



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Queensborough National Bank & Trust Company
Charter Number: 6207

113 East Broad Street
Louisville, Georgia 30434

Office of the Comptroller of the Currency
Georgia Field Office
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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

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS	3
DESCRIPTION OF INSTITUTION	7
SCOPE OF THE EVALUATION.....	8
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	9
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	11
LENDING TEST	11
INVESTMENT TEST	17
SERVICE TEST	18
APPENDIX A: SCOPE OF EXAMINATION.....	1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	1
APPENDIX C: TABLES OF PERFORMANCE DATA	1

Overall CRA Rating

Institution’s CRA Rating: This institution is Outstanding.

The following table indicates the performance level of Queensborough National Bank & Trust Company with respect to the Lending, Investment, and Service Tests:

Performance Levels	Queensborough National Bank & Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The distribution of mortgage and small business and small farm loans among low- and moderate-income geographies is good.
- The majority of loans were originated within the bank’s assessment areas.
- The bank’s lending levels reflect a good responsiveness to meeting the credit needs of its assessment areas.
- The distribution of home mortgage and small business and small farm loans among borrowers of different income levels is excellent.
- The dollar amount of investments in the assessment areas is excellent given the available community development opportunities within the assessment areas.
- The bank’s product delivery systems are readily accessible to geographies and individuals of different income levels. In addition, the bank’s community development activities within its assessment areas have greatly intensified since the prior CRA evaluation, and reflect an excellent penetration among low- and moderate-income individuals and geographies.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

Description of Institution

Queensborough National Bank & Trust Company (Queensborough) is an intrastate bank headquartered in Louisville, Georgia, located in Jefferson County. As of September 30, 2011, the bank reported total assets of \$862 million, with Tier One Capital of \$74.5 million. The bank is owned by the Queensborough Company. The Queensborough Company does not own any other banking entities. Queensborough's primary focus is meeting the needs of commercial customers through its lending products and other services. As of September 30, 2011, 52 percent of the bank's loan portfolio consists of commercial and commercial real estate loans including agricultural loans. Queensborough's assets also reflect significant concentration in 1-4 family residential lending. Data as of September 30, 2011, reflects that 32 percent of the loan portfolio consists of 1-4 family residential and home equity loans.

The bank delivers its products and services throughout the communities it serves through 22 branch office locations and 18 automated teller machines. The bank serves three assessment areas. One is composed of the entire Augusta-Richmond County, GA-SC MSA, where Queensborough operates ten branch office locations. The bank also operates eleven locations in its Non MSA assessment area which consists of seven counties. These include Jefferson, Screvan, Washington, Jenkins, Bulloch, Candler, and Emanuel. In addition, following the prior CRA evaluation, Queensborough opened a new office in a moderate-income census tract in Chatham County in the Savannah, Georgia MSA.

Queensborough offers a range of commercial services to meet the business needs within its assessment areas. These include, among others, wire transfer services, remote deposit capture, business checking accounts, Visa/Mastercard merchant services, and commercial loans. Commercial loans are offered for working capital, to provide short term lines of credit, and to purchase equipment and inventory. Commercial loans secured by real estate are also available, as are business loans with flexible terms secured by the Small Business Administration. The bank offers personal loans, including mortgages for the purchase, home improvement, and refinancing of residential dwellings. The bank also offers government-insured and guaranteed mortgages (FHA and VA), and investment mortgages secured by one-to-four unit properties. In addition, affordable housing programs are available featuring downpayment assistance for qualified borrowers and financing up to 100 percent. Queensborough also offers an array of consumer loans including automobile loans and various personal credit lines.

There are no legal, financial, or other factors that impede the bank's ability to help meet the credit needs of its assessment areas.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assessed the bank's performance under the Lending, Investment, and Services Tests. To evaluate lending performance, we reviewed data concerning residential home mortgages which was filed pursuant to HMDA requirements, as well as small business and small farm loans and qualified community development loans. In assessing performance with respect to the Investment Test, we evaluated the bank's equity and debt investments, and its grants and donations that satisfied the definition of community development. Performance under the Service Test was assessed based on such factors as alternative delivery systems, hours of operation, and the availability of products and programs throughout the assessment areas, including low- and moderate-income geographies. We also considered any services the bank provided in its assessment areas tailored to the needs of low- and moderate-income individuals and geographies.

The evaluation period for HMDA loans is January 1, 2008, through June 30, 2011. Small business and small farm lending was due for evaluation for the same period. However, for 2008, small business and small farm lending records were unavailable. Therefore, our review of small business and small farm loan originations covered the period of January 1, 2009, through June 30, 2011. For community development lending and investments, the review period was April 1, 2008, through November 28, 2011.

Data Integrity

Prior to this CRA Performance Evaluation, we conducted an on-site review to evaluate the integrity of the bank's lending data. The review focused on Queensboro's policies and procedures for collecting and ensuring the accuracy of HMDA data, small business and small farm data, and community development lending records.

During the review, the examiner analyzed a numerical statistical sample of 2009 and 2010 HMDA data, which included 20 loan originations from each year. The examiner also reviewed a numerical statistical sample of reportable 2009 and 2010 small business and small farm data consisting of 20 loan originations from each year, and analyzed internal loan origination reports to ascertain whether loan requirements were properly reported. Based on the results of this review, we determined that Queensborough's lending data is accurate and reliable for use in evaluating the bank's CRA performance.

