

# **PUBLIC DISCLOSURE**

August 3, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

United Community Bank  
Certificate Number: 16889

177 Highway 515 East  
Blairsville, Georgia 30512

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

10 10<sup>th</sup> Street Northeast, Suite 800  
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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

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

- Lending levels reflect good responsiveness to the assessment areas’ credit needs.
- A high percentage of loans are made in the assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve the assessment areas’ credit needs.
- The institution has made a relatively high level of community development loans within the assessment areas.

**The Investment Test is rated High Satisfactory.**

- The institution has a significant level of qualified investments and grants.
- The institution exhibits good responsiveness to the credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

**The Service Test is rated High Satisfactory.**

- Delivery systems are accessible to essentially all portions of the assessment areas.
- To the extent changes have been made, the opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems, particularly in low-and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution provides a relatively high level of community development services within its assessment areas.

## DESCRIPTION OF INSTITUTION

United Community Bank is a \$13.1 billion state chartered financial institution headquartered in Blairsville, Georgia. The bank is a wholly owned subsidiary of United Community Banks, Inc., a one-bank holding company also headquartered in Blairsville, Georgia. The following table details United Community Bank’s subsidiaries and affiliates.

<b>United Community Bank Affiliates As of August 3, 2020</b>		
<b>Name</b>	<b>Location</b>	<b>Type of Business</b>
United Community Banks, Inc.	Blairsville, GA	Holding Company
United Community Bank Foundation	Greenville, SC	Charitable Donations
United Community Bank	Blairsville, GA	Bank
United Community Insurance Services, Inc.	Blairsville, GA	Advisory Services
Union Holdings, Inc.	Las Vegas, NV	Investment Holdings
Union Investments, Inc. (Fully owned subsidiary of Union Holdings, Inc.)	Las Vegas, NV	Investment Subsidiary
United Community Development Corporation	Blairsville, GA	Community Development Financial Institutions Fund
UCB South Carolina Properties, Inc.	Greenville, SC	Property Holdings
UCB Real Estate Investments, Inc.	Blairsville, GA	Property Holdings
UCBI Georgia Credits LLC	Blairsville, GA	Tax Credit Holdings
Tidelands Statutory Trust I	Wilmington, DE	Trust
NLFC Reinsurance Corporation	Ponte Vedra Beach, FL	Insurance Company
Four Oaks Statutory Trust I	Mount Pleasant, SC	Trust
HCSB Financial Trust I	Loris, SC	Trust
United Community Payment Systems, LLC (50.0 percent owned by United Community Bank)	Dover, DE	Merchant Services Provider
Southern Bancorp Capital Trust I	Wilmington, DE	Trust
Navitas Credit Corporation	Ponte Vedra Beach, FL	Equipment Finance
Three Shores Bancorporation, Inc.	Orlando, FL	Holding Company
Seaside Insurance	Orlando, FL	Insurance
<i>Source: Bank Records – Affiliates wholly owned unless otherwise indicated.</i>		

The institution received a Satisfactory rating at its previous FDIC Community Reinvestment Act (CRA) Performance Evaluation dated August 7, 2017, based on Large Bank Examination Procedures.

As of the evaluation date, United Community Bank operated 156 offices in five states, Florida, Georgia, North Carolina, South Carolina, and Tennessee. United Community Bank has engaged in three bank acquisitions since the previous evaluation. The bank acquired Four Oaks Bank & Trust Company, headquartered in Four Oaks, North Carolina as of November 1, 2017; First Madison Bank & Trust, headquartered in Colbert, Georgia as of May 1, 2019; and, Seaside National Bank & Trust, headquartered in Orlando, Florida as of July 1, 2020.

United Community Bank is primarily a commercial lender, consistent with the previous evaluation. In addition to commercial loans, the bank offers home mortgage, agriculture/farm, and consumer loans. The institution provides a variety of deposit services including checking, savings, money market, certificates of deposit, and trust accounts. Alternative banking services include internet and mobile banking, electronic bill pay, and Automated Teller Machines (ATM).

As of March 31, 2020, the Consolidated Report of Condition and Income indicates United Community Bank had total assets of \$13.1 billion, total deposits of \$11.2 billion, and total loans of \$9.0 billion. As shown in the following table, commercial real estate loans and commercial and industrial loans comprise 59.1 percent of total loans, while one-to-four family residential loans comprise 23.6 percent of total loans.

<b>Loan Portfolio Distribution as of 03/31/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	1,175,307	13.0
Secured by Farmland	51,365	0.6
Secured by 1-4 Family Residential Properties	2,128,264	23.6
Secured by Multifamily (5 or more) Residential Properties	146,399	1.6
Secured by Nonfarm Nonresidential Properties	3,327,805	36.9
<b>Total Real Estate Loans</b>	<b>6,829,140</b>	<b>75.7</b>
Commercial and Industrial Loans	2,002,314	22.2
Agricultural Production and Other Loans to Farmers	8,054	0.1
Consumer Loans	124,081	1.4
Obligations of State and Political Subdivisions in the U.S.	23,055	0.3
Other Loans	1,260	0.0
Lease Financing Receivable (net of unearned income)	37,478	0.4
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>9,025,382</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0 percent.</i>		

There are no financial or legal impediments, other than legal lending limits, that would limit the bank's ability to meet the credit needs of the 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. United Community Bank defined 29 assessment areas within five states including Florida, Georgia, North Carolina, South Carolina, and Tennessee. Since the previous evaluation, the number of assessment areas increased from 17 to 29. The acquisition of Four Oaks Bank & Trust Company added the Raleigh Assessment Area in North Carolina and added Duplin and Harnett Counties to the North Carolina NMSA Assessment Area. However, as a result of the Office of Management and Budget's MSA revisions in September 2018, Harnett County became part of the Fayetteville, NC MSA; therefore, a new assessment area was created effective January 1, 2019. The acquisition of First Madison Bank & Trust added the Athens Assessment Area in Georgia.

Additionally, effective July 1, 2020, the bank acquired Three Shores Bancorporation, Inc., including its wholly owned subsidiary, Seaside National Bank & Trust. Headquartered in Orlando, Florida, Seaside National Bank & Trust operated 14 offices in nine assessment areas throughout Florida. Considering the date of this acquisition, the bank's operations in Florida were not included in this review. However, the bank was given credit for originating two community development loans in these areas. Refer to the institution-wide community development loan analysis under the Lending Test for details.

Excluding the 14 branches in Florida, United Community Bank operates 140 full-service branches in four states: Georgia (66), North Carolina (31), South Carolina (35), and Tennessee (8). Since the previous evaluation, the bank opened branches in South Carolina and North Carolina and closed branches in Georgia, South Carolina, and Tennessee. United Community Bank operates 152 ATMs, 30 of which take deposits, 12 are at remote locations, and the remaining are located at the branches. The bank also operates two limited-service/detached drive thru locations, including one each in Georgia and North Carolina. United Community Bank assigns all deposit accounts opened online to UCBI.com, an operations location in Laurens, South Carolina. In addition, United Community Bank operates 12 Loan Production Offices (LPOs), Mortgage Production Offices (MPOs), and Deposit Production Offices (DPOs) in Alabama, Georgia, North Carolina, South Carolina, and Tennessee. With the exception of the LPOs located in Alabama (1) and Georgia (2), the remaining LPOs opened since the last evaluation.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated August 7, 2017, to the current evaluation dated August 3, 2020. Examiners used the Interagency Large Institution Examination Procedures to evaluate United Community Bank's CRA performance. These procedures include three tests: Lending, Investment, and Service. The Lending Test is given the most weight in the evaluation and an institution may not receive an overall "Satisfactory" rating unless its Lending Test receives at least a "Low Satisfactory" rating.

