

PUBLIC DISCLOSURE

March 8, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First American Bank and Trust Company
Certificate Number: 16858

300 College Avenue
Athens, Georgia 30601

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

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Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area's credit needs.
- A majority of home mortgage and small business loans are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous CRA evaluation as of February 12, 2019; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to the community development needs in its assessment areas. The bank met these needs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

DESCRIPTION OF INSTITUTION

First American Bank and Trust Company is a state chartered, non-member, community bank headquartered in Athens, Clarke County, Georgia (GA). The bank is wholly owned by First American Bancorp, a single-bank holding company also located in Athens, GA. First American Bank and Trust Company received a Satisfactory rating at its previous FDIC CRA Performance Evaluation, dated February 12, 2019, based on Interagency Intermediate Small Institution Examination Procedures.

First American Bank and Trust Company currently operates seven full-service offices in five counties in northwestern Georgia. The bank operates three offices in Clarke County and one each in Barrow, Gwinnett, Oconee, and Rabun Counties. Three or 42.9 percent of the bank's branches are located within low- or moderate-income census tracts. Since the previous evaluation, the bank opened one full-service office in Lawrenceville (Gwinnett County), GA on February 3, 2020, in a moderate-income census tract. First American Bank and Trust Company has not closed any offices since the previous evaluation.

The bank offers an array of lending and deposit products to help meet the needs of individuals and businesses in its assessment areas. The lending focus is multi-faceted, with an emphasis on commercial and residential lending. Business purpose lending products include construction and land development, commercial real estate, residential construction, lines of credit, equipment and vehicle financing, farm-related, working capital, and Small Business Administration (SBA) loans. Consumer loan products include auto-secured, 1-4 family residential mortgages, home equity loans, and other secured and unsecured consumer installment loans. Credit cards are offered to businesses and consumers through a traditional third party "take-one" application arrangement. The bank also offers long-term home mortgage loans to its consumers through lending relationships with secondary market investors.

The bank offers a variety of deposit products including checking, savings, money market, certificates of deposit, and individual retirement accounts (IRAs). Additionally, deposit-related services include safe deposit boxes, wire transfers, and direct deposit. Further, the bank offers Military Banking, Trust and Estate, and Investment Services.

The bank offers alternative delivery systems to make financial products and services more accessible. In addition to its main office, branch offices, and access to ATMs, the bank offers business and personal online banking and bill payment, mobile banking with remote deposit capture, and 24/7 telephone banking. The bank's website, at www.firstamericanishere.com, provides information on available products and services.

As of the December 31, 2021, Consolidated Reports of Condition and Income, First American Bank and Trust Company had total assets of \$867.2 million, total loans of \$431.6 million, total deposits of \$765.5 million, and total securities of \$88.4 million. As shown in the following table, commercial loans (loans secured by non-farm, non-residential properties and commercial and industrial loans) represent the largest portion of the loan portfolio at 49.6 percent, followed by loans secured by 1-4 family residential properties at 28.8 percent and farm loans at 1.4 percent.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	69,422	16.1
Secured by Farmland	5,837	1.3
Secured by 1-4 Family Residential Properties	124,315	28.8
Secured by Multifamily (5 or more) Residential Properties	15,510	3.6
Secured by Nonfarm Nonresidential Properties	197,685	45.8
Total Real Estate Loans	412,769	95.6
Commercial and Industrial Loans	16,312	3.8
Agricultural Production and Other Loans to Farmers	462	0.1
Consumer Loans	3,002	0.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
<i>Less: Unearned income</i>	(992)	(0.2)
Total Loans	431,553	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial or legal impediments, other than legal lending limits, that would affect the bank's ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. First American Bank and Trust Company has designated three assessment areas in Georgia as detailed below. Two of the assessment areas are located in metropolitan statistical areas and one is located in a non-MSA area. The delineation includes portions of both the Athens-Clarke County, GA MSA and the Atlanta-Sandy Springs-Alpharetta, GA MSA. The non-MSA (NMSA) Assessment Area is limited to Rabun County. The assessment areas were delineated based on the office locations and the expectation of attracting and retaining a customer base within the areas surrounding the offices. The following table details the counties, number of census tracts, and branches included in each assessment area for the evaluation.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Athens MSA	Clarke, Madison, and Oconee	42	4
Atlanta MSA	Barrow and Gwinnett	131	2
NMSA	Rabun	5	1
<i>Source: Bank Data</i>			

Underserved Non-Metropolitan Middle-Income Census Tracts

The bank's NMSA Assessment Area, which includes Rabun County in its entirety, includes 3 middle-income census tracts, all of which were designated as underserved in 2019, 2020, and 2021, due to the tracts' remote rural location.

A non-metropolitan middle-income census tract is designated as “underserved” if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation, dated February 12, 2019, to the current evaluation dated March 8, 2022. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate the bank’s CRA performance. These procedures include the CRA Small Bank Lending Test and the Community Development Test.

Full-scope analyses were conducted for all assessment areas. Examiners gave more weight to bank activities in the Athens Assessment Area due to the number of branches and amount of activity, followed by the Atlanta Assessment Area, and the NMSA Assessment Area. The table below details the breakdown of loans, deposits, and offices by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Athens	263,829	85.0	491,104	70.2	4	57.1
Atlanta	35,498	11.4	160,593	22.9	2	28.6
NMSA	11,075	3.6	48,398	6.9	1	14.3
Total	310,402	100.0	700,095	100.0	7	100.0

Source: Bank Data; FDIC Summary of Deposits (6/30/2021)

Activities Reviewed

The bank’s major product line is commercial (small business) lending followed by home mortgage loans. Both loan categories are integral components of the bank’s lending focus. For purposes of this evaluation, loan distribution analyses were conducted on small business loans and home mortgage loans. Small farm loans were not reviewed due to the lower volume of such originations compared to the aforementioned categories. Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. While the number and dollar volume of loans are presented, examiners focused on performance by number of loans as it is a better indicator of the number of businesses and individuals served.

