



**PUBLIC DISCLOSURE**

April 14, 2014

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

CornerstoneBank  
Charter Number 715682

2060 Mount Paran Road, NW, Suite 100, Atlanta, GA 30327-2935

Office of the Comptroller of the Currency

Three Ravinia Drive, Suite 1950, Atlanta, GA 30346

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

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

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

Cornerstone Bank (CB) has a Satisfactory record of meeting community credit needs based on the following:

- CB's loan-to-deposit (LTD) ratio is reasonable when compared to banks of similar size and characteristics in or near the assessment area (AA). The LTD ratio averaged 75.02 percent during the review period.
- A majority of CB's loans are inside the AA. Approximately 53.29 percent of the number and were to borrowers within the AA. However, less than a majority of the dollar volume of the loans were to borrowers within of the AA, 45.95 percent.
- The lending performance to individuals of different income levels and to businesses of different sizes within the AA is reasonable.
- The geographic distribution of loans reflects a reasonable dispersion within the AA.
- CB's community development performance demonstrates a reasonable responsiveness to the needs of the AA through community development loans, qualified investments, and community development services, as appropriate.

## **Scope of Examination**

This Performance Evaluation of CB assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated CB under the Intermediate Small Bank performance criteria, which include a Lending Test and a Community Development Test. The Lending Test evaluates a bank's record of helping to meet the credit needs of its AA through its lending activities. The Community Development Test evaluates a bank's community development lending, qualified investments, and community development services. This evaluation covers the period from the date of the previous CRA Examination, April 25, 2011, through December 31, 2013.

- Lending Test conclusions are based on the lending performance of the bank's primary loan products. We evaluated small business and residential mortgage lending from January 1, 2011 through December 31, 2013. Prior to conducting this evaluation, we tested the accuracy of the bank's Home Mortgage Disclosure Act (HMDA) and small business data. We found the data to be substantially accurate; therefore, we used reported HMDA data from January 1, 2011, through December 31, 2013. The bank is not required to include its small business loan data as part of its HMDA submission.

- Conclusions regarding the Community Development Test are based on investments, services, and loans completed in CB’s AA, which meet the definition of community development. We conducted the Community Development Test using information from the previous CRA evaluation period, April 25, 2011, through April 14, 2014.
- Our analysis included an evaluation for the Atlanta, Georgia (GA) Metropolitan Statistical Area (MSA) AA. Approximately 53.29 percent of the bank’s loans and 100.0 percent of deposits are within the AA. The Atlanta MSA AA contains all three of the bank’s offices.
- The review period covered two different U. S. Census periods 2000 and 2010. Therefore, the analysis for the Lending Test used demographic data from the 2000 Census for activity in 2011 and demographic data from the 2010 Census for activity in 2012 and 2013.

## Description of Institution

CB is an intrastate bank located in Atlanta, GA and was chartered in 2001. CB is a wholly owned subsidiary of Cornerstone Bancshares, a one-bank holding company headquartered in Atlanta. CB reported assets of \$300.8 million as of December 31, 2013.

CB has three offices and operates two automated teller machines (ATMs), one at each branch, except the main office. All three of the bank’s locations are located in the Atlanta MSA AA. The AA consists of entire counties and contiguous census tracts (CTs) and do not arbitrarily exclude any low- or moderate-income geographies.

A “Satisfactory” rating under the Intermediate Small Bank criteria was assigned to the bank in the prior Public Evaluation dated April 25, 2011. Since that evaluation, CB has not opened or closed any branches.

The bank’s business strategy is to deliver financial products and services to the assessment area at fair and competitive prices, while earning the highest possible return on equity. CB offers a variety of products including real estate, consumer, and commercial loans; as well as various deposit accounts for consumers and businesses.

As of December 31, 2013, CB had total assets of \$300.8 million with net loans and leases at 66.08 percent of this total. CB’s primary business is commercial lending. See the following chart for additional information on the composition of the bank’s loan portfolio as of December 31, 2013.

