.22	18.21	51.32	.45
Owner-Occupied Units by Geography	295,523	5.22	11.48	19.46	63.77	
Occupied Rental Units by Geography	207,901	21.73	20.66	16.87	39.73	1.00
Vacant Units by Geography	78,343	25.15	22.26	17.02	35.12	.45
Businesses by Geography	145,271	6.44	11.44	17.32	63.03	1.77
Farms by Geography	2,157	4.54	10.29	25.96	58.88	.32
Family Distribution by Income Level	304,323	9.66	13.36	19.5	57.4	
Household Distribution by Income Level	503,424	12.04	15.27	18.39	53.85	.45
Median Family Income Non-MSAs - GA	92,399		Median Housing Value			241,961
			Median Gross Rent			1,019
			Families Below Poverty Level			13.94

*Source: 2015 U.S. Census and 2017 D&B Data Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.*

Non MSA AA

Southcrest Bank’s Non MSA AA includes two Georgia assessment areas that are not located within any MSA. One is the Polk County assessment area and the other is the Upson County assessment area. For purposes of this evaluation, we have combined these two assessment areas into one, referred to as the Non MSA assessment area. Both counties are 2015 Distressed Non-Metropolitan Middle-Income areas. Polk County, which borders Alabama, is adjacent to and west of the Atlanta-Sandy Springs-Roswell, Georgia MSA. Upson County, located in the central portion of the state, is adjacent to Meriwether County, directly south of the Atlanta-Sandy Springs-Roswell, Georgia MSA. There are fourteen census tracts in the Non-MSA assessment area. Polk County has seven census tracts, including five middle-income census tracts and two upper-income census tracts. Upson County also has seven census tracts, including one moderate-income, five middle-income, and one upper-income. Southcrest maintains one middle-income branch and one upper-income branch in Polk County, and one middle-income branch in Upson County.

For the Non MSA assessment area, the 2015 census data reports a combined total population of 67,743, total families of 17,329 and total households of 24,853. Of the total assessment area population, 15.55 percent of persons are over sixty-five. Demographic information indicates that of the total assessment area families, 21.65 percent, 16.87 percent, 18.39 percent and 43.1 percent are classified as low-, moderate-, middle-, and upper-income, respectively.

INTERMEDIATE SMALL BANK

Approximately 56.28 percent of the housing units were owner-occupied and the median housing value was \$95,052. Housing stock primarily consists of slightly older homes with the median year built of 1977.

According to 2015 Projected Geodemographic data, 3,611 businesses operate within the Non-MSA assessment area, of which 145 are farms. Small businesses, reporting revenues of less than or equal to \$1 million, represent 84.19 percent of total businesses in the Non-MSA assessment area.

Southcrest does have a major presence in the MSA assessment area, with a larger number of branches located there compared to its competition. The bank has total deposits in the Non MSA AA of \$236.5 million, with a deposit market share of 31.43 percent. The bank ranked 1st among its competition in the Non MSA AA for deposit market share.

Demographic Characteristics	#	Low % of	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.00	7.14	71.43	21.43	0.00
Population by Geography	67,743	0.00	7.86	71.37	20.77	0.00
Housing Units by Geography	29,054	0.00	8.10	70.55	21.39	0.00
Owner-Occupied Units by Geography	16,351	0.00	5.69	69.08	25.23	0.00
Occupied Rental Units by Geography	8,502	0.00	12.73	71.28	16.00	0.00
Vacant Units by Geography	4,201	0.00	7.83	74.79	17.38	0.00
Businesses by Geography	3,466	0.0	8.77	71.73	19.5	0.00
Farms by Geography	145	0.00	2.76	77.93	19.31	0.00
Family Distribution by Income Level	17,329	21.65	16.87	18.39	43.10	0.00
Household Distribution by Income Level	24,853	0.00	8.10	69.83	22.07	0.00
Median Family Income Non-MSAs - GA	47,068					95,052
						669
						20.29
<i>Source: 2015 U.S. Census and 2017 D&B Data Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						



CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank's performance under the Lending Test is rated Satisfactory.