The CRA evaluation includes an analysis of small business loans, as defined in the *Glossary*. During the period from January 1, 2021 through December 31, 2021 (small business review period), the bank originated 465 loans totaling \$37.6 million. Of the 465 small business loans originated, 396 loans totaling \$32.8 million were originated inside the assessment area. The entire universe

was evaluated for *Assessment Area Concentration* and *Geographic Distribution* performance. Since borrower revenue was not readily available, a sample of 126 small business loans totaling \$11.7 million that were originated within the assessment areas were selected to evaluate *Borrower Profile* performance. Management considered this sample representative of the bank's performance during the entire review period. D&B data for 2021 provided a standard of comparison for the small business loans.

In 2020, the United States government established the Coronavirus Aid, Relief, and Economic Security Act and implemented the Paycheck Protection Program (PPP) through the Small Business Administration (SBA). The program offers economic relief to small businesses adversely impacted by the COVID-19 Pandemic. In 2020 and 2021, the bank originated 605 and 380 PPP loans totaling \$43.5 million and \$23.2 million, respectively.

This evaluation considered all home mortgage loans reported on the bank's 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). During 2019, the bank originated 506 HMDA loans totaling \$121.6 million. During 2020, the bank originated 765 HMDA loans totaling \$213.4 million. In addition to aggregate HMDA data, the 2015 American Community Survey (ACS) demographic data (owner-occupied housing units by geography and the distribution of families by income level) provided a standard of comparison for home mortgage loans. Examiners only present 2020 HMDA data in the tables within the Conclusions sections (*Geographic Distribution* and *Borrower Profile* performance criteria), as it is the most recent year for which aggregate data is available. In addition, there were no significant trends identified between 2019 and 2020 home mortgage lending that materially affected examiner's conclusions. However, examiners discussed any observed trends, where appropriate.

For the Lending Test, home mortgage loans were given more weight than small business loans due to the number of loans originated. Although the bank focuses on commercial loans, evidenced by the distribution of the portfolio, the HMDA data includes all loans sold on the secondary market and are, therefore, included in the analysis of home mortgage loans. In addition, the analyses focused on the number of loans originated rather than dollar volume, as loans extended to small businesses, and low- and moderate-income borrowers are generally for smaller dollar amounts and a better indicator of the number of businesses and individuals.

For the Community Development Test, the bank provided information on community development loans, qualified investments, and community development services from February 12, 2019, through March 8, 2022. Qualified investments from the prior period, which were still outstanding, were also considered.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First American Bank and Trust Company demonstrated reasonable performance under the Lending Test. The *Loan-to-Deposit Ratio*, *Assessment Area Concentration*, *Geographic Distribution*, and *Borrower Profile* performance primarily support the conclusion.

Loan-to-Deposit Ratio

The bank's net loan-to-deposit ratio is reasonable given the institution's size and financial condition, and the credit needs of the assessment areas. Examiners calculated the average net loan-to-deposit ratio of 70.0 percent using the 12 quarter-end ratios since the previous evaluation. The average net loan-to-deposit ratio, as of December 31, 2021, was 55.3 percent. Quarterly average net loan-to-deposit ratios have ranged from a high of 78.8 percent as of March 31, 2020, to a low of 54.5 percent as of September 30, 2021.

While First American Bank and Trust Company has many competitors, none is similarly situated in terms of total assets, markets served, products offered, and office locations. As a result, examiners compared the bank's average net loan-to-deposit ratio to that of a peer group defined by the Uniform Bank Performance Report (UBPR). First American Bank and Trust Company's peer group includes insured commercial banks with total assets of \$300 million to \$1 billion. The peer group's average net loan-to-deposit ratio, calculated over the same 12 quarters, was 77.5 percent. The UBPR peer group average net loan-to-deposit ratios ranged from a high of 82.4 percent on December 31, 2019, to a low of 67.9 percent on December 31, 2021. The bank's performance is in line with its peer group.

Assessment Area Concentration

First American Bank and Trust Company originated a majority of home mortgage and small business loans within the assessment areas. The following table details lending inside and outside of the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	430	85.0	76	15.0	506	104,046	85.6	17,515	14.4	121,561
2020	632	82.6	133	17.4	765	173,566	81.4	39,787	18.6	213,353
Subtotal	1,062	83.6	209	16.4	1,271	277,612	82.9	57,302	17.1	334,914
Small Business										
2021	396	85.2	69	14.8	465	32,790	87.2	4,830	12.8	37,620

Source: 2019 and 2020 HMDA Data and Bank Records

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Conclusions regarding the bank’s performance are generally consistent throughout the assessment areas. Refer to the *Geographic Distribution* sections of each assessment area for a discussion of the performance in those areas.

Borrower Profile

The distribution of loans to borrowers reflects, given the demographics of the assessment areas, a reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income individuals). Conclusions regarding the bank's performance are consistent throughout the assessment areas. Refer to the *Borrower Profile* sections of each assessment area for a discussion of the performance in those areas.

Response to Complaints

The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

First American Bank and Trust Company’s Community Development Test is rated Satisfactory. The bank’s community development performance demonstrates adequate responsiveness to community development needs in its assessment areas, through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity, and the need and availability of such opportunities, for community development in the institution’s assessment areas.

