



Comptroller of the Currency
Administrator of National Banks

Small Bank

PUBLIC DISCLOSURE

August 3, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**AmeriBank, N.A.
Charter Number 20150
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Office of the Comptroller of the Currency

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NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **AmeriBank, N.A. (AmeriBank), Savannah, Georgia** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **August 3, 1998**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Metropolitan Statistical Area (MSA) - Area consisting of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas within a **MSA**. These areas are determined by the U. S. Census Bureau in an attempt to group homogeneous populations. A **CT** has defined boundaries per ten year census and an average population of 4,000.

Median Family Income (MFI) - The median income as determined by the U. S. Census Bureau. This amount is based on estimates developed by the Department of Housing and Urban Development and is updated annually.

Low-Income - Income levels which are less than 50% of the **MFI** of the **MSA**.

Moderate-Income - Income levels which are less than 80% of the **MFI** of the **MSA**.

Middle-Income - Income levels which are less than 120% of the **MFI** of the **MSA**.

Upper-Income - Income levels which are 120% or greater of the **MFI** of the **MSA**.

Community Reinvestment Act (CRA) - This statute requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. The regulator must also evaluate whether the institutions's defined community is reasonable. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2901 and 12 CFR 25 as amended, respectively.

Home Mortgage Disclosure Act (HMDA) - This statute requires certain mortgage lenders that do business or have banking offices in a **MSA** to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of applicant(s), the amount of loan requested and its disposition (e.g. made, denied, or withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase and home improvement, refinancing of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2801 and 12 CFR 203 as amended, respectively.

INSTITUTION'S CRA RATING: This institution is rated “**Satisfactory Record of Meeting Community Credit Needs.**”

AmeriBank’s performance rating is supported by the following:

- a good loan-to-deposit ratio;
- a satisfactory record of lending within the assessment area;
- a satisfactory record of lending to borrowers of different incomes level and to businesses of different sizes; and,
- a reasonable distribution of loans by geography.

The following table indicates the performance level of **AmeriBank** with respect to each of the five performance criteria.

AmeriBank, N.A. PERFORMANCE LEVELS			
SMALL INSTITUTION ASSESSMENT CRITERIA	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

AmeriBank is a local and wholly-owned independent community bank of Century South Banks, Inc, a multi-bank holding company. The bank has two locations in Savannah, Chatham County, Georgia and one in Rincon, Effingham County, Georgia. The main office is located downtown at 7 East Congress Street at Johnson Square. The bank has total assets of \$141 million with a loan portfolio approximating \$101 million as of June 30, 1998. Lending activity is centered in consumer loans (4%), residential loans (25%), non-farm and non-residential loans (44%), real estate construction and development loans (18%), and commercial and industrial loans (9%). Total deposits in the bank approximate \$126 million with capital accounts aggregating \$14 million.

The bank offers a variety of traditional deposit and loan products with small business and real estate construction/acquisition/mortgage and development loans being its primary credit products. In addition, the bank offers loans through the government guaranteed loan program known as the Small Business Administration. The bank also has an automated teller machine at its main office

and Rincon branch for customer convenience. There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its assessment area.

The last CRA examination of AmeriBank was conducted as of November 6, 1995, at which time a Satisfactory rating was received.

DESCRIPTION OF ASSESSMENT AREA

AmeriBank's assessment area meets the technical requirements of the Act and does not arbitrarily exclude low and moderate income census areas. The assessment area is part of the Savannah Metropolitan Statistical Area (MSA). The Savannah MSA includes the counties of Chatham, Effingham, and Bryan and covers approximately 1,362 square miles. Chatham County is the fifth most populous county in the state of Georgia with a 1996 population of 227 thousand. The total population for the MSA in 1996 was approximately 282 thousand. The population's growth rate from the 1990 census period through 1996 was 9.6%. The MSA's growth rate for the ten-year period ending 1990 was 12% while the United States population grew 9.8% during the same period.

The defined assessment area is comprised of Chatham and Effingham counties. According to the 1990 United States Census, the population of this defined area is approximately 243 thousand people. The census median family income for the assessment area is \$33,369. The Department of Housing and Urban Development's (HUD) *updated* median family income estimate for the Savannah MSA is \$39,100. The median housing value is \$64,725 with the median year built being 1965. Owner occupied housing is moderate at 54%, rental occupied is satisfactory at 21%, and vacant housing is low at 10% of total housing units available in the community.

Chatham County, in general, but the city of Savannah, in particular, is the financial hub of the local economy and industries in the MSA. While Savannah has a solid manufacturing base, one of its strongest economic attributes is the fact that it has a well diversified business sector. Retail and service industry markets are prospering along with a significant military presence, a booming tourism and convention business, and a diverse transportation system that handles cargo from throughout the country and world. Some of the major employers in the Savannah MSA are Gulfstream Aerospace Corporation, Union Camp, Hunter Army Airfield, Chatham Board of Education, Memorial Medical Center, and the State of Georgia. Unemployment levels have remained relatively flat at 4.6% in 1990 versus 4.8% in 1996. Overall, employment in the MSA has increased 12.5% for the five-year period ending 1996.