Examiners evaluated the bank's lending data, deposit activity, and number of branches to determine relative weighting of the rated areas in overall conclusions. A significant majority of lending, deposit activity, and the branch network are in Georgia. Consequently, examiners gave primary weight in assigning the overall rating and conclusions to performance in Georgia. The following table details the bank's loans, deposits, assessment areas, and branches by rated area.

Rated Area Breakdown of Loans, Deposits, Assessment Areas, and Branches								
Rated Area	Loans		Deposits		Assessment Areas		Branches	
	\$(000s)	%	\$(000s)	%	#	%	#	%
Georgia	2,511,913	53.7	6,694,629	62.8	7	35.0	67	47.2
North Carolina	894,928	19.1	1,690,183	15.8	4	20.0	32	22.5
South Carolina	928,813	19.8	1,750,837	16.4	6	30.0	35	24.7
Tennessee	345,336	7.4	530,277	5.0	3	15.0	8	5.6
<b>Total*</b>	<b>4,680,990</b>	<b>100.0</b>	<b>10,665,926</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits (06/30/2019). Loans Include 2017, 2018, and 2019 home mortgage, small business, and small farm loans. \* - Differences due to rounding.*

Refer to the rated area sections of each state for details concerning assessment areas reviewed using full- and limited-scope procedures.

### **Activities Reviewed**

This evaluation includes a review of loans reported in 2017, 2018, and 2019 pursuant to the Home Mortgage Disclosure Act (HMDA) and CRA reporting requirements. The tables in Appendix E present 2018 lending data, which is the most recent year for which aggregate data is available for comparison purposes. The written analysis of lending addresses 2018 lending. However, examiners reviewed 2017 and 2019 lending performance and only discussed significant performance variances where appropriate under the Geographic Distribution and Borrower Profile performance factors. In addition, the lending analyses consider the number and dollar volume of loans. Lastly, the Geographic Distribution and Borrower Profile discussions focus only on loans United Community Bank originated or purchased inside the assessment areas.

Examiners evaluated home mortgage, small business, and small farm lending over the past three full calendar years of reported loans to determine if all products had sufficient activity for review and to determine the weight placed on each. As shown in the following table, United Community Bank's reportable loans by number and dollar volume reflect an emphasis on home mortgage loans. As a result, examiners gave more weight to home mortgage lending. Additionally, due to the nominal number and dollar volume of small farm loans, these loans will not be further analyzed. Examiners compared bank performance to demographics from the 2015 American Community Survey (ACS) and aggregate HMDA data for home mortgage lending, and to business demographics from 2018 Dunn and Bradstreet (D&B) data and CRA aggregate data for small business lending.

Loan Category	Reviewed			
	#	%	\$(000s)	%
Home Mortgage	17,830	67.3	3,312,756	70.8
Small Business	8,358	31.6	1,339,450	28.6
<b>Subtotal</b>	<b>26,188</b>	<b>98.9</b>	<b>4,652,206</b>	<b>99.4</b>
Small Farm	290	1.1	28,784	0.6
<b>Total</b>	<b>26,478</b>	<b>100.0</b>	<b>4,680,990</b>	<b>100.0</b>

*Source: 2017, 2018 and 2019 HMDA and CRA Data*

This evaluation includes all community development loans, qualified investments, and community development services identified by bank management. Community development loans and services from August 8, 2017, through June 30, 2020, were considered, unless otherwise noted.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Lending Test rating for this institution is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs and are generally consistent across all rated areas. United Community Bank made a high percentage of loans in the institution's assessment areas. The geographic distribution reflects good penetration throughout the assessment areas, and the distribution of borrowers reflects good penetration among borrowers of different incomes and businesses of different sizes. In addition, the bank made extensive use of innovative and/or flexible lending practices and made a relatively high level of community development loans.

#### **Lending Activity**

Lending levels reflect good responsiveness to the assessment areas' credit needs. As of the March 31, 2020 Consolidated Reports of Condition and Income, United Community Bank's net loan-to-deposit ratio was 80.0 percent. For the previous 11 quarters, the bank's average net loan-to-deposit ratio was 80.2 percent and ranged from a low of 77.9 percent in the third quarter of 2017, to a high of 82.7 percent in the second quarter of 2019. The bank's net loan-to-deposit ratio was compared to the Uniform Bank Performance Report (UBPR) peer group, which includes all insured commercial banks having assets between \$10 billion and \$100 billion. United Community Bank's average net loan-to-deposit ratio of 80.2 percent is less than, but comparable to, the UBPR peer group's average ratio of 88.0 percent.

Since the previous evaluation, the bank introduced two new loan products, Business Express and United Minute Lender, which have increased in volume year-over-year during this evaluation period. The two loan products have loan maximums of \$25,000 and \$50,000, respectively. The underwriting criteria for these new products is streamlined and applicants are not required to submit gross annual revenue information for their businesses to qualify for the products. Consequently, there is no way to determine whether borrowers are small businesses with gross annual revenues less than or equal to \$1 million, thus loans made under these programs are not captured as small business for CRA reporting purposes. Therefore, the noted decline in small business loan volumes across all assessment areas bears a direct correlation to the growth of the two new loan products. During the review period, the bank originated 1,893 Business Express loans totaling \$56.9 million and 278 United Minute Lender loans totaling \$2.8 million. Refer to the Flexible and Innovative Loan Program section of this evaluation for further details regarding Business Express and United Minute Lender loan products.

**Assessment Area Concentration**

United Community Bank originated a high percentage of its home mortgage and small business loans within the assessment areas. The following table details lending inside and outside of the institution-wide assessment area.

<b>Institution-wide Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Home Mortgage										
2017	4,080	90.4	432	9.6	4,512	795,222	88.7	100,892	11.3	896,114
2018	6,602	91.5	617	8.5	7,219	1,174,991	89.0	145,247	11.0	1,320,238
2019	7,148	91.6	654	8.4	7,802	1,342,543	89.6	156,578	10.4	1,499,121
<b>Subtotal</b>	<b>17,830</b>	<b>91.3</b>	<b>1,703</b>	<b>8.7</b>	<b>19,533</b>	<b>3,312,756</b>	<b>89.2</b>	<b>402,717</b>	<b>10.8</b>	<b>3,715,473</b>
Small Business										
2017	2,323	88.6	298	11.4	2,621	344,354	79.7	87,722	20.3	432,076
2018	2,350	88.2	315	11.8	2,665	372,466	80.9	88,065	19.1	460,531
2019	3,685	90.7	378	9.3	4,063	622,630	86.5	97,511	13.5	720,141
<b>Subtotal</b>	<b>8,358</b>	<b>89.4</b>	<b>991</b>	<b>10.6</b>	<b>9,349</b>	<b>1,339,450</b>	<b>83.1</b>	<b>273,298</b>	<b>16.9</b>	<b>1,612,748</b>
<b>Total</b>	<b>26,188</b>	<b>90.7</b>	<b>2,694</b>	<b>9.3</b>	<b>28,882</b>	<b>4,652,206</b>	<b>87.3</b>	<b>676,015</b>	<b>12.7</b>	<b>5,328,221</b>

*Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0 percent.*

**Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the assessment areas. The bank’s performance varied slightly across the assessment areas, but was generally comparable to, or exceeded, aggregate and demographic data. Please refer to the HMDA and CRA lending performance tables in Appendix E for details regarding the geographic distribution of loans in each assessment area within each state.