Based on a full scope review, the bank's lending performance is reasonable. To derive our conclusions for the Lending Test, we considered factors affecting Southcrest Bank's ability to lend, such as significant competition in both full scope assessment areas and a high poverty rate in its Non-MSA assessment area. The bank's lending performance is reflected in the Tables presented in the Appendix. These include Tables Q, U, R, and V. There are two tables each, one for 2016 lending and another for 2017 and 2018 lending combined.

The bank's performance with respect to the Lending Test in its Walker County assessment area is not inconsistent with findings for those assessment areas that received full scope reviews.

Distribution of Loans by Income Level of the Geography

MSA Assessment Area

The bank exhibits excellent geographic distribution of loans in the MSA AA.

Small Loans to Businesses

Refer to Table Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Information in the 2016 and 2017/2018 tables both reflect that the bank's lending levels in low- and moderate-income census tracts in the MSA AA exceed the aggregate lending levels and are reasonable compared with the percentages of businesses in those tracts.

Consumer Loans

Refer to Table U in appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases. Information in the 2016 and 2017/2018 tables reflect that with the exception of low-income census tracts for 2016 lending, the bank's lending levels well exceed the percentage of households located in low-and moderate-income census tracts.

Non MSA Assessment Area

The bank exhibits reasonable geographic distribution of loans in the Non MSA AA.



Small Loans to Businesses

Refer to Table Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Information in the 2016 and 2017/2018 tables both reflect the bank's small business lending in moderate-income census tracts significantly exceeds the percentages of businesses located in those census tracts and aggregate lending levels.

Consumer Loans

Refer to Table U in appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases. Information in the 2016 and 2017/2018 tables reflect the bank's lending levels are significantly lower than the penetration of consumer lending in moderate-income census tracts when compared to the percentage of households located in those census tracts. In fact, the bank made no consumer loans in moderate-income census tracts during the period reviewed

Distribution of Loans by Income Level of the Borrower

In the MSA AA, the bank exhibits an excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

MSA Assessment Area

Small Loans to Businesses

Refer to Table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses. For 2016, the tables reflect that the bank's lending to businesses with revenues less than \$1 million is reasonable when compared with aggregate lending levels. However, for 2017/2018, the bank's lending to businesses with revenues less than \$1 million significantly exceeds aggregate lending levels.

Consumer Loans

Refer to Table V in appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases. Overall, the bank's lending levels to low- and moderate-income borrowers in the MSA AA significantly exceed the percentages of households that are low- and moderate-income.

Non MSA Assessment Area

In the Non MSA AA, the bank exhibits an excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.



Small Loans to Businesses

Refer to Table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses. Overall, the bank's level of lending to small businesses with revenues less than \$1 million in the Non MSA AA, significantly exceed the aggregate lending levels.

Consumer Loans

Refer to Table V in appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases. The tables reflect that the bank's lending levels to low-income borrowers were lower than the percentage of households to low-income borrowers but is nevertheless reasonable. For moderate-income borrowers, the bank's lending levels significantly exceed the percentage of households that are designated as moderate-income.

Responses to Complaints

For the period reviewed, the bank did not receive any complaints concerning its CRA performance.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited scope review, the bank's performance under the Lending Test in the Walker County assessment area is consistent with the bank's overall performance under the Lending Test in the full scope areas.



COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated Satisfactory.

Based on full scope reviews, the bank exhibits adequate responsiveness to community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

In the MSA AA, the bank has significant competition from other, much larger lenders. Further, community development opportunities in the Non MSA AA are limited and most of the geographies within Non MSA counties are largely rural and low-density. Nevertheless, the bank has identified opportunities for participation in community development lending in both AAs.

- During the performance evaluation period, the bank extended \$8 million in qualified community development loans, and provided \$8.9 million in qualified community development investments, including donations.
- Bank employees provided 1,472 hours of financial or professional expertise to qualified organizations and individuals during this evaluation period.