Community Development Loans

During the evaluation period, the bank originated, renewed, or refinanced 22 community development loans totaling \$20.6 million, compared to 10 community development loans totaling \$12.9 million at the previous evaluation. This includes five SBA PPP loans totaling approximately \$11.2 million. Based on dollar volume, the bank's current level of community development loans represents 4.8 percent of total loans and 2.4 percent of total assets, as of December 31, 2021. At the previous evaluation, the percentages were 3.6 percent of total loans and 2.4 percent of total assets.

The community development loans supported affordable housing, community services, economic development for small business, and revitalization or stabilization efforts in low-income and moderate-income census tracts. The following tables detail the community development lending activity by assessment area, year, and purpose during the evaluation period. Refer to the *Community Development Test* section of each assessment area for further details of the community development loans.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Athens	7	1,272	3	255	2	4,046	5	6,887	17	12,460
Atlanta	-	-	1	110	1	1,660	3	6,374	5	8,144
NMSA	-	-	-	-	-	-	-	-	-	-
Regional/Statewide	-	-	-	-	-	-	-	-	-	-
Total	7	1,272	4	365	3	5,706	8	13,261	22	20,604

Source: Bank Data

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	2	616	2	229	-	-	1	200	5	1,045
2020	4	531	-	-	3	5,706	6	12,711	13	18,948
2021	1	125	2	136	-	-	1	350	4	611
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
Total	7	1,272	4	365	3	5,706	8	13,261	22	20,604

Source: Bank Data

Qualified Investments

During the evaluation period, First American Bank and Trust Company made seven qualified investments totaling approximately \$2.0 million and 37 donations totaling \$79,583 in the assessment areas. As of December 31, 2021, total qualified investments and donations equated to 0.2 percent of total assets and 2.3 percent of total securities. During the previous evaluation, the bank made six qualified investments totaling approximately \$3.8 million and 42 donations totaling \$21,000, representing 0.7 percent of total assets and 5.8 percent of total securities.

The bank implemented its community development investment objectives through the following investment vehicles: Small Business Investment Company (SBIC) bonds, municipal bonds, and mortgage-backed securities (MBS). In addition, the bank provided donations and grants to organizations primarily in the community services category, which provided services primarily to low- and moderate-income individuals. Refer to the *Community Development Test* section of each assessment area for further details of the qualified investments benefiting each area. The following tables detail the bank’s qualified investments by assessment area, activity purpose, and year.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Athens	3	417	18	71	-	-	7	4	28	492
Atlanta	3	530	2	1	-	-	-	-	5	531
NMSA	1	1	5	1	-	-	-	-	6	2
Regional/Statewide	-	-	2	0*	3	1,023	-	-	5	1,023
Total	7	948	27	73	3	1,023	7	4	44	2,048

*Source: Bank Data; *Amount is less than \$1M.*

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	415	-	-	2	524	-	-	3	939
2019 (Partial)	-	-	-	-	-	-	-	-	-	-
2020	3	530	-	-	-	-	-	-	3	530
2021	-	-	-	-	1	499	-	-	1	499
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	4	945	-	-	3	1,023	-	-	7	1,968
Qualified Grants & Donations	3	3	27	73	-	-	7	4	37	80
Total	7	948	27	73	3	1,023	7	4	44	2,048

Source: Bank Data

Below are notable examples of qualified investments and donations benefiting the bank-wide assessment area.

- The bank continues to hold three investments in Small Business Investment Company (SBIC) bonds with a current book value of \$1,022,549. The SBA licenses the SBIC bond program, which provides venture capital to new and existing independent small businesses. SBICs specifically target the needs of entrepreneurs who have not had the opportunity to own and operate a business because of social or economic disadvantage. Small businesses, which qualify for assistance from the SBIC program, are able to receive equity capital, long-term loans, and expert management assistance.
- The bank made two donations totaling \$475 to a food bank serving all counties in northeast Georgia. The entity is a 501(c)(3) organization that gathers donated items and purchases surplus food to distribute to community-service agencies. These smaller non-profit

organizations distribute the items and food to local community residents in need. The entity works with local, regional, state, and national product partners to bring food into the northeast Georgia area.

Community Development Services

During the evaluation period, bank directors, officers, and employees acting as representatives of First American Bank and Trust Company provided 37 community development services to various organizations. The level of community development services provided by the bank increased from the previous evaluation when there were 29 instances of financial services provided by employees. Statewide community development activities accounted for 13.5 percent of total community development services.

The community development services support affordable housing, community services, promote economic development for small businesses, and revitalization or stabilization efforts in low- and moderate-income census tracts within the assessment areas. The following tables detail the community development services by assessment area, year, and purpose. Refer to the *Community Development Test* section of each assessment area for further details of the community development services.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Athens	10	14	1	-	25
Atlanta	3	4	-	-	7
NMSA	-	-	-	-	-
Regional/Statewide	3	-	-	2	5
Total	16	18	1	2	37

Source: Bank Data

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	3	3	-	-	6
2020	5	5	1	-	11
2021	5	8	-	1	14
2022 (YTD)	3	2	-	1	6
Total	16	18	1	2	37

Source: Bank Data

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners evaluated the bank’s compliance with anti-discrimination laws, including the Fair Housing Act and the Equal Credit Opportunity Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

ATHENS ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATHENS ASSESSMENT AREA

The Athens Assessment Area consists of Clarke, Madison, and Oconee Counties, in their entirety. The bank operates 4, or 57.1 percent, of its branch offices in the Athens Assessment Area. The assessment area accounts for 85.0 percent of total loans and 70.2 percent of bank-wide deposits.