Selection of Areas for Full-Scope Review

At the prior CRA Evaluation, the bank's East Georgia Non-MSA assessment area (East Georgia assessment area) was selected for full scope review. This assessment area consists of seven contiguous counties including Bulloch, Candler, Emanuel, Jefferson, Jenkins, Screven, and Washington. The East Georgia assessment area was selected for full scope review at the current CRA Evaluation as well.

The Augusta-Richmond County, GA-SC assessment area (Augusta assessment area) consists of the contiguous counties of Burke, Richmond, McDuffie, and Columbia. The current CRA Evaluation included a full scope review of the Augusta assessment area, as well. During the review period, the bank opened a branch in a moderate-income census tract in Chatham County, Georgia, which is part of the Savannah, Georgia MSA. The Chatham County assessment area was selected for a limited scope review.

For more information, refer to the table in Appendix A.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. As noted above, these include the Augusta assessment area and the East Georgia assessment area. The weighting of performance in each of these assessment areas toward determining ratings for the Lending, Investment, and Service Tests, was based upon a number of factors. These factors include origination percentages for various loan products between the two assessment areas, as well as the level of deposits and the branch office presence in each of the two areas.

Other

To assist us in understanding the credit needs within the two assessment areas selected for full scope reviews, we contacted a local organization that offers various types of assistance to small businesses. The contact for this organization provided us information concerning the declining economic conditions within Jefferson County, where the bank's main office in the city of Louisville is located. The contact indicated that while residential and small business credit needs exist in the surrounding rural areas, the result of economic decline with locally high unemployment rates, is that few qualified borrowers exist.

Fair Lending or Other Illegal Credit Practices Review

A fair lending examination was conducted concurrent with this CRA Evaluation. At the concurrent fair lending examination, a sample of loan application files was reviewed to determine the bank's level of compliance with anti-discrimination laws and regulations, including the Equal Credit Opportunity Act and its implementing regulation, Regulation B; and the Fair Housing Act. That review disclosed no evidence of prohibited discriminatory lending practices or other illegal credit practices, and it appeared that all applicants were treated consistently and in accordance with the bank's written underwriting and pricing guidelines.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated ("High Satisfactory"). Based on full-scope reviews, the bank's performance in the Augusta assessment area is considered good. Performance in the East Georgia assessment area is good as well.

Lending Activity

Refer to Table 1- Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

As stated above, Queensborough is primarily a commercial lender, with approximately 52 percent of its loan portfolio concentrated in commercial and commercial real estate loans as of September 30, 2011. As of the same date, 32 percent of the loan portfolio consisted of 1-4 family residential and home equity loans. Overall, lending levels reflect excellent responsiveness to the credit needs of the assessment areas, including the needs of small businesses, small farms, and low- and moderate-income borrowers and geographies. In addition, the majority of home mortgage, small business, and small farm loans originated during the review period (88.99 percent) were made within the bank's assessment areas.

Analysis of lending activities disclosed a good penetration of home mortgage, small business loans, and small farm loans among low- and moderate-income geographies within the assessment area. The loan penetration among low- and moderate-income borrowers during the review period was excellent. In addition, the bank offers loan programs with flexible lending terms targeted toward the credit needs of low- and moderate-income borrowers and small businesses. During the review period, Queensborough originated 79 loans under these programs, in the total amount of \$7.5 million.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans was good based on the distribution of home mortgage loans and small business loans.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The substantial majority (67.28 percent) of home mortgages originated between January 1, 2008, and June 30, 2011, were located in the Augusta assessment area. The percentages of home purchase loans made within low- and moderate-income geographies in the Augusta assessment area, were significantly below the percentages of owner-occupied housing units within low- and moderate-income census tracts in that assessment area. Specifically, 22.14 percent of the owner-occupied housing units in the Augusta assessment area are in low- and

moderate-income census tracts, while only 8.41 percent of home purchase loans were originated in those tracts. Further, for mortgage refinancings in the Augusta assessment area, 16.60 percent were in low- and moderate-income census tracts, which is less than the percentage of owner-occupied housing units in low- and moderate-income census tracts (22.14 percent). However, with respect to home improvement lending, penetration of low- and moderate-income census tracts in the Augusta assessment area is substantially higher. For home improvement loans, 29.46 percent of originations in the Augusta assessment area are in low- and moderate-income census tracts, which compares very favorably to the percentage of owner-occupied housing units in those census tracts, which is 22.14 percent.

Market share percentages for home purchase loans in the Augusta assessment area reflect that Queensborough had a higher market share in low-income census tracts than the overall percentage. However, for moderate-income tracts in the Augusta assessment area, the market share percentage for home purchase loans was less than the overall percentage. For home improvement loans and refinancings in the Augusta assessment area, Queensborough's market share percentages in low- and moderate-income census tracts significantly exceed the overall percentages.

Between January 1, 2008, and June 30, 2011, Queensborough originated 28.91 percent of its mortgage loans in the East Georgia assessment area. There are no low-income census tracts in this assessment area. For home purchase loans, home improvement loans, and refinancings originated in the East Georgia assessment area, loan penetration within moderate-income census tracts greatly exceeds the percentage of owner-occupied housing units located in those tracts, which is 16.82 percent. Specifically, for home purchase loans, 21.01 percent of loans were originated in moderate-income census tracts. For home improvement loans and refinancings, 34.97 percent and 21.86 percent, respectively, of loans were originated in moderate-income census tracts.

Market share percentages in the East Georgia assessment area show that for home purchase loans, home improvement loans, and refinancings, Queensborough's market share within moderate-income census tracts significantly exceeds the overall percentages.