**Borrower Profile**

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. Poverty levels affected home mortgage lending and the introduction of new business loan products significantly influenced small business lending institution-wide.

**Innovative or Flexible Lending Practices**

United Community Bank makes extensive use of innovative and/or flexible lending programs and products in order to meet the credit needs of its assessment areas. During the evaluation period, the bank extended 10,844 loans totaling \$1.4 billion through these and other flexible and innovative lending programs. This represents a substantial increase, by both number and dollar volume,

compared to the last performance evaluation. The bank offers affordable home mortgage loans that include down-payment assistance programs, government loan programs targeted to low- and moderate-income families, and an innovative in-house program called Possibilities Achieved Through Homeownership (PATH). The bank offers affordable housing grants through the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) Set-Aside Program, and the bank participates in the U.S. Department of Agriculture (USDA) Home Loan Program.

With regard to small business lending, the bank offers several flexible loan programs through the assistance of special federally funded programs for business owners who do not meet conventional underwriting standards. The bank extends Small Business Administration (SBA) loan programs, such as the SBA 504, SBA 7(a), and SBA Express programs, throughout its assessment areas.

In addition to the flexible and innovative lending programs available across all assessment areas, United Community Bank offers the following state specific programs.

#### *Georgia*

The bank participates in the Georgia Department of Community Affairs (DCA) Dream Loan Programs extended to first time homebuyers in certain target areas who have not owned or purchased a home in three years. DCA Dream Loans make homeownership possible for eligible low- and moderate-income Georgians by providing affordable financing options, down payment assistance, and homebuyer education.

#### *North Carolina*

The North Carolina Home Advantage Mortgage program provides eligible homebuyers with competitive interest rates and down payment assistance up to 5.0 percent of the loan amount. The sale of government-insured Fannie Mae or Freddie Mac mortgage-backed securities fund the North Carolina Home Advantage Mortgage loans. This is a new program and the bank has not extended any loans as of June 30, 2020.

#### *South Carolina*

Commercial loan programs offered in South Carolina include loans through the South Carolina Community Loan Fund, a 501(c) (3) non-profit community development finance organization and a certified Community Development Financial Institution (CDFI). The primary mission of the South Carolina Community Loan Fund is to advance equitable access to capital by providing loans, technical assistance and advocacy for affordable housing, community facilities, and community business enterprises.

The South Carolina Capital Access Program (SC CAP) provides financial institutions operating in South Carolina a flexible lending program for higher risk business borrowers that may not meet conventional underwriting standards. The program uses public resources to generate private financing for small businesses that might not otherwise be able to obtain conventional bank financing.

The South Carolina State Housing Finance and Development Authority's (SC Housing) Homebuyer Program assists low- and moderate-income families and individuals by offering competitive fixed interest rate mortgage loans and down payment assistance, including the payment of closing costs.

*Tennessee*

Tennessee Housing Department Authority (THDA) Great Choice Home Loan Program offers down payment assistance to first time homebuyers meeting credit score, income, and asset eligibility requirements. The program offers low down payments, flexible credit approvals, and multiple loan terms.

The following table reflects innovative and flexible lending extended, by number and dollar amount, from August 8, 2017, through June 30, 2020.

<b>Innovative or Flexible Lending Programs</b>										
<b>Type of Program</b>	<b>08/08/2017 – 12/31/2017</b>		<b>2018</b>		<b>2019</b>		<b>01/01/2020 – 06/30/2020</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Affordable Loan Program	9	1,032	22	2,179	28	3,230	15	1,914	74	8,355
Business Express Product	166	4,037	563	14,924	653	21,082	511	16,901	1,893	56,944
Community Development Financial Institution	1	50	2	200	1	99	0	0	4	349
FHA Home Loan	104	17,371	250	42,692	340	63,436	88	18,298	782	141,797
FHLB AHP Set-Aside Program	0	0	9	1,273	16	2,260	6	937	31	4,470
First Time Homebuyer	309	56,196	1,013	186,336	1,207	236,480	723	161,378	3,252	640,390
Foreclosure Prevention Program	4	27	2	72	0	0	2	169	8	268
Georgia DCA Dream Loan Program	2	47	4	333	4	320	0	0	10	700
Home Affordable Refinance Program	2	290	0	0	0	0	0	0	2	290
Home One	0	0	6	1,126	25	5,206	16	3,282	47	9,614
Home Possible®	24	4,625	70	13,451	75	13,050	8	1,300	177	32,426
Home Ready	3	4,593	16	2,463	12	1,911	1	209	32	9,176
PATH Program	57	8,722	171	26,581	190	33,987	24	4,377	442	73,667
SBA (504, 7a, Express)	35	78,935	61	103,959	45	73,058	23	37,804	164	293,756
SC CAP	0	0	2	120	0	0	0	0	2	120
SC Housing Homebuyer Program	0	0	0	0	0	0	2	166	2	166
Small Dollar Lending	510	768	1,174	1,819	997	1,525	312	490	2,993	4,602

THDA Loan Program	8	469	36	2,445	20	1,280	4	339	68	4,533
United Minute Lender Loans	0	0	0	0	189	1,860	89	954	278	2,814
USDA – SBA	0	0	0	0	1	1,815	0	0	1	1,815
USDA Single Family Housing	44	6,255	97	14,649	93	15,110	31	4,932	265	40,946
VA	35	8,285	88	25,136	137	34,494	47	13,404	307	81,319
<b>Totals</b>	<b>1,313</b>	<b>191,702</b>	<b>3,586</b>	<b>439,758</b>	<b>4,033</b>	<b>510,203</b>	<b>1,902</b>	<b>266,854</b>	<b>10,834</b>	<b>1,408,517</b>
<i>Source: Bank Data</i>										

Examples of United Community Bank’s flexible and innovative lending programs and products offered institution-wide include:

- *PATH Programs* – United Community Bank continues to deploy three loan products that target low- and moderate-income borrowers, or properties in low- and moderate-income census tracts, as well as borrowers and/or homes in majority minority geographies. The bank offers these products to applicants that meet the bank’s underwriting qualifications. The bank originated 452 PATH loans totaling \$75.7 million, a 78.7 percent increase by number, since introduction of the program prior to the last evaluation.
- *United Minute Lender Loans* – In 2019, the bank introduced an online solution that allows existing consumer and business customers with a checking account to apply for a loan or line of credit via the bank’s website. Through an automated self-service platform, United Minute Lender Loans feature lower rates than most credit cards, quick loan qualification, consideration of personal credit scores rather than business revenue, and funding in three business days or less without needing to visit a bank office. The bank originated 278 loans totaling 2.8 million since inception of the product.
- *Business Express Product* – United Community Bank continues to offer small business loans to applicants who may not otherwise meet standard underwriting requirements. The loans are originated at smaller dollar amounts. Additionally, the bank uses one of two business models to take action on loan applications by using a business score or personal credit report. With the exception of the Universal Commercial Code, no financials are required from applicants that meet the streamlined requirements. The bank originated 1,893 Business Express loans totaling \$56.9 million, a 95.0 percent increase in volume by number, since inception of the product.