Economic and Demographic Data

The below table presents assessment area demographic information from the 2015 ACS census and 2021 D&B data.

Demographic Information for the Athens Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	16.7	16.7	31.0	33.3	2.4
Population by Geography	183,537	14.5	14.9	33.0	33.4	4.2
Housing Units by Geography	76,128	15.0	15.6	36.0	33.0	0.5
Owner-Occupied Units by Geography	34,366	7.2	14.9	35.6	42.4	0.0
Occupied Rental Units by Geography	31,065	22.0	15.3	37.1	24.7	0.9
Vacant Units by Geography	10,697	19.6	18.7	34.6	26.6	0.6
Businesses by Geography (2021)	20,526	11.1	10.1	32.1	45.7	1.0
Farms by Geography (2021)	869	5.8	19.1	27.4	47.4	0.3
Family Distribution by Income Level	37,420	25.4	14.7	17.5	42.3	0.0
Household Distribution by Income Level	65,431	28.3	14.2	14.9	42.6	0.0
Median Family Income Athens-Clarke County, GA MSA		\$57,116	Median Housing Value			\$165,394
			Median Gross Rent			\$800
			Families Below Poverty Level			16.0%
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The *Bureau of Labor Statistics* indicates unemployment rates for all three counties in the assessment area increased from 2019 to 2020. The county unemployment rates were in line with or below the state and national rates for all three years. The following table reflects the average annual unemployment rates and trends for assessment area counties, state, and the nation.

Unemployment Rates Athens Assessment Area			
Area	2019	2020	2021
	%	%	%
Clarke County	3.3	5.2	2.8
Madison County	3.2	4.4	2.6
Oconee County	2.3	2.7	1.9
Georgia	3.5	5.1	3.3
National Average	3.6	6.7	3.9

Source: Bureau of Labor Statistics

According to D&B data, in 2021, the top industries in the assessment area were services, followed by non-classifiable establishments; retail trade; finance, insurance, and real estate; and, construction. Top employers in the assessment area included the University of Georgia, Piedmont Athens Regional, Trus Joist, a Wyerhaeuser Business, and St. Mary’s Heath Care System.

Competition

There is a high level of competition among financial institutions within the Athens Assessment Area. The June 30, 2021 Summary of Deposits revealed 19 FDIC-insured institutions operated 52 branches within this area. Of these institutions, First American Bank and Trust Company ranked fourth with an 8.4 percent deposit market share. The top five financial institutions accounted for 68.1 percent of the deposit market share and included Synovus Bank, Bank of America, Truist Bank, First American Bank and Trust Company, and Oconee State Bank. In addition, demand is high for small business and home mortgage loans within the assessment area. The bank is not required to report its small business loan data and has elected not to do so. However, aggregate data for 2020 indicates there are 99 lenders in the market that have reported 4,387 small business loans originated in the area. During the same period, 395 mortgage lenders reported 13,526 home mortgage loans originated in the area. Peer data is not yet available for 2021.

Community Contact

As part of the CRA evaluation process, examiners typically contact third parties in a bank’s assessment area to gain additional insight regarding local economic conditions and to assist in identifying area credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and helps to identify what opportunities are available.

Examiners used an existing contact from a representative of an economic development organization within Clarke County. The contact noted that the local economy was on a steady incline prior to the COVID-19 pandemic. The contact indicated the area is driven by the manufacturing and education industries, which continue to fare relatively well in the current economy. However, the contact stated that the COVID-19 pandemic struck the hospitality industry hard, elevating the need for assistance to small business owners and the lower-income population that relied on hospitality jobs for employment. There continues to be a need for small business financial education and access to

small business financing. Overall, the contact indicated that financial institutions have been responsive to the current credit needs of the assessment area.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data, examiners determined that small business loans represent a primary credit need of the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less (87.1 percent) and the large number of businesses with four or fewer employees (60.6 percent) support the conclusion that there is a need for small business lending. Affordable housing also represents a need, as 40.1 percent of families and 42.5 percent of households are low- or moderate-income.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ATHENS ASSESSMENT AREA

LENDING TEST

First American Bank and Trust Company's lending performance within the Athens Assessment Area reflects satisfactory performance. The bank's overall reasonable geographic distribution and reasonable borrower profile performance within the assessment area support this conclusion. Only loans originated within the assessment area were included for analysis purposes. Lending in the Athens Assessment Area represents 66.7 percent of the number of small business loans and 87.2 percent of the number of home mortgage loans.

Geographic Distribution

The overall geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Small Business Loans

The geographic distribution of small business lending reflects reasonable dispersion throughout the assessment area. Lending in low- and moderate-income census tracts is in line with demographics. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans Athens Assessment Area						
Tract Income Level	% of Businesses	#	%	\$(000s)	%	
Low						
	2021	11.1	30	10.8	2,600	11.9
Moderate						
	2021	10.1	27	9.7	3,670	16.8
Middle						
	2021	32.1	88	31.5	4,369	20.0
Upper						
	2021	45.7	134	48.0	11,228	51.3
Not Available						
	2021	1.0	0	0	0	0.0
Totals						
	2020	100.0	279	100.0	21,867	100.0
<i>Source: 2021 D&B Data and Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In 2020, lending performance in low-income census tracts at 9.1 percent exceeded aggregate performance of 4.8 percent and demographics at 7.2 percent. Lending in moderate-income census tracts at 5.5 percent was below aggregate and demographics. The majority of owner-occupied housing units are located in the middle- and upper-income census tracts within the assessment area. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans Athens Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
	2020	7.2	48	9.1	10,112	6.8
Moderate						
	2020	14.9	29	5.5	5,799	3.9
Middle						
	2020	35.6	162	30.7	35,256	23.8
Upper						
	2020	42.4	288	54.6	96,767	65.4
Totals						
	2020	100.0	527	100.0	147,934	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent</i>						

Borrower Profile

The overall distribution of loans reflects reasonable penetration among businesses of different sizes and borrowers of different income levels.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes, including small businesses (businesses with gross annual revenues of \$1 million or less). For 2021, lending to small businesses was below demographics. In addition, over 18.2 percent of the borrowers in the sample did not provide reported revenues. The following table reflects the distribution of small business loans among businesses of different sizes.