Based on the foregoing, the overall penetration of home mortgage loans within low- and moderate-income geographies is satisfactory. However, this penetration is more favorable in the East Georgia assessment area than in the Augusta assessment area, when compared with applicable demographic and market share percentages. As a much larger percentage of home mortgages were originated in the Augusta assessment area than in the East Georgia assessment area during the period under review, more weight was given to Queensborough's home mortgage lending performance in the Augusta assessment area for this particular factor.

During the review period, no multi-family mortgages were originated in low- or moderate-income census tracts in either the Augusta assessment area or the East Georgia assessment area.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The majority (53.08 percent) of small business loans originated between January 1, 2009, and June 30, 2011, were made within the Augusta assessment area. In the Augusta assessment area, 25.74 percent of small business loans were originated within low- and moderate-income census tracts. This percentage is generally commensurate with the percentage of businesses located in low- and moderate-income census tracts in the Augusta assessment area, which is 26.99 percent. In addition, for low-income census tracts in the Augusta assessment area, Queensborough's small business loan market share was less than the overall market share, but exceeded the overall market share in moderate-income census tracts.

Queensborough originated 44.85 percent of its small business loans during the period reviewed in the East Georgia assessment area. As indicated above, there are no low-income census tracts in this assessment area. In the East Georgia assessment area, penetration of small business loans in moderate-income census tracts significantly exceeds the percentage of small businesses located those tracts. With respect to small business loan market share in moderate-income census tracts in the East Georgia assessment area, Queensborough's share significantly exceeds the overall market share percentage.

Based on the foregoing, the penetration of small business lending among low- and moderate-income census tracts is excellent in both the Augusta assessment area and the East Georgia assessment area.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

With respect to small farm lending, 18.50 percent of originations were made within the Augusta assessment area from January 1, 2009, to June 30, 2011. For the same period, 81.50 percent of small farm loans were originated in the East Georgia assessment area. In the Augusta assessment area, 48.65 percent of small farm loans originated during the period under review were within low- and moderate-income census tracts. This compares very favorably with the percentage of small business loans originated in those tracts, which is 28.04 percent. Queensborough's market share percentage in low-income census tracts in the Augusta assessment area is somewhat lower than the overall market share percentage. However, Queensborough's market share for moderate-income census tracts is higher than the overall market share percentage.

In the East Georgia assessment area, 26.84 percent of small business lending is located in moderate-income geographies. This compares favorably to the percentage of small farms located in those geographies, which is 18.70 percent. In addition, Queensborough's market share percentage in moderate-income census tracts in the East Georgia assessment area exceeds the overall market share percentage.

Based on the foregoing, the small business lending penetration among low- and moderate-income census tracts is excellent in both the Augusta assessment area and the East Georgia assessment area.

Lending Gap Analysis

The geographic distribution of home mortgage loans and small loans to businesses were analyzed to determine whether any unexplained conspicuous gaps existed. None were identified. This performance had a positive effect on the bank's overall geographic distribution analysis.

Inside/Outside Ratio

An analysis was conducted of the bank's ratio of lending within its three designated assessment areas combined, to its lending outside its combined assessment areas. The results of this analysis revealed that 88.99 percent of loans were originated inside the combined assessment areas. This ratio had a positive effect on the bank's overall geographic distribution performance.

Distribution of Loans by Income Level of the Borrower

The distribution of loans to borrowers of different income levels is good based on home mortgage and small business lending performance.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In the Augusta assessment area, the bank originated 27.29 percent of its home purchase loans to low- and moderate-income borrowers. This percentage does not compare well with the percentage of borrowers within the Augusta assessment area that are low- or moderate-income, which is 39.39 percent. Regarding home mortgage refinancings in the Augusta assessment area, 22.27 percent were to low- and moderate-income borrowers, which also compares unfavorably to the 39.39 percent of the assessment population which is low- and moderate-income. However, for home improvement loans in the same assessment area, penetration of the low- and moderate-income population was much greater. Specifically, 41.07 percent of the bank's lending in the Augusta assessment area was to low- and moderate-income borrowers, which exceeds the 39.39 low- and moderate-income population percentages. Analysis was also performed of the bank's market share of lending to low- and moderate-income individuals in the Augusta assessment area. This analysis disclosed that Queensborough's home purchase, home improvement, and refinancing percentages to low- and moderate-income borrowers are commensurate with the overall market share percentages in these categories.

For home purchase loans originated in the East Georgia assessment area, the bank's penetration among low- and moderate-income borrowers during the period reviewed was 31.95 percent. This performance does not compare well with the percentage of the East Georgia assessment area population which is low- and moderate-income, which is 41.51 percent. Likewise, for home refinancings in the same assessment area, 31.81 percent were to low- and moderate-income borrowers, which does not compare well to the low- and moderate-

income population of the assessment area. For home improvement originations, the bank's performance in lending to low- and moderate-income borrowers in the East Georgia assessment area was significantly greater than for home purchase loans and refinancings. Specifically, for home improvement loans in the East Georgia assessment area, 45.40 percent were originated to low- and moderate-income borrowers, which compares favorably to the percentage of the assessment area population which is low- and moderate-income, which is 41.51 percent. In addition, the bank's market share percentages with respect to low- and moderate-income borrowers in the East Georgia assessment area, are consistent with the overall market share for home purchase loans and refinancings, and greatly exceed overall market share for home improvement loans.