In addition to the flexible and innovative programs and products listed above, the bank also responded to the need for credit relief caused by the Coronavirus pandemic. Congress signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law March 27, 2020. With the CARES Act, creditors were encouraged to offer loan forbearance, or payment modifications, to customers impacted by the COVID-19 pandemic. In response, United Community Bank elected to offer payment modifications of 30, 60, or 90 days to business and consumer borrowers. Payment modifications include deferred principal and/or interest payments. As of June 30, 2020, the bank extended 1,882 modifications, with 47.8 percent extended to small businesses with gross annual revenues equal to or less than \$1 million, and 23.4 percent extended in low- or moderate-income

geographies. The bank also extended 1,107 modifications to consumer customers, with 16.8 percent extended in low- or moderate-income geographies. Finally, the bank participates in the SBA Paycheck Protection Program (PPP), which was also established by the CARES Act and is considered flexible and innovative. The PPP provides for loans that may qualify as small business loans when loan amounts are \$1 million or less, or community development loans when loan amounts are over \$1 million. See comments below for further discussion of PPP loans over \$1 million.

### **Community Development Loans**

United Community Bank made a relatively high level of community development loans during this evaluation period. United Community Bank originated 49 community development loans totaling \$142.3 million, compared to 27 loans totaling \$122.6 million at the previous evaluation. Of the 49 community development loans, two loans totaling \$4.6 million were originated in the bank’s Florida assessment area, which was not included in this review. Because the bank has been responsive to community development needs and opportunities inside its rated assessment areas, examiners considered these loans in the bank’s performance. The bank’s community development activities equaled 1.6 percent of total loans and 1.1 percent of total assets as of March 31, 2020. Refer to the analyses provided in the individual rated area and assessment area sections of this evaluation for a detailed discussion of individual community development loans. The following tables reflect the community development lending by activity year, purpose, and rated area.

<b>Community Development Lending By Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2017	-	-	-	-	-	-	1	10,000	<b>1</b>	<b>10,000</b>
2018	2	720	-	-	1	8,662	3	6,721	<b>6</b>	<b>16,103</b>
2019	1	370	2	3,862	-	-	5	34,601	<b>8</b>	<b>38,833</b>
2020	1	605	4	8,848	2	4,640	27	63,255	<b>34</b>	<b>77,348</b>
<b>Totals</b>	<b>4</b>	<b>1,695</b>	<b>6</b>	<b>12,710</b>	<b>3</b>	<b>13,302</b>	<b>36</b>	<b>114,577</b>	<b>49</b>	<b>142,284</b>

*Source: Bank Records August 8, 2017 through June 30, 2020*

<b>Community Development Lending By Rated Area</b>										
<b>Rated Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Georgia	1	350	2	4,121	-	-	16	56,190	<b>19</b>	<b>60,661</b>
North Carolina	3	1,345	3	6,353	-	-	5	7,974	<b>11</b>	<b>15,672</b>
Tennessee	-	-	-	-	1	8,662	2	15,094	<b>3</b>	<b>23,756</b>
South Carolina	-	-	1	2,236	-	-	13	35,319	<b>14</b>	<b>37,555</b>
Florida	-	-	-	-	2	4,640	-	-	<b>2</b>	<b>4,640</b>
<b>Totals</b>	<b>4</b>	<b>1,695</b>	<b>6</b>	<b>12,710</b>	<b>3</b>	<b>13,302</b>	<b>36</b>	<b>114,577</b>	<b>49</b>	<b>142,284</b>

*Source: Bank Records August 8, 2017 through June 30, 2020*

Included in the community development loans listed above are loans originated by the bank in amounts greater than \$1 million under the SBA PPP established by the CARES Act. The program offers economic relief to small businesses adversely impacted by the COVID-19 pandemic and provides direct incentive for small businesses to keep their workforces employed during the crisis. PPP loans are forgiven if all employee retention criteria are met, including the use of funds for payroll costs, interest on mortgages, and utilities. On March 13, 2020, the President of the United States declared the COVID-19 pandemic a declaration of emergency for all states, tribes, territories, and the District of Columbia. Refer to the individual assessment area sections of this evaluation for further details regarding community development loans originated pursuant to the CARES Act.

## **INVESTMENT TEST**

The Investment Test rating for this institution is High Satisfactory. United Community Bank has a significant level of qualified community development investments and grants. Considering available investment opportunities, the level of qualified investments demonstrates good responsiveness to the credit and community development needs of the assessment areas. The bank also occasionally uses innovative and/or complex investments to support community development initiatives. The bank's overall performance is generally consistent with the performance in each rated area.

### **Investment and Grant Activity**

United Community Bank maintains a significant level of qualified investments. The bank implements its community development investment objectives through the combination of mortgage-backed securities (MBS), Small Business Investment Companies (SBIC), municipal bonds, and low-income housing tax credits (LIHTC).

During the evaluation period, the bank made or retained \$186.3 million in qualified investments and donations inside its assessment areas or in broader regional and nationwide areas. As of June 30, 2020, total qualified investments equate to 1.5 percent of total assets and 7.1 percent of total securities. The number and amount of qualified investments have significantly increased since the previous evaluation and current investment percentage levels are higher than the 0.7 percent of total assets and 2.6 percent of total securities noted during the previous evaluation.

Prior-period investments represent outstanding amounts of qualified investments made during the previous CRA evaluation. Excluding qualified grants and donations, the tables below list approximately \$185.9 million in qualified investments, of which \$142.1 million were made during the current evaluation period. Examiners placed the most weight on investments made by the bank during the current evaluation period, which represent 76.4 percent of total qualified investments. Regional area investments include investments that directly benefit multiple assessment areas within the bank's rated areas. Nationwide investments consist of investments that benefit areas outside of the bank's defined assessment areas but within a broader area that includes the assessment areas. The following tables detail qualified investments by purpose, year, and rated area.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	26	35,755	1	500	2	3,540	2	4,026	31	43,821
2017 (Partial)	3	27,285	-	-	1	3,000	-	-	4	30,285
2018	4	14,382	-	-	1	2,000	-	-	5	16,382
2019	8	60,118	-	-	-	-	-	-	8	60,118
YTD 2020	5	25,310	-	-	1	5,000	1	5,000	7	35,310
<b>Subtotal</b>	<b>46</b>	<b>162,850</b>	<b>1</b>	<b>500</b>	<b>5</b>	<b>13,540</b>	<b>3</b>	<b>9,026</b>	<b>55</b>	<b>185,916</b>
Qualified Grants & Donations	10	12	438	277	89	82	4	10	541	381
<b>Totals</b>	<b>56</b>	<b>162,862</b>	<b>439</b>	<b>777</b>	<b>94</b>	<b>13,622</b>	<b>7</b>	<b>9,036</b>	<b>596</b>	<b>186,297</b>