Distribution of Small Business Loans by Gross Annual Revenue Category Athens Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	88.7	35	63.6	1,927	36.1
>\$1,000,000					
2021	2.7	10	18.2	2,492	49.7
Revenue Not Available					
2021	8.6	10	18.2	916	17.2
Totals					
2021	100.0	55	100.0	5,335	100.0
<i>Source: 2021 D&B Data and Bank Data</i>					

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable dispersion among borrowers of different income levels. Lending to low-income borrowers was in line with aggregate performance, but below demographics. In addition, the high poverty level (16.0 percent) in the assessment area indicates that many families may not meet minimum qualification standards to obtain a mortgage loan from a financial institution. Home mortgage lending to moderate-income borrowers was below aggregate and demographic performance. However, the bank encounters significant competition for home mortgage loans in the assessment area. The following table reflects the distribution of home mortgage loans to borrowers of different incomes.

Distribution of Home Mortgage Loans by Borrower Income Level Athens Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	25.4	3.0	19	3.6	2,101	1.4
Moderate						
2020	14.7	11.5	38	7.2	6,612	4.5
Middle						
2020	17.5	18.4	78	14.8	15,396	10.4
Upper						
2020	42.3	51.8	343	65.1	106,758	72.2
Not Available						
2020	0.0	15.3	49	9.3	17,067	11.5
Totals						
2020	100.0	100.0	527	100.0	147,934	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent</i>						

COMMUNITY DEVELOPMENT TEST

First American Bank and Trust Company has demonstrated adequate responsiveness to the community development needs of the Athens Assessment Area through community development loans, qualified investments, and community development services.

Community Development Loans

The bank originated 17 community development loans totaling \$12.5 million, which represents 77.3 percent (by number) and 60.5 percent (by dollar volume) of total community development loans originated during the evaluation period. This activity also represents a significant increase by number of loans since the previous evaluation when the bank originated 10 community development loans totaling \$12.9 million in the assessment area.

Below are examples of community development loans originated in the Athens Assessment Area.

- One refinance loan totaling \$6,047,370 to an entity to maintain operations during the COVID-19 pandemic. The owner operates a motel in a low-income census tract in Clarke County and primarily employs low- and moderate-income individuals. The motel is located in an area close to the University of Georgia and motel occupancy has declined more than 50.0 percent since the pandemic. This loan revitalizes and stabilizes a low-income area.
- A loan totaling \$472,000 to an entity to purchase and renovate a multifamily housing dwelling with six total units. The average rent qualifies as affordable for low- and moderate-income individuals. The six housing units are located in a low-income census tract in Clarke County.

- A loan totaling \$119,290 to a 501(c)(3) non-profit entity dedicated to promoting safe housing for abused and neglected children. The facility is located in Clarke County and promotes community service.

Qualified Investments

During the evaluation period, the bank continued to maintain a MBS totaling \$415,377 and made 27 donations totaling \$76,668 within the assessment area. The level of qualified investments and donations in this assessment area represents 63.6 percent (by number) and approximately 24.0 percent (by dollar volume) of the total community development investments and donations made during the evaluation period. In addition, the assessment area benefitted from investments made in the statewide area that includes the Athens Assessment Area, as noted in the bank-wide Community Development Test analysis.

Below is a summary of the qualified investment and notable examples of the donations benefitting the assessment area.

- The bank continues to hold a MBS with a current book value of \$415,377 that helped finance a multi-family residential property in the assessment area. The multi-family property is in a low-income census tract and has 78.3 percent of its 120 units reserved for tenants with household incomes at, or less than, 60.0 percent of the median area income.
- Three donations to a medical facility totaling \$3,000 to provide medical services to low- and moderate-income individuals. The facility runs a free clinic for all who cannot afford services and is located in a low-income census tract in the assessment area.
- A donation totaling \$20,000 to an entity that provided funds to schools for additional expenses caused by the COVID-19 pandemic. Expenses included personal protective equipment, thermometers, and cleaning and sanitation supplies, as well as tablets, wireless hotspots, and other virtual learning resources. The entity serves Clarke County where the majority of the students receive free or reduced cost lunches.

Community Development Services

Bank employees conducted 25 community development services that benefitted the Athens Assessment Area. This represents 67.6 percent of total community development services performed during the review period. Services promoted affordable housing, community services, and small business economic development. In addition, the assessment area benefitted from services performed in the statewide area that includes the Athens Assessment Area, as noted in the bank-wide Community Development Test analysis. The following table details the community development services benefitting the Athens Assessment Area by year.

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	3	2	-	-	5
2020	3	4	1	-	8
2021	2	7	-	-	9
2022 (YTD)	2	1	-	-	3
Total	10	14	1	-	25
<i>Source: Bank Data</i>					

Below are notable examples of the community development services for the Athens Assessment Areas:

- A bank employee serves as the Board Chairman of a foundation that provides technical assistance including strategic and financial planning, and leadership development to organizations offering services to low- and moderate-income individuals.
- Two employees serve on the Board of a 501(c)(3) organization that helps qualified low- and moderate-income residents secure affordable mortgages, receive financial education, and help build their homes. The organization uses volunteers to help build the homes located in the assessment area.
- One employee taught a financial literacy class to students attending schools in Clarke County where the majority of the students receive free or reduced cost lunches.