Loan Type	\$ (000)	%
Commercial	29,121	14.64
Commercial Real Estate	121,088	60.89
Residential Real Estate	45,530	22.90
Other Consumer	3,119	1.57

Loan Type	\$ (000)	%
Agricultural and Agricultural Real Estate	0	0.00
Political Subdivisions	0	0.00
<b>TOTAL</b>	<b>\$198,858</b>	<b>100%</b>

*Source: December 31, 2013 Consolidated Report of Condition (Call Report)*

CB offers a range of traditional deposit and loan products. Branches are accessible to individuals located in the different communities they serve. Lobby and drive-up hours are set by location to meet customer needs. CB has ATMs located at two of its branches to make customer accounts accessible. Customers may also access their accounts through the bank’s website at [www.cornerstonebankga.com](http://www.cornerstonebankga.com). Online banking services include free bill pay, real time account balance information, loan payments, and funds transfer. The bank also offers telephone banking. Telephone services include account balance information, last deposit information, transaction verification, and transfers between a single accountholder’s accounts. The bank also offers debt cards with additional access to their checking account for point of sale or ATM transactions.

CB’s serves primarily as a qualified Small Business Administration (SBA) lender. This allows the bank to address the lending needs of small businesses throughout the AA, as well as a broader geographic area. During the evaluation period, the bank originated 157 SBA loans totaling approximately \$103.8 million.

Affordable mortgage products available during the review period included loans guaranteed by the Federal Housing Administration (FHA), the Veterans Administration (VA), and U.S. Department of Agriculture (USDA) loans. These mortgage programs target low- and moderate-income individuals and families by permitting higher debt-to-income and loan-to-value ratios.

The bank does have financial and legal impediments that could restrict the bank’s ability to meet the credit needs of the communities it serves. The bank’s ability to lend has been impacted by the terms of an agreement with our agency.

## Description of Assessment Area

CB currently has three branches and all are located in the Atlanta MSA. The AA consists of Cobb, DeKalb, Fulton, and Gwinnett Counties, GA. The city of Atlanta is the largest city in this AA. The following tables provide a description of the combined AA based on data from the 2000 Census and the 2010 Census:

Demographic and Economic Characteristics of the combined AA – 2000 Census Data	
<i>Population</i>	
Number of Families	657,262
Number of Households	1,000,814
<i>Geographies</i>	

<b>Demographic and Economic Characteristics of the combined AA – 2000 Census Data</b>	
Number of Census Tracts	440
% Low-Income Census Tracts	15.45%
% Moderate-Income Census Tracts	22.50%
% Middle-Income Census Tracts	29.55%
% Upper-Income Census Tracts	32.50%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$63,100
2011 HUD-Adjusted MFI	\$68,300
<i>Economic Indicators</i>	
Unemployment Rate – 2011 average	12.28%
2011 Median Housing Value	\$164,103
% of Families Below Poverty Level	7.37%

*Source: 2000 Census data and HUD updated income data.*

According to the 2000 Census, the combined AA includes 440 CTs with a total population of 2,678,070. The CTs consist of 68 low-, 99 moderate-, 130 middle-, and 143 upper-income tracts. The 2000 Census data reflects that 7.37 percent of the families in this AA are below the poverty level.

According to 2000 Census data, there are 1,057,067 housing units in this AA, of which 58.14 percent are owner-occupied, 36.50 percent are renter-occupied, and 5.36 percent were vacant. Approximately 19.47 percent of families in this AA are low-income. Moderate-income families approximate 16.78 percent, while middle- and upper-income families make up the remaining 63.75 percent. The median housing value is \$164,103 with the median age of housing stock at 22 years.