Management has identified commercial, small business, and residential real estate related loans as the primary credit needs of the community. Community contacts initiated by representatives of our Office indicate that small business and affordable mortgage programs for low and moderate

income families are the types of credit products needed in the community.

The following table highlights the demographic composition of the bank's assessment area.

Type of Census Tract	Number of Census Tracts	Percentage of Total Number of Census Tracts	Number of Households in Census Tracts	Percentage of Households in Census Tracts
Low	12	16%	6,631	7%
Moderate	18	24%	17,371	19%
Middle	25	33%	41,093	46%
Upper	17	22%	24,606	28%
NA	4	5%	0	0%

Four census tracts do not have an assigned income characteristic. These types of tract typically have very little residential development due to the industrial nature of the area or the area is unsuitable for residential development.

In addition to AmeriBank, area competition for financial services is keen and includes several branches of multi-national and regional banks, local community banks, savings banks, and credit unions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA: LOAN-TO-DEPOSIT RATIO

AmeriBank's loan-to-deposit ratio is good in view of the community's credit needs, demand for credit, and keen competition among area financial institutions. The bank's average loan-to-deposit ratio over the last eight quarters is 71% as compared to peer averages for the same period of 71%. The bank's current loan-to-deposit ratio is 80%.

Lending in the Assessment Area

A majority of the bank's loans is within its defined assessment area. An internal analysis of a sample of 398 new loans originating between January 1, 1998 through June 30, 1998 reveals that a majority of loans is granted within the assessment area (AA) and is detailed as follows:

Lending In the Assessment Area				
	# of Loans	%	\$ of Loans (‘000)	%
Inside AA	359	90	36,450	76
Outside AA	39	10	11,215	24
Totals	398	100	47,665	100

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

Lending to borrowers of different incomes is reasonable. An internal analysis was made of a sample of seventy-nine consumer purpose loans to determine the income levels of borrowers. As the following table indicates, AmeriBank’s lending to borrowers of low and moderate income levels is reasonable in view of its targeted market and office locations. Management has targeted commercial and small businesses as its primary markets. Because of this strategy, all of the office locations are in upper or middle income census tracts. Distribution at other income levels is also reasonable.

Distribution of Loans by Borrower Income Level in Assessment Area Originating Between April 1, 1998 and June 30, 1998					
Income Level	% Families in Assessment Area	# of Loans	% of Loans by Number	Loan Volume (‘000)	% of Loans by Dollar
Low Income	22%	13	17%	66	2%
Moderate Income	17%	16	20%	170	5%
Middle Income	21%	19	24%	587	10%
Upper Income	40%	31	39%	2,425	75%
Total	100%	79	100%	3,248	100%

Overall, the bank’s lending volume regarding loans to small businesses is good. Based on our review, most business loans are to local businesses having annual revenues less than \$1 million. An internal analysis of a sample of small business loans granted during the second quarter of 1998 disclosed that 54 loans or 83% of the sample were extensions to businesses having annual revenues of less than \$1 million. In addition, another 9 loans or 17% were granted to businesses

having annual revenues over \$1 million. The bank considers its primary market to be small businesses and commercial customers and, as a result, has targeted its marketing efforts to reach those customers.

Geographic Distribution of Loans

There is a reasonable distribution of loans extended within the assessment area. The following table reflects the distribution of all types of loans within the bank's assessment area by income designation of census tract.

Geographic Analysis of Loans Originating Between January 1, 1998 and June 30, 1998			
Type Of Census Tract	Number of Loans Within the Type of Census Tract	Dollar Amount of Loans Within the Type of Census Tract	Households Within the Type of Census Tract
Low Income	2%	2%	7%
Moderate Income	6%	10%	19%
Middle Income	57%	54%	46%
Upper Income	35%	34%	28%

This distribution is reasonable given the geographic size of the bank's assessment area which comprises 76 census tracts. The sample analysis disclosed that AmeriBank has originated 12% in dollar volume of loans in low and moderate income census tracts; 54% in middle income census tracts; and, 34% in upper income census tracts of the two county assessment area. This distribution is considered reasonable and consistent with the location of the bank's offices, financial resources, and demographic composition of the assessment area.

Response to Consumer Complaints

AmeriBank has not received any consumer complaints since the last CRA examination.

Summary

The bank is in substantial compliance with the technical aspects of anti-discrimination laws. No violations of fair lending laws were noted with the exception of those technical violations

regarding HMDA data compilation. Management has provided satisfactory and ongoing employee training and educational programs to help promote compliance with fair lending laws.

Loan applications are solicited from all segments of the community and income levels. The dispersion of loans throughout the assessment area is reasonable. Satisfactory policies and procedures have been adopted and are in place.

The loan to deposit ratio, lending in the assessment area, lending to borrower's of different incomes and businesses of different sizes, and the geographic distribution of loans are satisfactory in view of the bank's financial and human resources.