ATLANTA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATLANTA ASSESSMENT AREA

The Atlanta Assessment Area consists of Barrow and Gwinnett Counties, in their entirety. The bank operates two, or 28.6 percent, of its branch offices in the Atlanta Assessment Area. The assessment area accounts for 11.4 percent of total loans and 22.9 percent of bank-wide deposits.

Economic and Demographic Data

The below table presents assessment area demographic information from the 2015 ACS census and 2021 D&B Data.

Demographic Information for the Atlanta Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	131	4.6	29.8	42.0	23.7	0.0
Population by Geography	931,246	4.5	24.1	43.6	27.8	0.0
Housing Units by Geography	323,068	4.7	25.4	43.7	26.1	0.0
Owner-Occupied Units by Geography	199,068	1.9	16.9	46.9	34.2	0.0
Occupied Rental Units by Geography	98,509	9.9	41.0	37.2	11.9	0.0
Vacant Units by Geography	25,491	7.0	31.7	43.7	17.6	0.0
Businesses by Geography (2021)	175,093	4.2	25.4	42.1	28.4	0.0
Farms by Geography (2021)	2,938	2.8	24.6	44.5	28.1	0.0
Family Distribution by Income Level	227,222	22.4	18.1	19.3	40.2	0.0
Household Distribution by Income Level	297,577	20.5	17.2	18.9	43.4	0.0
Median Family Income Atlanta-Sandy Springs-Alpharetta, GA MSA		\$67,322	Median Housing Value			\$164,991
			Median Gross Rent			\$1,059
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The *Bureau of Labor Statistics* indicates unemployment rates for the counties in the assessment area increased from 2019 to 2020. The county unemployment rates were below the state and national rates for all three years. The following table reflects the average annual unemployment rates and trends for assessment area counties, state, and the nation.

Unemployment Rates Atlanta Assessment Area			
Area	2019	2020	2021
	%	%	%
Barrow County	3.0	4.1	2.3
Gwinnett County	2.9	4.7	2.4
Georgia	3.5	5.1	3.3
National Average	3.6	6.7	3.9
<i>Source: Bureau of Labor Statistics</i>			

According to D&B data, in 2021, the top industries in the assessment area were services, followed by non-classifiable establishments; retail trade; finance, insurance, and real estate; and, construction. Top employers in the assessment area included the Gwinnett County Public Schools, Barrow County School System, Northside Hospital, Publix, and Gwinnett County Government.

Competition

There is a high level of competition among financial institutions within the Atlanta Assessment Area. The June 30, 2021, Summary of Deposits revealed 32 FDIC-insured institutions operated 188 branches within the assessment area. Of these institutions, First American Bank and Trust Company ranked 22nd with a 0.7 percent deposit market share. The top five financial institutions accounted for 63.7 percent of the deposit market share and included Wells Fargo Bank, Bank of America, Truist Bank, JP Morgan Chase Bank, and Renasant Bank. In addition, demand is high for small business loans and home mortgage loans within the assessment area. The bank is not required to report its small business loan data and has elected not to do so. Aggregate data for 2020 indicates there are 176 lenders in the market that have reported 35,079 small business loans originated in the area. During the same period, 634 mortgage lenders reported 91,631 home mortgage loans originated in the area. Peer data is not yet available for 2021.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data, examiners determined that small business loans represent a primary credit need of the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees (63.4 percent) support this conclusion. Affordable housing also represents a need, as 40.5 percent of families and 37.7 percent of households are low- or moderate-income.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ATLANTA ASSESSMENT AREA

LENDING TEST

First American Bank and Trust Company’s lending performance within the Atlanta Assessment Area reflects satisfactory performance. The overall reasonable geographic distribution and borrower profile performance support this conclusion. Only loans originated within the assessment area were included for analysis purposes. Lending in the Atlanta Assessment Area represents 29.5

percent of the number of small business loans and 9.3 percent of the number of home mortgage loans.

Geographic Distribution

The overall geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Small Business Loans

The geographic distribution of small business reflects reasonable dispersion throughout the assessment area. The bank did not originate any loans in low-income tracts in 2021. However, demographics indicate limited lending opportunities in the low-income geographies. Further, the bank encounters significant competition within the assessment area. The bank’s lending in moderate-income census tracts was higher than demographics in 2021. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans Atlanta Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	4.2	0	0.0	0	0.0
Moderate					
2021	25.4	30	34.5	2,482	25.6
Middle					
2021	42.1	37	42.5	3,904	40.3
Upper					
2021	28.4	20	23.0	3,294	34.0
Not Available					
2021	0.0	0	0.0	0	0.0
Totals					
2021	100.0	87	100.0	9,680	100.0

Source: 2021 D&B Data and Bank Data. Due to rounding, totals may not equal 100.0 percent

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In 2020, no loans were originated in the low-income census tracts. However, demographic data indicate very limited lending opportunities in the low-income geographies. Lending in the moderate-income census tracts exceeded aggregate performance and demographics in 2020. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans Atlanta Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.9	1.0	0	0.0	0	0.0
Moderate						
2020	16.9	14.6	18	22.5	2,764	15.8
Middle						
2020	46.9	46.4	49	61.3	9,982	57.0
Upper						
2020	34.2	37.9	13	16.3	4,758	27.2
Totals						
2020	100.0	100.0	80	100.0	17,504	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding totals may not equal 100.0 percent

Borrower Profile

The overall distribution of loans reflects reasonable penetration among businesses of different sizes and borrowers of different income levels.

