



## **PUBLIC DISCLOSURE**

May 6, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Douglas National Bank

Charter Number: 24249  
211 East Ward Street  
Douglas, Georgia 31533

Office of the Comptroller of the Currency

4042 Park Oaks Blvd  
Suite 240  
Tampa, FL 33610

**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.

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>2</b>
<b>SCOPE OF THE EVALUATION .....</b>	<b>4</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>4</b>
<b>STATE RATING .....</b>	<b>5</b>
STATE OF GEORGIA.....	5
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF MMSA AND STATE RATINGS .....</b>	<b>B-1</b>
<b>APPENDIX C: DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>C-1</b>
<b>APPENDIX D: TABLES OF PERFORMANCE DATA .....</b>	<b>D-1</b>

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.  
**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- Considering the bank's size, financial condition, and credit needs of the assessment area, the bank's net loan-to-deposit ratio is more than reasonable.
- A majority of the bank's loans are inside its assessment area.
- The distribution of the bank's business loan originations across geographies of different income levels and businesses of different sizes reflects reasonable distribution.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the assessment area, the bank's loan-to-deposit ratio is more than reasonable.

The bank's quarterly average net loan-to-deposit (LTD) ratio since the preceding CRA evaluation (17 quarters starting December 2014 and ending December 2018) was 90.87 percent. For the same period, Douglas National Bank's ratio was higher than the 75.79 percent average ratio of six similarly situated banks operating in the bank's assessment area and nearby counties. The quarterly average high net LTD ratio for these six banks was 86.46 percent and the low was 69.16 percent. Peer banks offer similar lending and deposit products. Five of the peer banks used in the analysis reported total assets less than \$500 million.

### Lending in Assessment Area

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

Douglas National Bank originated 75.21 percent of its total loans inside the bank's assessment area during the evaluation period. 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. This conclusion is based on a sample of 121 business loans originated during the period of January 1, 2016, through December 31, 2018. It is noted a substantial majority of loans outside the assessment area were made in contiguous counties.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	91	75.21	30	24.79%	121	\$7,955	41.95%	\$11,006	58.05%	\$18,961

*: Evaluation Period: 1/1/2016 - 12/31/2018; sample from bank prepared loan origination report.*

## Description of Institution

Douglas National Bank was established in 2001 and is headquartered in Douglas, Georgia. The bank is a wholly-owned subsidiary of DNB Financial Services Inc., a one-bank holding company also located in Douglas, Georgia. Since inception, the bank has operated out of one office in Douglas, Coffee County. Douglas National Bank has delineated Coffee County in its entirety as its assessment area, which consists of nine census tracts.

As of December 30, 2018, Douglas National Bank reported total assets of \$179.3 million with net loans accounting for \$148.3 million or 82.7 percent of total assets. The bank's lending strategy continues to be focused on business lending, representing 48.1 percent of the total loan portfolio. The remaining loan portfolio is comprised of farm loans and loans secured by farmland representing 21.9 percent of the total loan portfolio and 1-4 home mortgage and consumer loans representing 25.0 percent and 5.0 percent, respectively.

Douglas National Bank offers full service banking, including automated teller machine (ATM) access and drive-up facility at the bank's office. Deposit products include a senior checking account with no monthly maintenance fees and only a \$100 minimum deposit to open. Other services offered include investment advisory services offered through a third party relationship with a financial services company. The bank's alternative delivery systems include online banking with bill-pay and mobile banking which provide real-time access to accounts using a smart phone or other similar devices. Services offered to businesses include merchant and cash management services.

Douglas National Bank offers a variety of consumer loans including personal lines of credit, Home Equity Lines of Credit and variable-rate, balloon home mortgage loans. Likewise, the bank offers other home mortgage products, including long-term fixed rate loans, through participation in the secondary real estate market.

Douglas National Bank offers an array of business loan products and is a qualified U.S. Small Business Administration (SBA) lender, which allows the bank to address the lending needs of small businesses throughout the bank's assessment area. During the evaluation period, the bank originated nine SBA loans totaling \$6.1 million in the assessment area, which is reflected in the lending tests below. There are no financial or legal obstacles affecting Douglas National Bank's ability to meet its community credit needs. The last Community Reinvestment Act (CRA) evaluation of Douglas National Bank was completed in February 2015 when the bank received a "Satisfactory" rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation (PE) assesses Douglas National Bank's record of meeting the credit needs of the community in which it operates. We evaluated the bank using the Community Reinvestment Act Small Bank examination procedures, which includes a lending test. The lending test evaluates the bank's record of meeting the credit needs of its assessment area through its lending activities.