Source: Bank Records August 8, 2017 through June 30, 2020

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Georgia	17	55,137	348	716	47	2,050	2	5	414	57,908
North Carolina	8	26,208	39	24	27	14	1	3	75	26,249
South Carolina	16	41,852	24	25	4	6	-	-	44	41,883
Tennessee	6	21,321	28	12	12	12	1	2	47	21,347
Regional	6	6,438	-	-	-	-	-	-	6	6,438
Nationwide	3	11,906	-	-	4	11,540	3	9,026	10	32,472
<b>Totals</b>	<b>56</b>	<b>162,862</b>	<b>439</b>	<b>777</b>	<b>94</b>	<b>13,622</b>	<b>7</b>	<b>9,036</b>	<b>596</b>	<b>186,297</b>

Source: Bank Records August 8, 2017 through June 30, 2020

Investments directly benefitting the individual assessment areas or broader statewide areas are discussed under each rated area. Below are notable examples of the bank's qualified investments made in regional or nationwide areas.

- UCB maintains six prior period MBS investments totaling \$6.4 million that promote affordable housing throughout its assessment areas. Each security is collateralized with property in multiple states. These investments directly benefitted multiple assessment areas in Georgia, North Carolina, South Carolina, and Tennessee.
- In 2018, UCB invested \$2 million into an SBIC, which provides capital to small businesses to foster economic development. Investments benefitted states located along the east coast, including Georgia, North Carolina, and South Carolina.
- In 2017 and 2020, UCB invested \$15 million in four investment funds that promote community development nationwide. Investments benefitted states located in the southeast region, including Georgia, North Carolina, South Carolina, and Tennessee.

## **Responsiveness to Credit and Community Development Needs**

Overall, United Community Bank exhibits good responsiveness to credit and community economic development needs throughout its assessment areas. The majority of the investment and grants, by number and dollar amount were directed to affordable housing, which was an identified need of the assessment areas.

### **Community Development Initiatives**

United Community Bank is involved with various community development initiatives and occasionally uses innovative and/or complex investments to support those initiatives. Below are examples of the bank's innovative and/or complex community development initiatives.

#### ***Low Income Housing Tax Credits***

The bank invests in projects that have secured funding through the Tax Reform Act of 1986 for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

#### ***Mortgage-Backed Securities***

The bank invests in government agency qualified MBS pools collateralized by mortgages originated to low- and moderate-income borrowers or secured by properties located in low- and moderate-income areas.

#### ***Small Business Investment Companies***

The bank invests in various companies whose primary purpose is to provide capital to small businesses. These companies are registered through the SBA's SBIC program.

#### ***Charitable Contributions***

United Community Bank provides financial assistance to organizations that have as a primary purpose, economic development, community revitalization/stabilization, affordable housing, and community services targeted to low- and moderate-income individuals or areas. The bank's CRA qualified donations helped support homeless shelters, food distribution services to low- and moderate-income individuals, after school and summer childcare, and basic financial literacy. The donations also provided support to various programs for at-risk, low- and moderate-income youth.

## **SERVICE TEST**

The Service Test rating for United Community Bank is High Satisfactory. The bank's delivery systems are accessible to essentially all portions of the assessment areas. The opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals. In addition, United Community Bank provides a relatively high level of community development services within its assessment areas. Overall performance is generally consistent with the rated areas performance.

**Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of the assessment areas. During the evaluation period, the bank operated 142 branches in Georgia, South Carolina, North Carolina, and Tennessee. Georgia accounted for almost half of the bank-wide branches at 47.2 percent, North Carolina accounted for 22.5 percent, South Carolina accounted for 24.7 percent, and Tennessee accounted for 5.6 percent of the remaining bank-wide branches. All branches have ATMs except two. Of the branches with ATMs, 25 take deposits, including seven in low- or moderate-income tracts and one in a middle-income tract designated as distressed/underserved. The percent of branches in low-income census tracts is slightly below, yet comparable, to the percent of population in those census tracts, while the percent of branches in moderate-income census tracts is slightly higher than the percent of population in those census tracts.

In addition to the branches, the bank offers an array of alternative delivery systems for its customers that are available 24-hours a day. This includes operation of its website, [www.ucbi.com](http://www.ucbi.com), which contains information about products, services, and other information about the bank. Further, the institution offers telephone banking that supports many languages, online banking that is free to any bank customer with an account, and mobile banking that allows access to information via text, mobile web, and apps. The bank’s ATMs allow customers the option of conducting transactions in Spanish. The institution also operates 12 remote ATMs within the assessment areas separate from the branches, with five located in low- or moderate-income census tracts. Additionally, five of the 12 remote ATMs also take deposits, including two in low- or moderate-income census tracts. United Community Bank also has 12 LPOs, MPOs, and/or DPOs that are located separate from the branches, including seven located within the assessment areas. Accessibility to Delivery Systems is discussed further within each rated area and full-scope assessment area. Refer to Appendix E for details on the branch distribution by geography income levels.

The following table details overall branch, population, and census tract distribution by tract income level.

<b>Branch Distribution by Geography Income Level</b>						
<b>Tract Income Level</b>	<b>Branches</b>		<b>Population</b>		<b>Census Tracts</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	6	4.2	710,200	6.0	189	8.0
Moderate	32	22.6	2,635,524	22.1	525	22.2
Middle	76	53.5	4,935,085	41.3	919	38.9
Upper	28	19.7	3,615,184	30.3	697	29.5
NA	0	0.0	40,526	0.3	32	1.4
<b>Total</b>	<b>142</b>	<b>100.0</b>	<b>11,936,519</b>	<b>100.0</b>	<b>2,362</b>	<b>100.0</b>

*Source: 2015 ACS Data & Bank Records*

**Changes in Branch Locations**

To the extent changes have been made, the institution’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period,

the bank acquired or opened 18 branches. Of these branch openings, North Carolina accounted for 72.2 percent, Georgia accounted for 22.2 percent, and South Carolina accounted for 5.6 percent. Two of the new branches are in low-, five are in moderate-, eight are in middle-, and three are in upper-income census tracts. Of the eight branches opened in middle-income census tracts, one branch is located in a tract designated as distressed/underserved.

In addition, during the evaluation period, the institution closed 11 branches. Of these branch closings, South Carolina accounted for 54.5 percent, Tennessee accounted for 27.3 percent, and Georgia accounted for 18.2 percent of the branch closings. Two of the closed branches were in moderate-, five were in middle-, and four were in upper-income census tracts. The net change in branches resulted in the percent of branches located in low-income census tracts being slightly below the percent of population in those tracts, and the percent of branches in moderate-income census tracts being slightly above the percent of population in those tracts. Changes in Branch Locations are discussed further within the rated area and assessment area sections where changes have occurred. Refer to Appendix E for branch distribution details.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. United Community Bank's services include offering a full range of consumer and commercial loan and deposit products designed to meet the banking needs of its assessment areas. Some deposit products offer no minimum balance requirements and unlimited transactions, and have either no or low monthly fees, which benefit low- and moderate-income individuals and families. Additional no or low cost services include check cashing for customers and non-customers, which may include government-issued checks for benefit payments, stimulus checks, and tax refunds. During the evaluation period, the bank also offered various services to customers who have recently become low- or moderate-income due to lost jobs, decreased work hours, or furloughs that reduced income. These services demonstrate the bank's responsiveness to the COVID-19 emergency, natural disasters, or other financial hardships such as those associated with military service, death of a spouse, or a medical hardship.