<b>Demographic and Economic Characteristics of the combined AA – 2010 Census Data</b>	
<i>Population</i>	
Number of Families	727,143
Number of Households	1,139,416
<i>Geographies</i>	
Number of Census Tracts with assigned designations	578
% Low-Income Census Tracts	13.67%
% Moderate-Income Census Tracts	23.70%
% Middle-Income Census Tracts	26.64%
% Upper-Income Census Tracts	35.99%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	\$69,300
2012 HUD-Adjusted MFI	\$69,300
2013 HUD-Adjusted MFI	\$66,300
<i>Economic Indicators</i>	
Unemployment Rate – 2013 Average	10.11%
2013 Median Housing Value	\$234,429
% of Families Below Poverty Level	10.11%

*Source: 2010 Census data and HUD updated income data.*

According to the 2010 Census, the AA includes 578 CTs with assigned designations and with a total population of 1,139,416. The CTs consist of 79 low-, 137 moderate-, 154 middle-, and 208 upper-income tracts. The 2010 Census data reflects that 10.11 percent of the families in this AA are below the poverty level.

According to 2010 Census data, there are 1,301,917 housing units in this AA, of which 55.43 percent are owner-occupied, 32.09 percent are renter-occupied, and 12.48 percent are vacant. Approximately 21.98 percent of families in this AA are low-income. Moderate-income families approximate 15.95 percent, while middle- and upper-income families make up the remaining 62.07 percent. The median housing value is \$234,429 with the median age of housing stock at 34 years.

The Atlanta MSA is the ninth largest MSA in the country and the largest MSA by total population in Georgia. Three interstates; Interstates 20, 75, and 85, intersect in Atlanta. This system of highways has made Atlanta a desirable city for the import, logistics, tourism, and shipping industries. Atlanta is home to Delta Airlines, and Delta is the area's largest employer. Other top employers include WalMart, Emory University/Emory Healthcare, AT&T, Publix Supermarkets, and Coca-Cola. This AA was negatively impacted by the economic recession that began in 2009. The MSA's unemployment rate peaked in November 2009 at 10.5 percent, but has since come down to 6.9 percent as of February 2014.

Competition for financial services in the AA is very strong. The June 30, 2013, FDIC Deposit Market Share Report for the AA shows \$77.8 billion of deposits divided among 53 financial institutions with a total of 457 offices. All of the top four banks, SunTrust Bank, Bank of America, N.A., Wells Fargo Bank, N.A., and Branch Banking and Trust Company are members of nation-wide organizations and have 248 offices (combined), or 54.27 percent of the total offices, in this AA, and hold over 81.30 percent of the AA's total deposits. As of June 30, 2013, CB had three offices in this AA and held \$264.7 million of the AA's total deposits, or approximately 0.34 percent of the deposit market share.

As part of this CRA examination, we referred to a community contact in the Atlanta MSA to help ascertain the credit needs of this AA. The community contact noted that there are several opportunities to participate in community service activities including lending for affordable housing, both single family and rental, and small-dollar loans to small businesses. The contact also indicated that local banks are responsive to meeting the credit needs of the community.

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

### **LENDING TEST**

The bank's performance under the Lending Test is rated Satisfactory.

## Loan-to-Deposit Ratio

CB's LTD ratio meets the standard for satisfactory performance given the bank's size, financial condition, and the credit needs of the AA. This determination is based on the bank's quarterly average LTD ratio of 75.02 percent from March 31, 2011, through December 31, 2013. During the evaluation period, CB's LTD ratio ranged from a low of 67.17 percent (June 2011) to a high of 82.09 percent (December 2012). The average LTD ratio of similarly situated banks within the AAs for the same period was 75.63 percent. The quarterly average LTD ratios for these similarly situated banks are below.

Loan-to-Deposit Ratios		
Institution	Total Assets \$ (000's) (As of 12/31/2013)	Average Loan-to-Deposit Ratio
Metro City Bank, Doraville	514,914	97.08%
Citizens Trust Bank, Atlanta	387,410	55.10%
Keyworth Bank, Duluth	366,355	56.94%
<b>CornerstoneBank, Atlanta</b>	<b>300,774</b>	<b>75.02%</b>
Capitol City Bank & Trust Co., Atlanta	287,861	76.93%
Affinity Bank, Atlanta	278,618	77.46%
Georgia Banking Company, Atlanta	227,465	90.24%