Based on the foregoing, Queensborough has achieved a satisfactory lending penetration among low- and moderate-income individuals in both its Augusta assessment area and its East Georgia assessment area

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

For the Augusta assessment area, the bank's percentage of loans to small businesses (businesses with annual revenues less than \$1 million) is somewhat lower than the percentage of businesses in the assessment area with annual revenues less than \$1 million. Specifically, 82.84 percent of Queensborough's business loans in the Augusta assessment area were to small businesses, while 95.83 percent of businesses in the same area generate annual revenues less than \$1 million. However, 81.98 percent of the bank's business loans in the Augusta assessment area were in amounts of \$100,000 or less, which is indicative of excellent performance in meeting the credit needs of small businesses in the area. Further, the bank's market share percentage in the Augusta assessment area for businesses with annual revenues less than \$1 million is twice its market share in the area for loans to all businesses.

The bank's percentage of lending to small businesses in its East Georgia assessment area to total businesses in the area is 91.55 percent. This percentage is slightly lower than the percentage of small businesses in the area, which is 95.97 percent. It is noted, however, that 88.05 percent of all business loans in the East Georgia assessment area were in amounts less than \$100,000. Further, the bank's market share percentage of small business loans in the East Georgia assessment area (35.88 percent) is higher than its market share percentage of loans to all businesses in the area (24.04 percent). The percentages of business loans in the East Georgia assessment area in amounts less than \$100,000, and the bank's substantial market share of lending to small businesses, reflect a significant commitment to meeting the credit needs of small businesses within the East Georgia assessment area.

Small Loans to Farms

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small farm loans.

Within the Augusta assessment area, Queensborough's percentage of lending to small farms (farms with revenues of \$1 million or less), is lower than the percentage of farms in the

assessment area with revenues less than \$1 million. Specifically, 75.00 percent of the bank's farm loan originations in the Augusta assessment area were to small farms, while 98.93 percent of farms in the area are categorized as small farms. Despite this disparity, it is noted that 60.14 percent of the bank's farm loans originated in the Augusta assessment area were in amounts less than \$100,000. Further, the bank's market share of small farm lending in the assessment area is slightly higher than its overall market share of farm lending.

As stated above, the overwhelming majority of Queensborough's small farm loans during the period under review (81.50 percent) were originated within the East Georgia assessment area. In that area, the bank's percentage of small farm lending to the percentage of small farms, compares more favorably than the same percentages in the Augusta assessment area. In the East Georgia assessment area, 87.27 percent of the bank's farm loans were to small farms, while 98.38 percent of farms in the area are small farms. Further, it is noted that 81.44 percent of all farm loans in the East Georgia assessment area were in amounts of \$100,000 or less. This percentage demonstrates an excellent record of meeting the credit needs of small farms in the area, and is much higher than the same percentage in the Augusta assessment area.

Based on the foregoing, the banks overall record of small farm lending is satisfactory. However, small farm lending performance is more favorable in the East Georgia assessment area than in the Augusta assessment area, when compared with applicable demographic and market share percentages. As a much larger percentage of small farm loans were originated in the East Georgia assessment area than in the Augusta assessment area during the period under review, more weight was given to Queensborough's small farm lending performance in the East Georgia assessment area for this particular factor.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

From January 1, 2008, through June 30, 2011, Queensborough originated one community development loan in the amount of \$104,000, in the East Georgia assessment area. This loan was made to the Candler County hospital for the benefit of the hospital's indigent care program.

The bank also originated two community development loans in the total amount of \$446,000, in the Chatham County assessment area. The Chatham County assessment area was established when the bank opened a branch on July 1, 2009, located in a moderate-income census tract in Savannah, Georgia. One of these loans was for the purchase of a vacant apartment building located in a moderate-income census tract, which contained residential units to be leased at below market rents. The other was for the refinancing and improvement of another apartment building in a moderate-income census tract, also containing units leased at below market rates. In addition, Queensborough originated six multifamily loans in low- and moderate-income census tracts in its newly established Chatham County assessment area, totaling \$2.9 million.

Product Innovation and Flexibility

During the period under review, Queensborough participated in three flexible lending programs targeted toward meeting the credit needs of low- and moderate-income borrowers and small businesses. These programs include the Georgia Dream Homeownership Program, the USDA Rural Development Housing Program, and the Small Business Administration America's Recovery Capital (ARC) Program.

The Georgia Dream Homeownership Program (Georgia Dream) serves all Georgia counties. Thus, both assessment areas selected for full scope review benefit from the bank's participation in this program. Georgia Dream offers fixed below market interest rates, financing up to 100 percent, and closing cost assistance for low- and moderate-income borrowers who satisfy the income limitations of this program. During the period under review, Queensborough originated three Georgia Dream loans, in the total amount of \$158,639.

The USDA Rural Development Housing Program targets all rural counties in the state of Georgia. Thus, the program primarily serves the bank's Non-MSA assessment areas, though Burke and McDuffie Counties which are part of the Augusta MSA assessment area, are among the program's targeted counties. This program offers loans to assist low- and moderate-income borrowers to purchase, build, and renovate homes in rural areas by offering flexible lending terms, such as 100 percent financing. Between January 1, 2008, and June 30, 2011, Queensborough originated 61 loans under the USDA Rural Development Housing Program, in the total amount of \$6.9 million.

