



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

January 25, 2010

## 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

Georgia Field Office  
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, 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.**

The major factors supporting the institution's rating include:

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and the assessment areas credit needs.
- The bank made a majority of its loans within its AAs.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The bank's community development performance demonstrates adequate responsiveness to community development needs in its AAs.
- The bank shows excellent responsiveness to community credit needs.

## **Scope of Examination**

This Performance Evaluation assesses the bank's performance under the Lending and Community Development Tests. The evaluation under the Lending Test covers the bank's performance from January 1, 2008 through December 31, 2009, excluding community development loans. We used numerical sampling to select 31 loans to businesses and 31 home mortgage loans from a list of loans originated during the evaluation period. The evaluation period for community development loans, investments, and services begins June 15, 2004 and runs through January 25, 2010.

## **Description of Institution**

Thomasville National Bank (TNB) is a \$383.6 million intrastate bank wholly-owned by Thomasville Bancshares, a one-bank holding company. Both the bank and holding company are headquartered at 301 North Broad Street in Thomasville, GA.

TNB's primary loan products are loans to businesses and residential mortgage loans. As of December 31, 2009, loans to businesses, including loans secured by nonfarm nonresidential real estate, represented approximately 42%, and residential mortgages represented approximately 40%, of total loans outstanding. Net loans of \$323.31 million comprised 84.25% of total assets, Tier 1 capital was \$34.57 million, Tier 1 risk-based capital to risk weighted assets equaled 12.37%, and Tier 1 leverage capital equaled 9.24%.

TNB offers full-service banking, including drive-up and ATM services, at its main office and one branch office. TNB's primary lending focus is commercial and residential lending. There are no known financial or legal impediments that would hinder the bank from meeting the credit needs of its assessment area.

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 its June 2004 CRA Performance evaluation.

## **Description of Assessment Area(S)**

TNB has one assessment area comprised of Thomas County, GA. Thomas County has 11 census tracts, of which one is moderate-income, eight are distressed nonmetropolitan middle-income, and two are upper-income. As of December 2009, approximately 17.1% of area households had incomes below the poverty level compared to 14.3% for the State of Georgia. The weighted average of HUD (Housing and Urban Development) updated area median family income for 2009 was \$46,300. Unemployment was at 2.9% as of the 2000 U.S. Census and rose to an estimated 9.3% as of December 31, 2009. Area population at the last Census was 43,737.

We contacted one community organization during the course of the examination. The contact indicated a need for small business capital and mentioned that healthcare services providers are the area's largest employers. The contact also mentioned that area banks maintain good attitudes and support local business.

Discussions with bank management indicated Thomasville has a large philanthropic community that provides significant support for local community development organizations. This has a limiting effect on opportunities to lend for purposes other than economic development.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

TNB's performance under the Lending Test is rated **Satisfactory**. Based on a full-scope review, TNB's performance in the Thomasville, GA, AA is good.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered TNB's business strategy, the volume of originations, and community credit needs identified through discussions with a community contact and bank management. Overall, home mortgage loans and small loans to businesses were considered TNB's primary products. Each received equal weight in the evaluation process.

### **Loan-to-Deposit Ratio**

TNB's average loan-to-deposit (LTD) ratio is more than reasonable compared to similarly situated competitors in the AA. The bank's quarterly average loan-to-deposit ratio since the last CRA examination is 100%. This ratio exceeds the ratio of one similarly situated bank at 94% and is near to the 103% ratio of a second similarly

situated bank.

**Lending in Assessment Area**

A majority of TNB's loans originated during the evaluation period were inside the bank's AAs. For the evaluation period, 71% of business loans and 74% of home mortgage loans, a blended average of 73%, were made inside the bank's AAs.

<b>Table 1 - Lending in Thomas County</b>										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home mortgage	23	74.19	8	25.81	31	3,117	59.95	2,081	40.05	5,198
Business	22	70.97	9	29.03	31	4,501	85.11	788	14.89	5,289
Totals	45	72.58	17	27.42	62	7,618	72.64	2,869	27.36	10,487

Source: Loan sample; 2000 U.S. Census Data

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

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels and businesses of different sizes. The distribution of loans to low- and moderate-income borrowers is reasonable. A majority of the loans to businesses were for amounts less than \$100 thousand. TNB lenders conduct cash flow analysis, but do not routinely collect gross annual revenue information for loans to businesses. Loan size was used as a proxy to determine the number and volume of loans to small businesses.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans in Thomas County</b>									
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 mortgage	20.84	7.41	17.51	25.93	19.99	14.81	41.66	51.85	

Source: Loan sample; 2000 U.S. Census data.

<b>Table 2A - Borrower Distribution of Loans to Businesses/Farms in Thomas County</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	74.05	4.15	21.80	100%
% of Bank Loans in AA by #	21.88	6.25	71.88	100%
% of Bank Loans in AA by \$	33.75	12.73	53.52	100%

Source: Loan sample; 2009 Business Geodemographic Data

**Geographic Distribution of Loans**

There is only one moderate-income census tract in TNB's AA. The moderate-income tract is located in the far northwest corner of the county, some distance from the bank's main and branch offices. Only 1.3% of businesses are located in the moderate-income tract. Only 3.66% percent of owner-occupied homes are located in the moderate-income tract. An analysis of the geographic distribution of loans would not be meaningful.

### **Responses to Complaints**

There were no complaints during the evaluation period regarding TNB's CRA performance.

### **COMMUNITY DEVELOPMENT TEST**

TNB's performance under the Community Development Test is rated **Satisfactory**. TNB showed adequate responsiveness to community development needs in its AA through community development loans, qualified investments, and community development services.

In evaluating performance under the Community Development Test, we considered the bank's capacity to lend and invest in its community, the availability of investment and community development lending opportunities, and the bank's responsiveness in providing services to the communities in which it does business.

### **Number and Amount of Community Development Loans**

TNB made three community development loans totaling \$4.9 million during the evaluation period. All three loans supported new business development and revitalization of the downtown area comprised of distressed nonmetropolitan middle-income census tracts.

### **Number and Amount of Qualified Investments**

The bank made 51 qualified investments and contributions totaling \$77.5 thousand that provided direct benefit to the AA during the evaluation period. The bank also retained one investment of \$500 thousand from the prior evaluation period. That investment supports affordable multi-family rental housing facilities located in a broader statewide area that includes the AA. Investments and contributions went to organizations that provide health, human services, and housing for low- and moderate-income individuals, and to organizations that provide community services and support revitalization efforts in distressed nonmetropolitan middle-income geographies.

### **Extent to Which the Bank Provides Community Development Services**

During the evaluation period and across the bank's AA, 8 officers and employees provided technical services and support to 11 qualified community development

organizations. These organizations provide services to low- and moderate-income families, and support economic development initiatives in distressed nonmetropolitan middle-income geographies. One bank officer conducted three first time homebuyer education classes.

### **Responsiveness to Community Development Needs**

TNB demonstrated excellent responsiveness to identified community development needs of small business capital and job creation to retain the area's largest employers. A majority of loans to businesses were for amounts less than \$100 thousand. Community development loans were related to economic development of the downtown area, including attracting new small business. Qualified investments included contributions to fund scholarships and educational programs related to attracting and retaining health care professionals and staff.

### **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.