Source: Institution Reports of Condition from March 2011 to December 2013

## Lending in Assessment Area

CB's lending within the AA meets the standards for satisfactory performance. A majority of the bank's originated loans were within the AA. In order to assess performance for this criterion, we reviewed 276 commercial and 58 home mortgage loans originated between January 1, 2011, and December 31, 2013. Our analysis determined that 53.29 percent of the number of loans and 45.95 percent of the dollar amount of loans overall were originated within the AA. The following table depicts the breakdown by loan category:

Lending in the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business	138	50.00	138	50.00	100.0	75,666	42.27	103,493	57.77	100.0
Home Mortgage	40	68.97	18	31.03	100.0	14,556	84.62	2,646	15.38	100.0
<b>Totals</b>	<b>178</b>	<b>53.29</b>	<b>156</b>	<b>47.71</b>	<b>100.0</b>	<b>90,222</b>	<b>45.95</b>	<b>106,139</b>	<b>54.05</b>	<b>100.0</b>

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

The distribution of loans made to individuals and families of different income levels and businesses of different sizes meets the standard for satisfactory performance.

The following activity relates to activity from January 1, 2011, through December 31, 2011, for the AA. The distribution of loans originated to businesses with revenues less than \$1 million is lower than the demographic by both the number of loans and dollar amount of loans. The percentage of businesses within the AA that generate revenues less than \$1 million is 64.73 percent based on independent data provided by Dunn and Bradstreet. CB originated 55.56 percent of its total small business loans to businesses with revenues less than \$1 million.

In addition, revenues are unknown for 33.00 percent of the businesses in this AA, which reduces the reliability of this analysis. The following table shows the distribution of commercial loans among businesses of different sizes in this AA.

<b>Borrower Distribution of Business Loans in the AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses(non-farm)	<b>64.73%</b>	2.27%	33.00%	100%
% of Bank Loans in AA by #	<b>55.56%</b>	22.22%	22.22%	100%
% of Bank Loans in AA by \$	<b>54.55%</b>	27.61%	17.84%	100%

Source: Loan sample; Dunn and Bradstreet data

Residential loans to low- and moderate-income borrowers are lower than the percentage of low-income families within the AA. Approximately 19.47 percent of families are low-income, and 16.78 percent are moderate-income. Based upon the updated 2011 median family income for the area of \$68,300, low-income families in the AA earn less than \$34,150 per year. In addition, 7.37 percent of families in this AA are below poverty level. Based on 2000 Census data, the median housing cost was \$164,103. It is often difficult for low- and moderate-income individuals to qualify for mortgage loans at median housing values due to insufficient income levels and/or down payments.

The following table reflects the analysis of HMDA reportable loans for January 1, 2011, through December 30, 2011.

<b>Borrower Distribution of Residential Real Estate Loans in the AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential	19.47	0.00	16.78	00.00	20.53	9.09	43.22	81.82

Source: 2011 HMDA LAR and U.S. Census data. 9.09 percent of borrowers did not report income information.



The following data relates to activity from January 1, 2012, through December 31, 2013. The distribution of loans originated to businesses with revenues less than \$1 million is lower than the demographic by both the number of loans and dollar amount of loans. The percentage of businesses within the AA that generate revenues less than \$1 million is 71.50 percent based on independent data provided by Dunn and Bradstreet. CB originated 50.00 percent of its total small business loans to businesses with revenues less than \$1 million.

In addition, revenues are unknown for 25.38 percent of the businesses in the AA, which reduces the reliability of this analysis. The following table shows the distribution of commercial loans among businesses of different sizes in the AA.

<b>Borrower Distribution of Business Loans in the AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses(non-farm)	<b>71.50%</b>	3.12%	25.38%	100%
% of Bank Loans in AA by #	<b>50.00%</b>	20.24%	29.76%	100%
% of Bank Loans in AA by \$	<b>38.02%</b>	49.23%	12.75%	100%

Source: Loan sample; Dunn and Bradstreet data

Residential loans to low-income borrowers are lower than the percentage of low-income families within the AA. However, the percentage of loans to moderate-income borrowers is commensurate with the level of moderate-income families in the AA. Approximately 21.98 percent of families are low-income, and 15.95 percent are moderate-income. Based upon the updated 2013 median family income for the area of \$66,300, low-income families in the AA earn less than \$33,150 per year. In addition, 10.11 percent of families in this AA are below poverty level. Based on 2010 Census data, the median housing cost was \$234,429. It is often difficult for low- and moderate-income individuals to qualify for mortgage loans at median housing values due to insufficient income levels and/or down payments.