The Small Business Administration's ARC Program targets all Georgia counties. Thus, loans originated pursuant to this program benefit both assessment areas selected for full scope review. The ARC program assists small businesses struggling to make principal and interest payments on existing debt. ARC loans feature interest free financing for small business borrowers. In addition, lenders are protected through a 100 percent guaranty from the U.S. government Small Business Administration. From January 1, 2009, through June 30, 2011, Queensborough originated 15 loans under this program, in the total amount of \$519,713.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Lending Test in the Chatham County assessment area is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Refer to Tables 1 through 13 in appendix C for the facts and data that support this conclusion.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Outstanding". Based on full-scope reviews, the bank's performance in both the Augusta assessment area and the East Georgia assessment area is excellent.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

At the prior CRA evaluation, the bank was credited with \$2.2 million in total investments. One of these investments, in the total amount of \$1.2 million, was made in a statewide Georgia tax credit fund. The other investment, in the amount of \$1,006,670 million, was made in a pool of Federal National Mortgage Association (FNMA) securities backed by mortgages that satisfy the definition of community development. By April 2008 (the beginning of the review period for qualified investments), the book value of the Georgia tax credit fund investment was \$1,060,060. By the start date of the current evaluation, the book value of this investment was \$866,360. While the FNMA securities were sold in October 2009, at the beginning of the review period, the bank still held this investment with a book value of \$917,045. In November 2011, Queensborough made an investment in a Government National Mortgage Association pool of securities backed by mortgages that meet the definition of community development. The total amount of this investment is \$1,080,563.

In addition to the above, during the review period, the bank made a total of \$66,946 in charitable contributions which satisfy the definition of community development. The majority of these contributions (\$51,477) were made within the bank's Augusta assessment area.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited scope review, Queensborough's performance under the investment test in the Chatham County assessment area is not inconsistent with the bank's overall "Outstanding" performance under the investment test. Although performance was weaker in Chatham County, it does not detract from the bank's overall performance.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding". Based on full scope reviews, Queensborough's performance in both the Augusta assessment area and the East Georgia assessment area is excellent.

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Products, services, and service delivery systems are readily accessible to geographies and individuals of different income levels within both the Augusta and East Georgia assessment areas. In addition, business hours do not vary in a way that would inconvenience customers in low- and moderate-income geographies. Since the prior CRA evaluation, the bank opened two branch offices. One of these branches is located in a moderate-income census tract in

Chatham County, and the other in an upper-income census tract in the Augusta assessment area. The bank did not close any branch offices during the review period. Queensborough has a total of 22 branches. Ten of these branches are located in the Augusta assessment area, eleven are in the East Georgia assessment area, and one is located in Chatham County. Two of the ten branch offices in the Augusta assessment area (20.00 percent) are located in low-income census tracts, and one (10.00 percent) is in a moderate-income census tract. In the East Georgia assessment area, four of the eleven branches (36.36 percent) are in moderate-income census tracts. There are no low-income census tracts in the East Georgia assessment area.

Within both the Augusta and East Georgia assessment areas, the use of alternative systems for delivering retail banking services is considered excellent. Of the 22 branch offices, 20 are equipped with automated teller machines available for customer banking needs. Seven of the ATMs provide customers the option to make deposits, two of which are located in moderate-income tracts and one located in low-income census tract. As a means to meet customer credit needs, loan officers are available at each branch location. Customers also have the ability to access their accounts online or over the phone. By telephone, customers can make balance and transaction inquiries and transfer funds between accounts. Over the Internet, customers can view account balances and review account history, transfer money between accounts and pay bills owed to any merchant, institution, or creditor.

Community Development Services

Queensborough provides a high level of community development services in both its Augusta assessment area and its East Georgia assessment area. The innovativeness and responsiveness of community development services to the needs of low- and moderate-income individuals and geographies is considered excellent. During the current review period, the bank served 68 organizations throughout its assessment areas by providing various types of assistance that satisfy the definition of community development. This is an increase from the prior evaluation, where the bank provided community development services to 37 organizations.

In its Augusta assessment area, Queensborough served 23 community organizations. These included local government entities that promote affordable housing and economic development, education-based organizations that offer financial assistance to underprivileged students, and charitable groups that provide various types of assistance to low- and moderate-income individuals as well as to needy and abused children. Such organizations include, among others, the Golden Harvest Food Bank, Child Enrichment, Inc., the Thompson Housing Authority, the University Health Care Foundation, and the Augusta Free School. Services provided to these organizations include teaching financial literacy courses, serving as Board members, assisting in fund raising activities, and conducting homebuyer education classes.

In the East Georgia assessment area, Queensborough provided community development services to 41 community organizations. Nearly half of these were located in Jefferson County, which is where the bank's main office is located. The types of organizations served included those that provide health care services in low- and moderate-income areas regardless of the recipient's ability to pay, governmental affordable housing and economic development entities, organizations that offer various community services such as donations of food and medical supplies, as well as local schools and churches that provide charitable

community services in rural low- and moderate-income geographies. Queensborough employees provide financial literacy training through these organizations, serve as Board members, and provide fund raising services and expertise.

In addition, the bank provided financial education and fund raising services to two organizations in Chatham County as well as technical assistance in financial matters to two entities that serve all counties in the state of Georgia.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Chatham County assessment area is not inconsistent with the bank's overall "Outstanding" performance under the Service Test.

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 metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD Loans): 01/01/2008 to 06/30/2011 Investment and Service Tests and CD Loans: 04/01/2008 to 11/28/2011	
Financial Institution	Products Reviewed	
Queensborough National Bank and Trust Company Louisville, Georgia	HMDA loans, small business and small farm loans, and community development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Augusta-Richmond County, GA-SC MSA assessment area	Full Scope	
East Georgia Non-MSA assessment area	Full Scope	
Chatham County assessment area	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Augusta-Richmond County, GA-SC MSA Assessment Area

Demographic Information for Full-Scope Area: Augusta-Richmond County, GA-SC MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	65	15.38	23.08	38.46	23.08	0.00
Population by Geography	332,537	9.74	16.80	49.16	24.30	0.00
Owner-Occupied Housing by Geography	80,081	6.54	15.60	48.15	29.71	0.00
Businesses by Geography	29,591	11.91	15.08	42.41	30.60	0.00
Farms by Geography	756	6.48	21.56	46.56	25.40	0.00
Family Distribution by Income Level	87,096	22.70	16.69	20.72	39.89	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	34,310	17.18	23.28	48.98	10.56	0.00
HUD Adjusted Median Family Income for 2008 = \$54,286 HUD Adjusted Median Family Income for 2011 = \$57,100 Households Below the Poverty Level = 15.38%			Median Housing Value = \$85,320 Unemployment Rate = 9.8%**			

(*) The NA category consists of geographies that have not been assigned an income classification.