The evaluation period is January 1, 2016 through December 31, 2018. Due to the 2015 census changes effective 2017, the bank's lending performance for 2016 was evaluated separately and 2017 and 2018 on a combined basis.

Due to the volume of business lending representing the highest loan portfolio concentration at 48.1 percent of the total loan portfolio during the evaluation period, our evaluation of the bank's lending performance focused on business lending rather than home mortgage, farm and consumer lending.

### **Selection of Areas for Full-Scope Review**

Coffee County assessment area is located in the State of Georgia and received the full-scope review.

### **Ratings**

The bank's overall rating is based on the area that received the full-scope review. The state rating was based on performance in the bank's assessment area.

## **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 Consumer Financial Protection Bureau, 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 OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Georgia

**CRA rating for the State of Georgia<sup>1</sup>: Satisfactory.**  
**The Lending Test is rated: Satisfactory.**

The major factors that support this rating include:

- Considering the bank's size, financial condition, and credit needs of the assessment area, the bank's loan-to-deposit ratio is more than reasonable.
- A majority of the bank's loans are inside its assessment area.
- The distribution of the bank's business loan originations across geographies of different income levels and businesses of different sizes reflects reasonable distribution.

### Description of Institution's Operations in Georgia

Business lending represented the largest loan portfolio concentration during the evaluation, which is reflective of Douglas National Bank's business strategy for the past three years. During the exam, the bank provided a report of all loan originations for the period of January 1, 2016, to December 31, 2018. Based on this report, there were a total of 2,433 loans made with the majority comprised of business loans (69.0 percent of total dollar volume, 1,172 or 48 percent in number). Due to the volume of business lending, our evaluation of the bank's lending performance focused on business lending rather than farm loans representing 20 percent in dollar and 15 percent in number of total originations and combined home mortgage and consumer loans representing 11.0 percent and 37.0 percent of total dollar and number, respectively.

Douglas National Bank has one office located in Douglas, Coffee County, Georgia. Since inception, the bank has operated out of one office in Douglas, Coffee County. Douglas National Bank offers full service banking, including automated teller machine (ATM) access and drive-up facility at the bank's office. The bank's assessment area is Coffee County, Georgia. The City of Douglas is the County Seat of Coffee County. Other cities in the county are Ambrose, Broxton, Nicholls and West Green. The bank has delineated all nine census tracts within the county as its assessment area. The assessment area meets the requirements of CRA and does not arbitrarily exclude low- and moderate-income geographies.

Douglas National Bank remains competitive with other institutions in the assessment area with the largest market share of deposits at 22.0 percent. The FDIC Deposit Market Share Report dated June 30, 2018 shows the second largest deposit market share is First National Bank of Coffee County at 17.8 percent. Other competitors with greater than 10 percent market share are Ameris Bank, Colony Bank, and SunTrust Bank with a combined deposit market share of 44.3 percent.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

In 2016 and based on the 2010 Census, there were four moderate- and five middle-income census tracts. All five middle-income tracts were designated as distressed nonmetropolitan geographies by the banking agencies due to the economic conditions in Coffee County, specifically, high levels of poverty within the middle-income geographies of the assessment area. In 2017-2018 and based on the 2015 ACS Census, there were no low- and moderate-income census tracts in the assessment area; eight middle-income distressed nonmetropolitan tracts; and, one upper-income tract. Similar to 2016, the banking agencies designated the eight middle-income census tracts as distressed nonmetropolitan geographies in 2017 and 2018 which reflects the continued high levels of poverty within the middle-income geographies of the assessment area. Further, the poverty levels increased within the two census periods from 21.0 percent to 25.1 percent.

Based on 2018 Dun & Bradstreet business demographic data and 2015 ACS Census, there were 2,089 or 83.3 percent of small non-farm businesses (revenues less than \$1 million) in the assessment area, which 1,870 or 89.5 percent of small businesses were located in distressed middle-income tracts and 10.5 percent or 219 located in located in upper-income tracts.