Business hours are reasonable and comparable to other local financial institutions. Most branch offices have ATMs, and the ATMs provide typical services such as providing cash and balance inquiries. There are 12 remote ATMs including five that take deposits. The bank also offers telephone, online, and mobile banking, which gives customers access to a number of services, including but not limited to, checking account balances, viewing or hearing transactions, transferring funds between accounts, paying bills, making deposits, and locating branches and ATMs. In addition, drive-up windows are located at most branch offices. Each branch offers the same products and services. Services and business hours for each rated area and full-scope assessment area do not vary; therefore, this performance factor is not further discussed.

### **Community Development Services**

United Community Bank provides a relatively high level of community development services within its assessment areas. Since the last evaluation, bank personnel, acting as representatives of

United Community Bank, provided 291 qualified community development services. These services include bank personnel delivering financial services or technical assistance to various organizations that benefit each of the bank’s assessment areas. Georgia accounted for 52.6 percent, North Carolina accounted for 25.4 percent, South Carolina accounted for 12.0 percent, and Tennessee accounted for 10.0 percent of the qualified community development services provided. Total community development services equate to 1.9 services per branch.

Of the 291 community development services, community services accounted for 64.6 percent, economic development accounted for 21.3 percent, affordable housing accounted for 10.7 percent, and revitalization/stabilization accounted for 3.4 percent of the total community development services provided during the evaluation. The tables below detail community development service activities by year, purpose, and state. Refer to the discussions of Community Development Services within each assessment area analysis for additional details and examples.

<b>Bank-Wide Community Development Services by Year</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2017	4	33	13	1	<b>51</b>
2018	6	45	14	2	<b>67</b>
2019	13	64	23	4	<b>104</b>
2020	8	46	12	3	<b>69</b>
<b>Total</b>	<b>31</b>	<b>188</b>	<b>62</b>	<b>10</b>	<b>291</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

<b>Bank-Wide Community Development Services by State</b>					
<b>State</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Georgia	22	100	30	1	<b>153</b>
South Carolina	1	28	6	-	<b>35</b>
North Carolina	4	37	24	9	<b>74</b>
Tennessee	4	23	2	-	<b>29</b>
<b>Sub-Total</b>	<b>31</b>	<b>188</b>	<b>62</b>	<b>10</b>	<b>291</b>
Broader Activities	-	-	-	-	-
<b>Total</b>	<b>31</b>	<b>188</b>	<b>62</b>	<b>10</b>	<b>291</b>
<i>Source: August 8, 2017 through August 3, 2020 Bank Records</i>					

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners evaluated the bank’s compliance with antidiscrimination laws, including the Fair Housing Act. The fair lending review conducted concurrently with this performance evaluation identified no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## GEORGIA

### CRA RATING FOR GEORGIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN GEORGIA

The evaluation of the bank's performance in Georgia considered the operations of United Community Bank in the Athens, Atlanta, Brunswick, Gainesville, Rome, Savannah, and Georgia NMSA Assessment Areas. The Athens Assessment Area is new since the previous evaluation and was created when the bank acquired First Madison Bank & Trust in 2019. The bank operates 67 (47.2 percent) of its 142 branch offices in Georgia, four of which are new since the previous evaluation. Georgia accounts for 53.7 percent of the bank-wide dollar volume of loans and 62.8 percent of deposits. Overall, United Community Bank ranks 6<sup>th</sup> in deposit market share at 3.4 percent in the statewide assessment areas. The leading institutions are SunTrust Bank; Bank of America, National Association (N.A.); Wells Fargo Bank, N.A.; Branch Banking and Trust Company; and, Synovus Bank with a collective deposit market share of 69.1 percent.

### SCOPE OF EVALUATION IN GEORGIA

Examiners conducted full-scope reviews of the bank's performance in the Georgia NMSA and Atlanta Assessment Areas, as these two areas contain most of the bank's operations within the state. The Athens, Brunswick, Gainesville, Rome, and Savannah Assessment Areas were reviewed using limited-scope procedures due to limited branch structure and lending activity in those areas. When drawing overall state conclusions, the Atlanta Assessment Area received the most weight based on the relatively high percentages of statewide loans, deposits, and branches in the area. Refer to the following table for the distribution of lending, deposits, and branches in each assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches Statewide</b>								
<b>Assessment Area</b>	<b>Loans*</b>				<b>Deposits</b>		<b>Branches</b>	
	#	%	\$(000)	%	\$(000s)	%	#	%
Atlanta Assessment Area	5,891	41.3	1,192,727	47.7	2,945,629	44.0	33	49.2
Athens Assessment Area	269	1.9	42,029	1.7	229,353	3.4	4	6.0
Brunswick Assessment Area	559	3.9	98,827	4.0	202,013	3.0	3	4.5
Gainesville Assessment Area	811	5.7	145,496	5.8	449,591	6.7	4	6.0
Georgia NMSA Assessment Area	5,308	37.2	738,051	29.6	2,375,830	35.5	17	25.3
Rome Assessment Area	715	5.0	100,309	4.0	303,923	4.6	3	4.5
Savannah Assessment Area	718	5.0	180,689	7.2	188,290	2.8	3	4.5
<b>Total</b>	<b>14,271</b>	<b>100.0</b>	<b>2,498,128</b>	<b>100.0</b>	<b>6,694,629</b>	<b>100.0</b>	<b>67</b>	<b>100.0</b>

Source: Bank Records and FDIC Summary of Deposits (06/30/2019). Due to rounding, totals may not equal 100.0 percent.  
\*Includes 2017, 2018, and 2019 home mortgage and small business loans.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN GEORGIA**

### **LENDING TEST**

The Lending Test rating for Georgia is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs. The bank's performance was generally consistent throughout the assessment areas within Georgia, with a few exceptions. The geographic distribution reflects adequate penetration to low- and moderate-income borrowers and borrower profile reflects good penetration to borrowers of different incomes and businesses of different sizes. In addition, the bank made extensive use of innovative and/or flexible lending programs to expand lending and made a relatively high level of community development loans. Please refer to the institution-wide analysis for information on innovative and/or flexible lending programs.

#### **Lending Activity**

Lending levels reflect good responsiveness to the assessment areas' credit needs. Limited lending opportunities based on the relatively low percentages of owner-occupied housing units and strong competition in the assessment areas were factors in the analysis for some assessment areas. Additionally, the volume of small business loans declined since the last evaluation; however, responsiveness remains consistent with the previous evaluation. Please refer to the HMDA and CRA lending performance tables in Appendix E for details.

#### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment areas; however, the performance varied across assessment areas. For home mortgage loans, the bank's lending was adequate in all assessment areas except the Brunswick and Savannah Assessment Areas, where performance was good, and the Gainesville Assessment Area, where performance was poor. For small business loans, the bank's lending was adequate in all assessment areas except the Brunswick, Gainesville, and Savannah Assessment Areas, where the performance was good.

#### **Borrower Profile**

The distribution of home mortgage and small business loans reflects good penetration among individuals of different income levels and businesses of different sizes. Bank performance was generally consistent across all assessment areas; however, there were exceptions. For home mortgage loans, the bank's lending was good in the Atlanta, Georgia NMSA, and Brunswick Assessment Areas, and adequate in all other assessment areas. For small business loans, the bank's lending was adequate in all assessment areas except the Brunswick, Georgia NMSA, and Rome Assessment Areas, where performance was good, and the Gainesville and Savannah Assessment Areas, where performance was poor.

## Community Development Loans

United Community Bank made a relatively high level of community development loans in Georgia. While the number of community development loans is the same as the previous evaluation, the dollar volume declined. During this evaluation period, the bank originated 19 community development loans totaling \$60.7 million, compared to 19 loans totaling \$82.0 million at the previous evaluation. This performance represents 38.8 percent by number and 42.6 percent by dollar volume of bank-wide community development loans. Performance varied throughout the assessment areas in Georgia with the majority of the loans originating in the Atlanta Assessment Area. Additionally, three loans totaling \$10.7 million were originated outside of the assessment areas but in a broader statewide area that includes the assessment areas. Because the bank has been responsive to community development needs and opportunities inside its assessment areas, examiners gave consideration for broader statewide lending. The following tables detail the bank's community development lending activity by assessment area, year, and purpose.

Community Development Lending in Georgia by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017 (Partial)	-	-	-	-	-	-	1	10,000	1	10,000
2018	1	350	-	-	-	-	2	5,110	3	5,460
2019	-	-	1	2,462	-	-	1	19,227	2	21,689
YTD 2020	-	-	1	1,659	-	-	12	21,853	13	23,512
<b>Totals</b>	<b>1</b>	<b>350</b>	<b>2</b>	<b>4,121</b>	-	-	<b>16</b>	<b>56,190</b>	<b>19</b>	<b>60,661</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

Community Development Lending in Georgia by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta Assessment Area	1	350	1	1,659	-	-	9	22,074	11	24,083
Athens Assessment Area	-	-	-	-	-	-	-	-	-	-
Brunswick Assessment Area	-	-	-	-	-	-	-	-	-	-
Gainesville Assessment Area	-	-	-	-	-	-	1	1,133	1	1,133
Georgia NMSA Assessment Area	-	-	1	2,462	-	-	1	1,837	2	4,299
Rome Assessment Area	-	-	-	-	-	-	2	20,413	2	20,413
Savannah Assessment Area	-	-	-	-	-	-	-	-	-	-
Statewide Activities	-	-	-	-	-	-	3	10,733	3	10,733
<b>Totals</b>	<b>1</b>	<b>350</b>	<b>2</b>	<b>4,121</b>	-	-	<b>16</b>	<b>56,190</b>	<b>19</b>	<b>60,661</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

The analysis for each full-scope Georgia assessment area includes a discussion of community development loans that directly benefitted the assessment areas. Below are examples of the bank's statewide activities in Georgia.

- One PPP loan totaling \$4.6 million to a hospital located in a distressed middle-income census tract. Funds were used to retain jobs during the COVID-19 pandemic. The hospital is the only medical facility located in the county.
- One PPP loan totaling \$2.3 million to a company located in a low-income census tract. Funds were used for job retention during the COVID-19 pandemic.

## INVESTMENT TEST

The Investment Test rating for Georgia is High Satisfactory. The bank has a significant level of qualified investments and grants, which were responsive to community development needs and occasionally included innovative and complex characteristics. The bank’s performance in Georgia was generally consistent throughout the Georgia assessment areas.

### Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants. The bank made or retained 414 investments totaling \$57.9 million, representing 31.1 percent of its total community development investments. Qualified investments directly benefitting the state consisted of \$55.1 million in affordable housing, \$500 thousand in community services, \$2.0 million in economic development investments, as well as \$280 thousand in grants and donations. Prior period investments benefitting Georgia represent approximately \$9.7 million (16.8 percent) of the bank’s total qualified statewide investments. The number of qualified investments and dollar volume increased from 411 and \$32 million, respectively, at the previous evaluation. Since the bank met the community development needs inside the assessment areas, consideration was given to investments outside the assessment areas, but within a broader regional or statewide area that includes the assessment areas. The following tables reflect the qualified investments and donations benefitting the state of Georgia by purpose, assessment area, and year.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta Assessment Area	7	39,190	113	567	27	2,022	1	3	148	41,782
Athens Assessment Area	1	7,049	6	2	-	-	-	-	7	7,051
Rome Assessment Area	1	2	22	11	7	7	1	3	31	23
Gainesville Assessment Area	-	-	29	29	4	8	-	-	33	37
Brunswick Assessment Area	-	-	6	5	1	3	-	-	7	8
Savannah Assessment Area	2	6	4	6	-	-	-	-	6	12
Georgia NMSA Assessment Area	2	1	168	95	8	10	-	-	178	106
Regional Activities	1	7,036	-	-	-	-	-	-	1	7,036
Statewide Activities	3	1,853	-	-	-	-	-	-	3	1,853
<b>Totals</b>	<b>17</b>	<b>55,137</b>	<b>348</b>	<b>715</b>	<b>47</b>	<b>2,050</b>	<b>2</b>	<b>6</b>	<b>414</b>	<b>57,908</b>

*Source: Bank Records August 8, 2017 through June 30, 2020.*

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	9,225	1	500	-	-	-	-	6	9,725
2017 (Partial)	2	23,200	-	-	-	-	-	-	2	23,200
2018	1	7,154	-	-	1	2,000	-	-	2	9,154
2019	1	7,000	-	-	-	-	-	-	1	7,000
YTD 2020	2	8,549	-	-	-	-	-	-	2	8,549
<b>Subtotal</b>	<b>11</b>	<b>55,128</b>	<b>1</b>	<b>500</b>	<b>1</b>	<b>2,000</b>	-	-	<b>13</b>	<b>57,628</b>
Qualified Grants & Donations	6	9	347	216	46	50	2	5	401	280
<b>Totals</b>	<b>17</b>	<b>55,137</b>	<b>348</b>	<b>716</b>	<b>47</b>	<b>2,050</b>	<b>2</b>	<b>5</b>	<b>414</b>	<b>57,908</b>
<i>Source: Bank Records August 8, 2017 through June 30, 2020</i>										

The analysis for each full-scope Georgia assessment area includes a discussion of investments that directly benefitted the assessment areas. Below are notable examples of the United Community Bank’s Georgia regional and statewide-qualified investments.

- The bank continues to maintain its investment in three MBS totaling \$1.9 million. These prior period investments promote affordable housing throughout the state of Georgia.
- The bank has invested in one MBS totaling \$7.0 million that promotes affordable housing in the Atlanta, Gainesville, and Savannah Assessment Areas.