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different sizes. In 2021, lending to small businesses was significantly below demographics. The following table reflects the distribution of small business loans among businesses of different sizes within the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category Atlanta Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	93.6	20	48.8	896	17.6
>\$1,000,000					
2021	2.1	18	43.9	3,755	73.7
Revenue Not Available					
2021	4.3	3	7.3	442	8.7
Totals					
2021	100.0	41	100.0	5,093	100.0

Source: 2021 D&B Data and Bank Data

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable dispersion among borrowers of different income levels. Lending to low-income borrowers was slightly below aggregate performance and lower than demographics in 2020. Further, in 2019, lending to moderate-income borrowers (6 percent) was significantly below aggregate performance and demographics, 22.4 and 18.1 percent, respectively. However, in 2020, lending to moderate-income borrowers increased significantly and exceeded aggregate performance and demographics. The following table reflects the distribution of home mortgage loans to borrowers of different incomes.

Distribution of Home Mortgage Loans by Borrower Income Level Atlanta Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	22.4	6.9	4	5.0	472	2.7
Moderate						
2020	18.1	20.0	17	21.3	2,686	15.3
Middle						
2020	19.3	21.4	18	22.5	3,813	21.8
Upper						
2020	40.2	30.2	35	43.8	9,671	55.3
Not Available						
2020	0.0	21.5	6	7.5	862	4.9
Totals						
2020	100.0	100.0	80	100.0	17,504	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent</i>						

COMMUNITY DEVELOPMENT TEST

First American Bank and Trust Company has demonstrated adequate responsiveness to the community development needs of the Atlanta Assessment Area through community development loans, qualified investments, and community development services.

Community Development Loans

The bank originated five community development loans totaling \$8.1 million in the assessment area, which represents 22.7 percent by number and 39.5 percent by dollar volume of total community development loans originated during the evaluation period. This activity represents a significant increase since the last evaluation when there were no community development loans originated in the area.

Below are examples of community development loans originated in the Atlanta Assessment Area.

- One SBA PPP loan totaling \$4,327,500 to an entity to pay salaries and other operating costs during the economic downturn caused by the COVID-19 pandemic. The entity is located in a low-income census tract in Barrow County and hires low- and moderate-income individuals. This loan promotes revitalization and stabilization of the area.
- A loan totaling \$900,000 to an entity to finance the construction of a commercial office building, thereby expanding its business and resulting in the hiring of more employees. The commercial office building is located in a moderate-income census tract in Barrow County and promotes revitalization and stabilization of the area.
- A loan totaling \$110,000 to a 501(c)(3) non-profit entity dedicated to providing services to pregnant women, who are primarily low- and moderate-income individuals. The purpose of the loan is to purchase the organization's building within a moderate-income census tract in Barrow County. The loan provides essential community services to the area.

Qualified Investments

During the evaluation period, the bank purchased three municipal bonds totaling \$530,000 and made two donations totaling \$690 within the assessment area. The level of qualified investments and donations in this assessment area represents 11.4 percent by number and 25.9 percent by dollar volume of the total community development investments and donations made during the evaluation period. In addition, the assessment area benefitted from investments made in the statewide area that includes the Atlanta Assessment Area, as noted in the bank-wide Community Development Test analysis.

Below is a summary of the qualified investments and an example of a donation benefitting this assessment area.

- The bank purchased three municipal bonds totaling \$530,000. The housing authority is responsible for providing financing and financial assistance for public housing targeted to low- and moderate-income individuals and families. The bonds benefitted residents in Barrow County.
- A donation totaling \$540 to an entity that provides after school care and summer activities for students in Barrow County. The entity allows students from low- and moderate-income families to take advantage of childcare services free of charge if they attend Barrow County schools.

Community Development Services

Bank employees conducted seven community development services that benefitted the Atlanta Assessment Area. This represents 18.9 percent of the total community development services during the review period. These services promoted affordable housing and community services in the assessment area. In addition, the assessment area benefitted from services performed in the statewide area that includes the Atlanta Assessment Area, as noted in the bank-wide Community

Development Test analysis. The following table details the community development services benefitting the Atlanta Assessment Area by year.

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	-	1	-	-	1
2020	1	1	-	-	2
2021	2	1	-	-	3
2022 (YTD)	-	1	-	-	1
Total	3	4	-	-	7
<i>Source: Bank Data</i>					

Below are notable examples of the community development services in the Atlanta Assessment Area:

- One employee continues to serve on the Board of an organization that provides audit-learning classes, including financial literacy training, to low- and moderate-income individuals in Barrow County.
- One employee continues to serve as the commissioner of a municipal authority responsible for providing affordable housing for low- and moderate-income individuals and families in Barrow County.

NMSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NMSA ASSESSMENT AREA

The NMSA Assessment Area consists of Rabun County, in its entirety. The bank operates one, or 14.3 percent, of its branch offices in the NMSA Assessment Area. The assessment area accounts for 3.6 percent of total loans and 6.9 percent of bank-wide deposits.

Economic and Demographic Data

The below table presents assessment area demographic information from the 2015 ACS census and 2021 D&B data.