As of December 31, 2018, unemployment in Coffee County is 5.3 percent, higher than the State of Georgia and the national rates of 3.7 percent and 3.9 percent, respectively. Per various city and county sources, overall Commercial and Industrial growth continues and the economic outlook is positive. Further, the downtown business district is seeing 90 to 95 percent occupancy in the retail and commercial stores.

Douglas-Coffee County has an economy driven by a diverse base of industries to include manufacturing, retail/wholesale trade, healthcare, educational services and farming. The county is one of the largest concentrations of cargo trailer manufacturers in the United States and home to Premium Peanut, the largest peanut shelling operation in the world. In addition, Douglas/Coffee County is conveniently situated between four interstates, and proximity to the Savannah, Jacksonville, and Brunswick ports allows for importing/exporting of goods to/from anywhere in the world. The five largest employers include Coffee County School System, Walmart Distribution/Retail, Pilgrim's Pride, Coffee Regional Medical Center, and PCC Airfoils.

The Douglas-Coffee County Economic Development Authority website lists several incentives for businesses to invest in the Douglas-Coffee County area. Douglas-Coffee County is a Tier 1 designated community in the State of Georgia; has three designated Federal Opportunity Zones; and designated as a Federal HUBZone. All designations provide state and federal government capital gains tax incentives in order to attract investors to invest in economic development and revitalization projects throughout the Douglas-Coffee County assessment area.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution's assessment area to gain insight regarding local economic conditions and credit needs. We completed a follow-up interview to an existing community contact completed in 2015. The organization we contacted serves the bank's assessment area. We learned that opportunities for financial institutions remain challenged by the low wages of workers. The community contact stated the affordable housing needs of low-income residents are being met with an ample supply of rental properties, but housing for middle-income residents is lacking due to a shortage of single-family housing stock. Addressing this credit need may present opportunities for financial institutions in the near future.

However, from the contact’s perspective, the greatest credit need in the assessment area is financial literacy training conducted by local financial institution.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Douglas NB 2016 AA Coffee County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	44.4	55.6	0.0	0.0
Population by Geography	42,356	0.0	46.1	53.9	0.0	0.0
Housing Units by Geography	16,996	0.0	40.4	59.6	0.0	0.0
Owner-Occupied Units by Geography	10,191	0.0	41.1	58.9	0.0	0.0
Occupied Rental Units by Geography	4,348	0.0	42.2	57.8	0.0	0.0
Vacant Units by Geography	2,457	0.0	34.1	65.9	0.0	0.0
Businesses by Geography	2,390	0.0	41.9	58.1	0.0	0.0
Farms by Geography	196	0.0	37.8	62.2	0.0	0.0
Family Distribution by Income Level	10,676	26.3	18.1	20.8	34.9	0.0
Household Distribution by Income Level	14,539	24.4	17.1	17.9	40.6	0.0
Median Family Income Non-MSAs – GA		\$44,940	Median Housing Value			\$82,374
			Median Gross Rent			\$547
			Families Below Poverty Level			18.3%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data; Due to rounding, totals may not equal 100.0</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Douglas NB 2018 AA Coffee County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	0.0	88.9	11.1	0.0
Population by Geography	43,003	0.0	0.0	86.9	13.1	0.0
Housing Units by Geography	16,974	0.0	0.0	86.7	13.3	0.0
Owner-Occupied Units by Geography	9,553	0.0	0.0	82.2	17.8	0.0
Occupied Rental Units by Geography	4,768	0.0	0.0	94.0	6.0	0.0
Vacant Units by Geography	2,653	0.0	0.0	89.6	10.4	0.0
Businesses by Geography	2,508	0.0	0.0	90.5	9.5	0.0
Farms by Geography	179	0.0	0.0	76.0	24.0	0.0
Family Distribution by Income Level	9,422	22.1	18.6	21.7	37.6	0.0
Household Distribution by Income Level	14,321	27.2	16.5	18.6	37.7	0.0
Median Family Income Non-MSAs - GA		\$45,816	Median Housing Value			\$85,950
			Median Gross Rent			\$559
			Families Below Poverty Level			17.9%
<i>Source: 2015 ACS Census and 2018 D&amp;B Data; Due to rounding, totals may not equal 100.0</i>						



## Scope of Evaluation in Georgia

The bank has delineated one assessment area, which consists of all census tracts in Coffee County, Georgia. The one assessment area received the full-scope review.