(**) As of June 2011. Reported by the US Department of Labor, Bureau of Labor Statistics

East Georgia Non-MSA Assessment Area

Demographic Information for Full-Scope Area: East Georgia Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	35	0.00	17.14	71.43	11.43	0.00
Population by Geography	149,788	0.00	15.79	71.57	12.64	0.00
Owner-Occupied Housing by Geography	37,196	0.00	16.82	68.94	14.24	0.00
Businesses by Geography	13,226	0.00	16.50	66.34	17.16	0.00
Farms by Geography	690	0.00	18.70	68.12	13.18	0.00
Family Distribution by Income Level	37,003	24.66	16.85	19.28	39.21	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	15,360	0.00	21.44	70.33	8.23	0.00
HUD Adjusted Median Family Income for 2008 = \$44,600 HUD Adjusted Median Family Income for 2011 = \$44,600 Households Below the Poverty Level =24.37%			Median Housing Value = \$58,636			

(*) The NA category consists of geographies that have not been assigned an income classification.

Queensborough's Augusta-Richmond County, GA-SC MSA assessment area borders the state of South Carolina, and includes the Georgia Counties of Richmond, Burke, Columbia, and McDuffie. The city of Augusta is the MSA's largest municipality. The Department of Housing and Urban Development's adjusted median family income for the Augusta-Richmond County, Georgia-South Carolina MSA steadily increased from \$54,286 for 2008 to \$57,100 for 2011. Queensborough operates ten branch offices within this assessment area. According to Federal Deposit Insurance Corporation (FDIC) data as of June 30, 2011, Queensborough has the seventh highest deposit market share in the MSA. The top three financial institutions with the highest deposit market shares in the assessment area are Wells Fargo Bank, NA, Georgia Bank & Trust Company of Augusta, and Suntrust Bank.

Queensborough encounters significant competition from other lenders operating within the Augusta-Richmond County, GA-SC MSA assessment area. Aside from Queensborough, as of June 30, 2011, there were 16 FDIC-insured financial institutions operating within the MSA, with a total of 80 branch locations. The bank operates two of its ten branches in the MSA in low-income census tracts and one in a moderate-income census tract. According to U.S. Census data, there are 120,159 households in the MSA. Of these, 10.39 percent are in low-income census tracts, 17.34 percent are in moderate-income census tracts, 47.52 percent are in middle-income census tracts, and 24.75 are in upper-income census tracts. As for housing units, 60.03 percent are owner-occupied and 30.63 percent are rental units.

According to the U.S. Department of Labor, Bureau of Labor Statistics, the unemployment rate for the Augusta-Richmond County, GA-SC MSA as of June 30, 2011, was 9.8 percent. This is slightly lower than the 2011 statewide unemployment rate of 10.2 percent. The U.S. Census Bureau's 2010 Business Geodemographic data indicates that the largest sector of employment in the MSA is services jobs, with 50.71 percent of the MSA's jobs in that sector. The second largest is retail trade, with 13.78 percent of the MSA's jobs. In 2010, 97.51 percent of all businesses in the MSA were non-farm. Further, the overwhelming majority (76.95 percent) of the MSA's non-farm businesses produced annual revenues of less than \$1 million.

Queensborough's East Georgia Non-MSA assessment area includes the counties of Bulloch, Candler, Emanuel, Jefferson, Jenkins, Screven, and Washington. As of June 1, 2011, each of these seven counties contains geographies designated as economically distressed middle-income census tracts. In Bulloch County, six of its ten census tracts are distressed; in Candler County, two of its three census tracts are distressed; five of Emanuel County's six census tracts are distressed; half of Jefferson County's four census tracts are distressed; one of Jenkins County's two census tracts are considered distressed; three of Screven County's five census tracts are designated distressed; and four of Washington County's five census tracts are designated distressed.

Queensborough's main office is located in Jefferson County, in the city of Louisville. Of the four census tracts in Jefferson County, two are designated as moderate-income, and the remaining two are distressed middle-income census tracts. The Department of Housing and Urban Development's Non MSA adjusted median family income for the state of Georgia has remained at \$44,600 since 2008. Queensborough operates 11 branch offices within this assessment area. According to FDIC data as of June 30, 2011, Queensborough has the highest deposit market share in the MSA. The financial institutions with the second and third highest deposit market shares in the East Georgia assessment area are Synovus Bank and Branch Banking and Trust Company.

Aside from Queensborough, as of June 30, 2011, there were 17 FDIC-insured financial institutions operating within the East Georgia assessment area, with a total of 44 branch locations. As indicated in the above table, the Non MSA assessment area contains no low-income census tracts. The bank operates four of its eleven Non MSA branches in moderate-income census tracts. According to U.S. Census data, there are 54,930 households in the East Georgia assessment area. Of these, 15.83 percent are in moderate-income census tracts, 70.87 percent are in middle-income census tracts, and 13.30 percent are in upper-income census tracts. With respect to housing units, 59.65 percent are owner-occupied, 28.47 percent are rental units, and 28.54 percent are mobile homes.