Number and Amount of Community Development Loans

MSA Assessment Area

For the period under review, the bank originated four community development loans in its MSA AA in the total amount of \$6,096,300.

Southcrest originated one community development loan totaling \$4.5 million in tax anticipation notes that provided operating funds for schools in Meriwether County. Three of the four census tracts in Meriwether County are moderate-income, and more than 40 percent of the children in the schools are eligible for the federal free lunch program. In addition, the bank made two SBA 504 loans in the total amount of \$991,800. These loans support small businesses in the assessment area. The funds for one of these loans were used for a senior citizen living home that supports a regional area that includes the bank's assessment area. The loans were not innovative but were responsive to the needs of the assessment area.

While community development loans in the MSA AA were not innovative, their amounts were substantial and responsive to the needs of the assessment area.

Non MSA Assessment Area

For the period under review, the bank originated eight community development loans in its Non MSA AA in the total amount of \$1,935,838.

Southcrest originated two loans in the total amount of \$1,011,526 to community development organizations in Polk County. The loan proceeds were used to support business development and revitalization. Other community development loans were used to support a woman’s shelter, the airport authority, medical centers, and churches.

Community development lending in the Non MSA assessment area are responsive to community needs in Polk and Upson Counties.

Number and Amount of Qualified Investments

The table below summarizes the bank’s community development investments in the MSA and Non MSA assessment areas. No new community development investments were made during the period reviewed.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
MSA AA	0	0	16	7,982	16	45.72	7,982	88.94	0	0
Non MSA AA	0	0	19	993	19	54.28	993	11.06	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

MSA Assessment Area

As depicted in the above table, the bank made qualified investments in the total amount of \$7,982 in the MSA assessment area. These investments support a variety of needs including affordable housing efforts, homeless shelters, as well as the revitalization of blighted communities. Of particular note is a \$1 million Atlanta Housing Opportunity Revenue Bond. Bond proceeds are to be used to support single and multi-family residential financing for low- and moderate-income families in the city. Also of note is the bank’s continued support of Title 1 Meriwether County schools. The bank purchased a \$2.8 million bond, the proceeds of which will be used to fund improvements and expansions to Meriwether public schools.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.



Non MSA Assessment Area

The bank made \$993 thousand in qualified investments in Polk and Upson Counties. Many of these investments demonstrate the bank's commitment to supporting Title 1 schools throughout its assessment areas (all schools in Polk and Upson Counties are designated as Title 1). Investments in Title 1 schools in the Non MSA assessment area are primarily monetary and in-kind donations.

Extent to Which the Bank Provides Community Development Services

MSA Assessment Area

Bank employees provided 577 hours of financial or professional expertise to 28 qualified organizations and individuals in Fayette, Fulton, Forsyth, and Meriwether Counties during this evaluation period. Specifically, the bank provided marketing services to the Bloom Organization in Fayette County which offers shelter and educational assistance to children that have been victims of abuse or neglect. In addition, bank employees provide financial education instruction for a number of qualified organizations including Junior Achievement and various school programs and senior centers.

Non MSA Assessment Area

Bank employees provided 895 hours of financial or professional expertise to qualified organizations and individuals in Polk and Upson Counties during this evaluation period. Employees served as fundraisers, speakers, and sponsors of various programs at schools with high percentages of students receiving free or reduced-price lunch.

Conclusions for Assessment Area Receiving a Limited Scope Review

Based on a limited scope review, the bank's performance under the CD Test in the Walker County assessment area is consistent with the bank's overall performance under the CD Test in the full scope areas.



Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	January 1, 2016, to December 31, 2018	
Bank Products Reviewed:	Small Business Loans Consumer Loans Community Development Loans, Investments and Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		NA
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
MSA AA	Full Scope	Counties of Fulton, Fayette, Forsyth and Meriwether
Non MSA AA	Full Scope	Counties of Polk and Upson
Walker County AA	Limited Scope	Walker County



Appendix B: Summary of Ratings

Southcrest Bank, NA Ratings			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Southcrest Bank, NA	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.



Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan.



This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.



Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.



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Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.



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- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

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Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2016	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% of Total	Overall Market	% Bus	% Bank Loans	Aggregate	% Bus	% Bank Loans	Aggregate	% Bus	% Bank Loans	Aggregate	% Bus	% Bank Loans	Aggregate	% Bus	% Bank Loans	Aggregate	
MSA AA	10	8,702	55.56	47,929	6.6	20.0	3.9	13.8	10	10.0	21.9	50	20.5	57.7	20	65.6	0.1	0.00	0.0	
Non-MSA AA	8	2,086	44.44	535	0	0.0	0.0	27.2	37.5	25.0	68.5	50	70.5	4.2	12.5	4.5	0.0	0.00	0.0	
Total	18	\$10,788	100.0	48,464	6.4		3.9	14.1		10.2	23.0		21.0	56.4	--	64.9	0.1	--	0.00	

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

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Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	(000s) \$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MSA AA	10	8,702	55.55	47,929	85.1	46.7	49.1	6.0	46.7	8.9	6.6
Non MSA AA	8	2,086	44.44	535	84.6	78.57	51.6	3.1	17.86	12.3	3.57
Total	18	10,788	100.0	48,464	85.1		49.2	6.0	100.0	9.0	--
<p>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</p>											

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Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2016	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	(000s) \$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MSA AA	10	163	50.0	12.3	0.0	16.0	80.0	21.2	10.0	50.5	10.0	0.0	0.0	
Non MSA AA	10	81	50.0	0.0	0.0	26.0	0.00	69.1	100.0	4.9	0.00	0.0	0.0	
Total	20	244	100.0	11.7	20.0	16.5	10.0	23.7	--	48.2	--	0.0	0.0	

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0

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Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	(000s) \$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MSA AA	10	163	50.0	23.8	70.0	15.0	10.0	15.3	0.0	45.9	20.0	0.0	0.0	
Non MSA AA	10	81	50.0	23.7	20.0	14.7	40.0	19.0	10.0	42.6	30.0	0.0	0.0	
Total	20	244	100.0	23.7		15.0	50.0	15.5		45.7		0.0	0.0	
<p><i>Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0</i></p>														

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Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-18
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	(000s) \$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
MSA AA	20	4,992	50.0	46,171	6.4	15.0	4.0	11.4	30.0	9.7	17.3	30.0	15.9	63.0	25.0	69.4	1.8	0.0	1.1
Non MSA AA	20	3,084	50.0	553	0.0	0.0	0.0	8.8	15.0	8.0	71.7	70.0	72.7	19.5	15.0	19.3	0.0	-0.0	0.0
Total	40	8,076	100.0	46,724	6.4	--	3.9	11.5	--	9.7	17.9	--	16.2	62.5	--	69.1	1.8	--	1.1

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Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-18
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	(000s) \$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MSA AA	20	4,992	100.0	46,171	85.4	40	52.4	5.9	55	8.6	5
Non MSA AA	20	3,084	100.0	553	84.2	80	46.5	3.3	20	12.5	0
Total	40	8,076	100.0	46,724	85.4	--	52.4	5.9	--	8.7	--

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

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Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-18	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	(000s) \$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MSA AA	20	183	50.0	12.0	15.0	15.3	30.0	18.4	30.0	53.8	25.0	.5	0.0	
Non MSA AA	20	471	50.0	0.0	0.0	8.1	0.0	69.8	90.0	22.1	10.0	0.0	0.0	
Total	40	654	100.0	11.8	--	15.4	--	19.5	--	52.9	--	0.4	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data.
Due to rounding, totals may not equal 100.0

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Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	(000s)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MSA AA	20	183	50.0	24.1	65.0	14.2	10.0	15.2	15.0	46.4	10.0	0.0	0.0	
Non MSA AA	20	471	50.0	23.3	10.0	16.3	20.0	16.9	25.0	43.5	45.0	0.0	0.0	
Total	40	654	50.0	24.1	--	14.3	--	15.2	--	46.4	--	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.
Due to rounding, totals may not equal 100.0