The following table reflects the analysis of HMDA reportable loans for January 1, 2012, through December 31, 2013.

<b>Borrower Distribution of Residential Real Estate Loans in the AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential	21.98	3.45	15.95	13.79	17.89	24.14	44.18	55.17

Source: 2012 and 2013 HMDA LARs and U.S. Census data. 3.45 percent of borrowers did not report income information.

### Geographic Distribution of Loans

CB’s geographic loan distribution meets the standard for satisfactory performance. Small business and residential mortgage lending reflects a reasonable dispersion throughout the AA.

The following relates to activity from January 1, 2011, through December 31, 2011. The geographic distribution of small business loans in low-income CTs is lower than the percentage of small businesses in these areas. The percentage of businesses located in low-income CTs is 4.93 percent, and the bank originated 0.0 percent of its small business loans in low-income CTs. However, the distribution of small businesses in moderate-income CTs is higher than the percentage of small businesses in these areas. The following table summarizes the distribution of small business loans by CT income level.

Geographic Distribution of Loans to Businesses in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	4.93	0.00	14.12	15.00	34.07	20.00	46.87	65.00

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

The percentage distribution of residential loans is lower than the percentage of owner-occupied housing units in low-income CTs. However, in the AA, only 3.46 percent or 21,326 owner-occupied housing units are located in low-income geographies. This results in limited opportunities to make mortgage loans in these geographies. The percentage distribution of mortgage loans is also lower than the percentage of owner-occupied housing units in moderate-income CTs.

The following table reflects the analysis of HMDA reportable loans for January 1, 2011, through December 30, 2011.

Geographic Distribution of Residential Real Estate Loans in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans
Residential	3.47	0.00	14.00	9.09	35.56	27.27	46.96	63.64

Source: 2011 HMDA LARs and U.S. Census data.

The following relates to activity from January 1, 2012, through December 31, 2013. The geographic distribution of sampled small business loans in low-income CTs is lower than the percentage of small businesses in these areas. The percentage of businesses located in low-income CTs is 6.12 percent, and our loan sample reflected that 7.92 percent of small business loans were located in low-income CTs. However, the distribution of small businesses in moderate-income CTs is lower than the percentage of small businesses in these areas. The following table summarizes the distribution of small business loans by CT income level.

Geographic Distribution of Loans to Businesses in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	6.12	7.92	20.11	13.86	30.93	13.86	42.84	64.36

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

The percentage distribution of residential loans is commensurate with the percentage of owner-occupied housing units in low-income CTs. Notwithstanding that in the AA, only 4.06 percent or 29,299 owner-occupied housing units are located in low-income geographies. This results in limited opportunities to make mortgage loans in these geographies. The percentage distribution of mortgage loans is lower than the percentage of owner-occupied housing units in moderate-income CTs.

The following table reflects the analysis of HMDA reportable loans for January 1, 2012, through December 31, 2013:

Geographic Distribution of Residential Real Estate Loans in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans	% of AA Owner-Occupied Housing	% of Number of Loans
Residential	4.06	3.45	16.67	0.00	33.47	17.24	45.80	79.31

Source: 2012 and 2013 HMDA LARs and U.S. Census data.

### Responses to Complaints

There have been no consumer complaints relating to the bank’s CRA performance during the evaluation period, and this has a neutral impact on the bank’s overall performance.

### COMMUNITY DEVELOPMENT TEST

CB’s performance under the Community Development Test is rated Satisfactory.

The bank’s community development performance reflects a reasonable responsiveness to community development needs within the AA. The bank has conducted community development activities through a mix of loans, investments, and services. The availability of bank products has a positive impact on the overall community development rating. The branch distribution is reasonable. More detail on the level of activity within each of the three

components of the Community Development Test is provided below, along with the regulatory definition of community development.