According to unemployment statistics obtained from the U.S. Department of Labor, Bureau of Labor Statistics, the economies of most of the seven Non MSA assessment area counties are distressed. In particular, as of June 2011, the latest annual average unemployment statistics

for Emanuel, Jefferson, Jenkins and Screvan Counties are higher than the 2011 unemployment rate for the state of Georgia, which, as mentioned above, is 10.2 percent. Most notable is the rate of unemployment in Jenkins County, which reached 19.7 percent during 2011, the second highest of any Georgia county. Plant closings in Jenkins County have resulted in the loss of 1,500 jobs in that county during the CRA evaluation review period. The U.S. Census Bureau's 2010 Business Geodemographic data indicates that the largest sector of employment in the East Georgia Non MSA assessment area is services jobs, with 46.34 percent of the Non MSA assessment area's jobs in that sector. The second largest is retail trade, with 14.01 percent of the Non MSA assessment area's jobs. In 2010, 95.04 percent of all businesses in the MSA were non-farm. Further, the overwhelming majority (74.54 percent) of the MSA's non-farm businesses produced annual revenues of less than \$1 million.

Appendix C: Tables of Performance Data

Content of Standardized 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 loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As ___12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - 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 market share information based on the most recent aggregate market data available. Because 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 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: GEORGIA						Evaluation Period: January 1, 2008 to June 30, 2011				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Augusta-Richmond County, GA-SC MSA AA	69.35	2,509	369,167	1,387	112,772	148	19,311	0	0	4,044	501,250	44.42
East Georgia Non-MSA AA	25.87	1,078	78,315	1,172	63,145	652	45,411	1	104	2,903	186,975	54.81
Limited Review:												
Chatham County AA	4.78	142	27,162	54	6,956	0	0	2	446	198	34,564	.77

* HMDA Loan Data as of June 30, 2011. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is January 1, 2008 through November 28, 2011.

*** Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: GEORGIA		Evaluation Period: January 1, 2008 to June 30, 2011											
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Augusta-Richmond County, GA-SC MSA AA	1,177	79.63	6.54	2.72	15.60	5.69	48.15	46.69	29.71	44.90	9.44	18.75	7.01	8.42	10.78
East Georgia Non-MSA AA	238	16.10	0	0	16.82	21.01	68.94	72.69	14.24	6.30	9.47	0	25.76	9.43	1.50
Limited Review:															
Chatham County AA	63	4.26	5.16	4.49	22.21	7.81	40.66	73.44	31.97	14.06	1.00	2.35	.42	1.19	.61

* Based on 2009 Peer Mortgage Data.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: GEORGIA					Evaluation Period: January 1, 2008 to June 30, 2011										
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography																			
	#	% of Total**	% Owner Occ. Units***	% BANK Loans	% Owner Occ. Units***	% BANK Loans	% Owner Occ. Units***	% BANK Loans	% Owner Occ. Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp															
Full Review:																														
Augusta-Richmond County, GA-SC MSA AA	241	40.64	6.54	5.81	15.60	23.65	48.15	52.28	29.71	18.26	20.73	30.00	26.56	25.89	9.68															
East Georgia Non-MSA AA	346	58.35	0	0	16.82	34.97	68.94	59.25	14.24	5.78	51.18	0	67.80	49.59	25.81															
Limited Review:																														
Chatham County AA	6	1.01	5.16	16.67	22.21	16.67	40.66	33.33	31.97	33.33	1.80	9.09	0	2.86	0															

* Based on 2009 Peer Mortgage Data:

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															geography: GEORGIA Evaluation Period: January 1, 2008 to June 30, 2011				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography								
	#	% of Total**	% Owner Occ*** Units	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp				
Full Review:																			
Augusta-Richmond County, GA-SC MSA AA	1,090	65.82	6.54	3.85	15.60	12.75	48.15	39.54	29.71	43.86	6.70	18.02	9.91	6.19	6.27				
East Georgia Non-MSA AA	494	29.83	0	0	16.82	21.86	68.94	71.46	14.23	6.68	11.62	0	21.83	11.74	4.39				
Limited Review:																			
Chatham County AA	72	4.35	5.16	6.94	22.21	26.39	40.66	37.50	31.97	29.17	.47	0	.82	.59	.30				

* Based on 2009 Peer Mortgage Data.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: GEORGIA				Evaluation Period: January 1, 2008 to June 30, 2011					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mo d	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Augusta-Richmond County, GA-SC MSA AA	2	22.22	17.10	0	17.77	0	47.57	100.00	17.56	0	8.33	0	0	12.50	0	
East Georgia Non-MSA AA	1	11.11	0	0	9.00	0	84.98	100.00	6.02	0	0	0	0	0	0	
Limited Review:																
Chatham County AA	6	66.67	9.27	66.67	30.78	33.33	33.48	0	26.48	0	2.33	12.50	0	0	0	

* Based on 2009 Peer Mortgage Data.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: GEORGIA															
Evaluation Period: January 1, 2009 to June 30, 2011															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Augusta-Richmond County, GA-SC MSA AA	1,387	53.08	11.91	9.73	15.08	16.01	42.41	47.51	30.60	26.75	15.64	13.81	19.42	21.03	10.52
East Georgia Non-MSA AA	1,172	44.85	0	0	16.50	24.32	66.34	68.77	17.16	6.91	24.04	0	37.01	27.05	8.16
Limited Review:															
Chatham County AA	54	2.07	7.31	9.26	21.40	22.22	44.84	51.85	26.13	16.67	.93	1.27	1.19	1.12	.51