Demographic Information for the NMSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	60.0	40.0	0.0
Population by Geography	16,266	0.0	0.0	70.1	29.9	0.0
Housing Units by Geography	12,441	0.0	0.0	62.6	37.4	0.0
Owner-Occupied Units by Geography	4,989	0.0	0.0	66.5	33.5	0.0
Occupied Rental Units by Geography	1,800	0.0	0.0	83.1	16.9	0.0
Vacant Units by Geography	5,652	0.0	0.0	52.6	47.4	0.0
Businesses by Geography (2021)	1,623	0.0	0.0	70.2	29.8	0.0
Farms by Geography (2021)	69	0.0	0.0	66.7	33.3	0.0
Family Distribution by Income Level	4,387	19.4	19.0	17.6	44.0	0.0
Household Distribution by Income Level	6,789	26.9	16.6	15.7	40.8	0.0
Median Family Income Non-MSA		\$45,886	Median Housing Value			\$183,521
			Median Gross Rent			\$700
			Families Below Poverty Level			14.2%
<small>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</small>						

The *Bureau of Labor Statistics* indicates unemployment rates for Rabun County increased from 2019 to 2020. The county unemployment rate was below the state and national rates in all three years. The following table reflects the average annual unemployment rates and trends for the assessment area, county, state, and the nation.

Unemployment Rates NMSA Assessment Area			
Area	2019	2020	2021
	%	%	%
Rabun County	3.1	4.1	2.4
Georgia	3.5	5.1	3.3
National Average	3.6	6.7	3.9
<i>Source: Bureau of Labor Statistics</i>			

In 2020, the top industries in the assessment area were services, followed by non-classifiable establishments; retail trade; construction; and finance, insurance, and real estate. The top employers were Hanes Brands, Inc., Rabun County Public Schools, Wal-Mart, and Dillard House.

Competition

Within the NMSA Assessment Area, there is a moderate level of competition among financial institutions. The June 30, 2020, Summary of Deposits revealed six FDIC-insured institutions operated seven branches within this area. Of these institutions, First American Bank and Trust Company ranked sixth with a 7.9 percent deposit market share. The top five financial institutions accounted for 92.1 percent of the deposit market share and included Rabun County Bank, United Community Bank, Regions Bank, South State Bank, and Oconee Federal Savings and Loan Association.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data and the information obtained from the community contact, examiners determined that small business loans represent a primary credit need of this assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less, the percentage of businesses with four or fewer employees (64.8 percent), and information obtained from the community contact support this conclusion. Affordable housing also represents a need given challenges with housing availability, as well as the fact that 38.4 percent of families and 43.5 percent of households are low- or moderate-income.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NMSA ASSESSMENT AREA

LENDING TEST

First American Bank and Trust Company's lending performance within the NMSA Assessment Area reflects satisfactory performance. The overall reasonable borrower profile performance supports this conclusion. Lending in the NMSA Assessment Area represents 3.8 percent of the number of small business loans and 3.5 percent of the number of home mortgage loans.

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The overall distribution of loans reflects reasonable penetration among businesses of different sizes and borrowers of different income levels.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. In 2021, small business lending performance was in line with demographics. The following table reflects the distribution of small business loans among businesses of different sizes.

Distribution of Small Business Loans by Gross Annual Revenue Category NMSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	89.8	26	86.7	946	76.2
>\$1,000,000					
2021	2.1	1	3.3	216	17.4
Revenue Not Available					
2021	8.1	3	10.0	79	6.4
Totals					
2021	100.0	30	100.0	1,241	100.0
<i>Source: 2021 D&B Data and Bank Data Due to rounding, totals may not equal 100.0 percent</i>					

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. The bank's lending to low-income borrowers was below aggregate performance and demographics in 2020. However, the low level of aggregate lending indicates somewhat limited lending opportunities to low-income borrowers. In 2019, no loans were originated to moderate-income borrowers. However, in 2020, lending levels were above aggregate performance and below demographics. The following table reflects the distribution of home mortgage loans to borrowers of different incomes.

Distribution of Home Mortgage Loans by Borrower Income Level NMSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	19.4	2.0	0	0.0	0	0.0
Moderate						
2020	19.0	7.2	3	12.0	327	4.0
Middle						
2020	17.6	13.4	3	12.0	567	7.0
Upper						
2020	44.0	66.1	17	68.0	6,650	81.8
Not Available						
2020	0.0	11.2	2	8.0	584	7.2
Totals						
2020	100.0	100.0	25	100.0	8,128	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent</i>						

COMMUNITY DEVELOPMENT TEST

First American Bank and Trust Company has demonstrated an overall adequate responsiveness to the community development needs of the NMSA Assessment Area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities to support the conclusions in this assessment area.

Community Development Loans

The bank did not originate any community development loans in the NMSA Assessment Area during the review period.

Qualified Investments

During the evaluation period, the bank made six donations totaling \$1,750 within the assessment area. The level of qualified investments and donations in this assessment area represents 13.6 percent by number and 0.1 percent by dollar volume of the total community development investments and donations made during the evaluation period. In addition, the assessment area benefitted from investments made in the statewide area that includes the NMSA Assessment Area, as noted in the bank-wide Community Development Test analysis.

Below are notable examples of the donations benefitting the assessment area.

- A donation totaling \$500 to a 501(c)(3) organization that provides homes for low- and

moderate-income families. The entity brings together volunteers to work with qualified recipients to build their homes. The organization provides affordable housing for low- and moderate-income residents in the assessment area.

- A donation totaling \$500 to a 501(c)(3) organization that provides free and confidential services (shelter and other items for individuals in need) to adult and child victims of domestic violence, sexual assault, and child abuse. The organization has a thrift shop and a low-cost furniture store, and the organization serves residents in Rabun County.

Community Development Services

There were no community development service activities performed in the NMSA Assessment Area during the evaluation period. However, the assessment area benefited from services performed in the statewide area that includes the NMSA Assessment Area, as noted in the bank-wide Community Development Test analysis.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.