Business lending represented the largest loan portfolio concentration during the evaluation period, which is reflective of Douglas National Bank's business strategy for the past three years. As such, our evaluation of the bank's lending performance focused on business lending rather than home mortgage, farm and consumer lending. As part of our geographic and income distribution analysis, we used a sample of 91 business loans originated in the assessment area during the evaluation period. Due to the bank's asset size, the bank is not required to complete and file this report, and therefore, not included in the aggregate reports for the bank's assessment area.

Performance context factors considered in our overall assessment of Douglas National Bank's lending performance and described in the Description of Institution section include high and increasing poverty levels for households residing in the assessment area. For each year during the evaluation period, all middle-income geographies were designated by the banking agencies as distressed middle-income geographies reflecting the local economic conditions, specifically, the high poverty levels in Coffee County.

## LENDING TEST

The bank's performance under the Lending Test in Georgia is rated Satisfactory. Based on full-scope review, the bank's lending performance in the state of Georgia is reasonable.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State of Georgia, Coffee County Assessment Area.

### *Small Loans to Businesses*

Refer to Table Q in the state of Georgia section of 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. Based on Table Q and the performance context considerations described in the Description of the Institution section, we concluded the distribution of the bank's business loan originations across geographies of different income levels reflects reasonable distribution.

- For 2016, there were no low-income geographies. The distribution of lending in moderate-income geographies within the assessment area exceeds the number of small businesses located in those geographies.
- For 2017-2018 combined, there were no low- or moderate-income geographies in the bank's assessment area. Therefore no analysis of LMI geographic distribution could be performed. However, we did note that eight out of the nine geographies in the AA for 2017-2018 are designated distressed middle-income geographies. This designation reflects the high levels of poverty within the middle-income geographies of the AA. The distribution of the bank's business loans made in these distressed middle-income geographies is near to the distribution of small businesses located in those geographies in the assessment area.

### **Lending Gap Analysis**

We performed a lending gap analysis that included an analysis of the bank's assessment area map and distribution of lending based on our sample of 91 business loans. We did not identify any unexplained conspicuous gaps in the bank's assessment area.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

#### ***Small Loans to Businesses***

Refer to Table R in the state of Georgia section of 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.

Based on the data in Table R, and performance context considerations described in the Description of the Institution section, we concluded the bank's lending to businesses of different sizes reflects reasonable distribution.

- For 2016, the distribution of bank's loans to small businesses exceeds the proportion of small businesses (gross annual revenues of \$1 million or less) in the assessment area and exceeds the aggregate distribution of small business loans for those lenders that report these types of loans.
- For 2017-2018 combined, the distribution of bank loans to small businesses exceeds the proportion of small businesses (gross annual revenues of \$1 million or less) in the assessment area and exceeds the aggregate distribution of small business loans for those lenders that report these types of loans.

### **Responses to Complaints**

There were no complaints related to Douglas National Bank's CRA performance during the evaluation period.

## Appendix A: Scope of Examination

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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 MSAs and non-MSAs 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”.

<b>Time Period Reviewed:</b>	01/01/16 to 12/31/18	
<b>Bank Products Reviewed:</b>	Small Business Lending	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Georgia</b>		
Coffee County	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS Douglas National Bank	
Overall Bank:	Lending Test Rating
Douglas National Bank	Satisfactory
State:	
Georgia	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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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.

**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

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### 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 30<sup>th</sup> 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 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.



<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2016</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Coffee County	40	3,031	100	608	0.0	0.0	0.0	41.9	55.0	40.0	58.1	45.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Source: 2016 D&amp;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</i>																				

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2017-18</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Coffee County	51	4,924	100	454	0.0	0.0	0.0	0.0	0.0	0.0	90.3	84.3	85.7	9.7	15.7	14.3	0.0	0.0	0.0	
<i>Source: 2018 D&amp;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</i>																				

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2016</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Coffee County	40	3,031	100.0	608	84.3	90.0	56.4	4.8	7.5	10.9	2.5	
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2016 sample from bank prepared loan origination report, 2016 CRA Aggregate Data, 2016 Dun &amp; Bradstreet Business Demographic Data.</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017-2018</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Coffee County	51	4,924	100.0	454	83.3	86.3	46.7	5.1	13.7	11.6	0.0	
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 sample from bank prepared loan origination report, 2017 CRA Aggregate Data (2018 was not available); 2018 Dun &amp; Bradstreet Business Demographic Data.</i>												