* Based on 2009 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2009).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: GEORGIA		E valuation Period: January 1, 2009 to June 30, 2011	
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography							
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp			
Full Review:																		
Augusta-Richmond County, GA-SC MSA AA	148	18.50	6.48	6.08	21.56	42.57	46.56	43.24	25.40	8.11	65.22	40.00	78.79	62.79	45.45			
East Georgia Non-MSA AA	652	81.50	0	0	18.70	26.84	68.12	71.63	13.18	1.53	57.58	0	70.54	57.95	15.79			
Limited Review:																		
Chatham County AA	0	0	5.19	0	19.22	0	46.23	0	29.09	0	0	0	0	0	0			

* Based on 2009] Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2009).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: GEORGIA						Evaluation Period: January 1, 2008 to June 30, 2011							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
Full Review:															
Augusta-Richmond County, GA-SC MSA AA	1,177	79.63	22.70	6.78	16.69	20.51	20.72	29.58	39.89	43.13	9.26	8.68	9.71	8.58	9.55
East Georgia Non-MSA AA	238	16.10	24.66	10.65	16.85	21.30	19.28	24.07	39.21	43.98	8.25	17.65	8.78	5.04	8.43
Limited Review:															
Chatham County AA	63	4.26	23.26	7.69	16.99	26.92	20.33	30.77	39.42	34.62	.83	1.30	.79	1.07	.63

* Based on 2009 Peer Mortgage Data.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 5.0% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: GEORGIA				Evaluation Period: January 1, 2008 to June 30, 2011					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families ***	% BANK****	% Families ***	% BANK****	% Families ***	% BANK****	% Families ***	% BANK****						
Full Review:																
Augusta-Richmond County, GA-SC MSA AA	241	40.64	22.70	19.64	16.69	21.43	20.72	29.02	39.89	29.91	20.36	24.00	28.09	20.51	15.71	
East Georgia Non-MSA AA	346	58.35	24.66	16.19	16.85	29.21	19.28	26.35	39.21	28.25	49.74	64.00	73.47	48.65	31.71	
Limited Review:																
Chatham County AA	6	1.01	23.26	0	16.99	50.00	20.33	50.00	39.42	0	1.33	0	4.00	2.27	0	

* Based on 2009 Peer Mortgage Data.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 8.3% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: GEORGIA		Evaluation Period: January 1, 2008 to June 30, 2011				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp			
Full Review:																		
Augusta-Richmond County, GA-SC MSA AA	1,089	66.00	22.70	6.08	16.69	16.19	20.72	22.27	39.89	55.46	7.46	6.90	7.64	6.22	8.00			
East Georgia Non-MSA AA	493	29.88	24.66	11.96	16.85	19.85	19.28	27.23	39.21	40.96	9.85	21.43	15.38	10.54	7.41			
Limited Review:																		
Chatham County AA	68	4.12	23.26	5.26	16.99	17.54	20.33	29.82	39.42	47.38	.45	1.52	.88	.50	.22			

* Based on 2009 Peer Mortgage Data:

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 13.9 percent of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
geography: GEORGIA Evaluation Period: January 1, 2009 to June 30, 2011									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Augusta-Richmond County, GA-SC MSA AA	1,387	53.08	95.83	82.84	81.98	9.81	8.22	15.64	32.68
East Georgia Non-MSA AA	1,172	44.85	95.97	91.55	88.05	8.11	3.84	24.04	35.88
Limited Review:									
Chatham County AA	54	2.07	94.90	81.48	74.07	11.11	14.81	.93	2.58

* Based on 2009 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2009).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: GEORGIA		Evaluation Period: January 1, 2009 to June 30, 2011		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Augusta-Richmond County, GA-SC MSA AA	148	18.50	98.93	75.00	60.14	20.27	19.59	65.22	69.70
East Georgia Non-MSA AA	652	81.50	98.38	87.27	81.44	10.89	7.67	57.58	58.72
Limited Review:									
Chatham County	0	0	0	0	0	0	0	0	0

* Based on 2009 Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2009).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution’s Option)

Geographic and Borrower Distribution: CONSUMER LOANS										Geography: XXXXXXXXXXXX Evaluation Period: MONTH DAY,XXXX TO MONTH DAY,XXXX									
MA/Assessment Area:	Geographic Distribution										Borrower Distribution								
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	
Full Review:																			
Limited Review:																			

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.
 ** Percentage of Households is based on the 2000 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: GEORGIA			Evaluation Period: January 1, 2008 to November 28, 2011				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$	#	\$	% of Total	#	\$
Full Review:									
Augusta-Richmond County, GA-SC MSA AA	0	0	22	1,132,040		1,132,040	36.23	0	0
East Georgia Non-MSA AA	2	1,977,105	10	14,819		1,991,924	63.75	0	0
Limited Review:									
Chatham County AA	0	0	3	650		650	.02	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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: GEORGIA Evaluation Period: January 1, 2008 to November 28, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Augusta-Richmond County, GA-SC MSA AA	44.42	10	45.45	2	1	3	4	1	0	0	0	0	1	9.74	16.80	49.16	24.30
East Georgia Non-MSA AA	54.81	11	50.00	0	4	6	1	0	0	0	0	0	0	0	15.79	71.57	12.64
Limited Review:																	
Chatham County AA	.77	1	4.55	0	1	0	0	1	0	0	1	0	0	9.66	28.55	37.12	24.67