According to the definition found in 12 CFR 25, community development means:

- Affordable housing for low- or moderate-income individuals;
- Community services targeted to low- or moderate-income individuals;
- Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs or have gross annual revenues of \$1 million or less; or
- Activities that revitalize or stabilize:
  - low- or moderate-income geographies;
  - designated disaster areas; or
  - distressed or underserved non-metropolitan middle-income geographies.

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

The bank is an approved SBA lender and made SBA 504 Program and SBA 7(a) Program loans during the review period. Loans of these types are eligible for consideration as community development loans if they are over \$1 million at origination. The proceeds of 504 Program loans can be used for the purchase of land or buildings, site and building improvements, newly constructed facilities, or long-term machinery and equipment. The proceeds of 7(a) Program loans can be used for the acquisition, rehabilitation, and expansion of land, buildings, equipment, leasehold improvements, working capital, and inventory purchases.

CB originated 35 community development loans totaling approximately \$56.6 million during the evaluation period. CB's performance in this area, with consideration given to the available opportunities, reflects good responsiveness to the communities' needs.

CB originated 17 SBA 504 Program and SBA 7(a) Program loans totaling approximately \$26.3 million in the AA.

CB also originated four SBA 7(a) Program loans totaling approximately \$6.3 in the broader state-wide areas of Georgia.

Further, CB originated 11 SBA 7(a) Program loans totaling approximately \$21.5 million in the broader regional areas of Alabama, Florida, North Carolina, South Carolina, and Tennessee.

CB also renewed three affordable multifamily loans totaling \$2.5 million, one each in 2011, 2012, and 2013 that provided 99 units of affordable housing. All three are secured by properties

located in moderate-income CTs the AA. Management has requested that these loans be considered in the bank's CRA performance.

**Number and Amount of Qualified Investments**

During this evaluation period, CB did not make any qualified investments, including donations, that qualified for community development consideration.

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

CB’s community development services include the bank's products and services that may provide assistance or community services to low- or moderate-income individuals. In addition to their full-service branch and ATM locations, CB also offers Internet banking and telephone banking. Branch and ATM delivery systems include three full-service branch locations and two ATMs. The bank’s main office does not have an ATM. However, CB has no branches located in low- or moderate-income CTs. The table below provides a summary of CB’s branch and ATM distribution.

<b>Distribution of Bank Offices and ATMs by Census Tract in the Combined AA</b>						
<b>Census Tract Income Level</b>	<b>Tracts in AA</b>		<b>Full-Service Offices</b>		<b>Automated Teller Machines*</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	79	13.67%	0	00.00%	0	00.00%
Moderate	137	23.70%	0	00.00%	0	00.00%
Middle	154	26.64%	0	00.00%	0	00.00%
Upper	208	35.99%	3	100.00%	2	100.00%
Total	578	100.00%	3	100.00%	2**	100.00%

Source: 2010 U.S. Census Data; \*ATMs do not accept deposits; \*\*Both ATMs are contiguous to banking locations.

Although both of the bank’s ATMs are located in upper-income CTs, the bank does not charge its customers a fee for using a foreign ATM, regardless of the number of transactions.

CB employees provided a limited level of community development services by participating in organizations that benefit low- to moderate-income individuals, promote economic development, or provide affordable housing. During the evaluation period, bank employees provided their financial services expertise to two different community development organizations within the AA. Examples of CB’s community development services are listed below.

- DeKalb County Community Development Authority – the bank hosted the Authority for a strategic planning session in September 2013.
- DeKalb Chamber of Commerce and Leadership DeKalb – the bank sponsored a two-hour program for each entity in December 2013 to discuss the economic development of

DeKalb County, GA and ways to stimulate business growth in the county's underserved areas.

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

Based upon CB's overall record within the combined AA, a rating of Satisfactory was assigned for the Community Development Test. The rating was based upon CB's reasonable responsiveness in the level of community development lending and services and level of community development investments during the evaluation period.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.