## SERVICE TEST

The Service Test rating for this institution is High Satisfactory in Georgia. United Community Bank’s delivery systems are accessible to essentially all portions of the institution’s Georgia assessment areas. The opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low and moderate-income individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank has provided an adequate level of community development services.

## Changes in Branch Locations

To the extent changes have been made, the institution’s record of opening and closing branches has not adversely impacted the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the evaluation period, the bank opened four branches following the acquisition of First Madison Bank & Trust, which resulted in the delineation of the Athens Assessment Area. Of the four branches, one is in a low-income, two are in middle-income, and one is in an upper-income census tracts. In addition, the bank closed two branches during the evaluation period; however, the branches were not located in low- or moderate-income census tracts. The net changes in branch locations slightly improved branch demographics when compared to assessment area demographics. More details regarding office

openings and closings are provided under the Service Test analysis in those assessment areas where the changes occurred.

### **Community Development Services**

United Community Bank has provided an adequate level of community development services in Georgia. Bank employees and directors provided 153 qualifying services throughout the Georgia assessment areas. This performance represented 52.6 percent of the institution-wide community development services by number. In addition, this performance reflects a decline since the previous evaluation when the bank performed 271 community development services in Georgia; however, the services have been responsive to community needs. The following tables detail the bank’s community development services activity by assessment area, year, and purpose during the evaluation period.

<b>Community Development Services in Georgia by Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2017	2	15	7	-	<b>24</b>
2018	4	26	8	1	<b>39</b>
2019	10	32	9	-	<b>51</b>
2020	6	27	6	-	<b>39</b>
<b>Totals</b>	<b>22</b>	<b>100</b>	<b>30</b>	<b>1</b>	<b>153</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

<b>Community Development Services in Georgia by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Atlanta Assessment Area	13	24	15	-	<b>52</b>
Georgia NMSA Assessment Area	8	58	14	1	<b>81</b>
Gainesville Assessment Area	-	3	-	-	<b>3</b>
Athens Assessment Area	-	4	-	-	<b>4</b>
Brunswick Assessment Area	-	-	1	-	<b>1</b>
Rome Assessment Area	-	11	-	-	<b>11</b>
Savannah Assessment Area	1	-	-	-	<b>1</b>
<b>Total in Assessment Areas</b>	<b>22</b>	<b>100</b>	<b>30</b>	<b>1</b>	<b>153</b>
Statewide Activities	-	-	-	-	-
<b>Totals</b>	<b>22</b>	<b>100</b>	<b>30</b>	<b>1</b>	<b>153</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

## ATLANTA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATLANTA ASSESSMENT AREA

United Bank Community Bank delineated 19 counties, illustrated in the table below, as the Atlanta Assessment Area. All 19 counties are part of the Atlanta-Sandy Springs-Alpharetta, Georgia MSA. The following table provides a summary of the assessment area, including the number of census tracts and branches by county.

Description of the Atlanta Assessment Area			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Atlanta	Bartow	15	2
	Carroll	17	2
	Cherokee	26	2
	Clayton	50	0
	Cobb	120	4
	Coweta	20	1
	Dawson	3	2
	DeKalb	145	1
	Douglas	20	1
	Fayette	20	3
	Forsyth	45	3
	Fulton	204	2
	Gwinnett	113	3
	Henry	25	3
	Newton	13	1
	Paulding	19	0
	Pickens	6	1
	Rockdale	15	1
Walton	15	1	
<b>Total</b>	<b>19</b>	<b>891</b>	<b>33</b>

*Source: 2015 ACS Data and Bank Records*

United Community Bank operates 33 branches in the assessment area representing 49.3 percent of statewide branches. ATMs, six of which are deposit taking, are available at each of the 33 branch locations. In addition, the bank operates three remote non-deposit taking ATMs in this assessment area, two in Carroll County and one in Henry County. Further, the bank operates two offices in the assessment area that house both an LPO and DPO. The assessment area accounts for 41.1 percent of the rated area loans by number and 44.0 percent of the rated area deposits by dollar volume.

#### **Economic and Demographic Data**

Lending opportunities are more widely available throughout moderate-, middle-, and upper-income geographies based on the disbursement of the population, housing units, and businesses. Fewer lending opportunities exist in low-income geographies, which represent 11.0 percent of the total geographies. With 11.8 percent of families living below the poverty level, lending opportunities are further limited as families living below the poverty level may have difficulty qualifying for credit.

The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Atlanta Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	891	11.0	25.0	29.6	33.4	0.9
Population by Geography	5,247,609	7.5	24.9	33.9	33.4	0.3
Housing Units by Geography	2,084,042	8.5	25.4	32.6	33.4	0.1
Owner-Occupied Units by Geography	1,177,168	3.3	19.1	36.7	41.0	0.0
Occupied Rental Units by Geography	686,057	14.9	34.4	26.9	23.5	0.3
Vacant Units by Geography	220,817	16.2	31.4	28.3	24.0	0.2
Businesses by Geography	482,658	5.6	21.6	30.8	41.4	0.6
Farms by Geography	9,181	3.5	19.2	39.4	37.8	0.1
Family Distribution by Income Level	1,258,128	22.7	16.6	18.1	42.7	0.0
Household Distribution by Income Level	1,863,225	23.4	16.3	17.5	42.8	0.0
Median Family Income: Atlanta-Sandy Springs-Alpharetta, GA MSA		\$67,322	Median Housing Value Median Gross Rent Families Below Poverty Level			\$188,382 \$1,006 11.8%
<i>Source: 2015 ACS Data, 2018 D&amp;B Data, and FFIEC Median Family Income. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.</i>						

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area based on the FFIEC-updated median family income.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Atlanta-Sandy Springs-Alpharetta, Georgia MSA Median Family Income</b>				
2018 (\$74,400)	<\$37,200	\$37,200 to <\$59,520	\$59,520 to <\$89,280	≥\$89,280
<i>Source: FFIEC</i>				

According to 2018 D&B data, there were 482,658 non-farm businesses operating within the Atlanta Assessment Area. Gross annual revenues for these businesses are:

- 87.5 percent with \$1 million or less,
- 4.6 percent with more than \$1 million, and
- 7.9 percent with unknown revenues.

According to the Bureau of Labor Statistics, the unemployment rates for all counties in the assessment area have declined. In most instances, the rates were below or comparable to the state and national averages; however, in some instances, the rates were higher. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Bartow County	4.6	3.8	3.3
Carroll County	5.0	4.0	3.4
Cherokee County	3.7	3.1	2.8
Clayton County	5.8	4.9	4.2
Cobb County	4.1	3.4	3.0
Coweta County	4.2	3.4	3.0
Dawson County	3.8	3.3	2.9
DeKalb County	4.8	4.0	3.4
Douglas County	4.9	4.1	3.5
Fayette County	4.1	3.5	3.0
Forsyth County	3.7	3.2	2.8
Fulton County	4.8	4.0	3.5
Gwinnett County	4.2	3.5	3.0
Henry County	4.8	4.1	3.6
Newton County	5.3	4.5	3.9
Paulding County	4.1	3.4	3.0
Pickens County	4.3	3.5	3.0
Rockdale County	5.3	4.4	3.8
Walton County	4.3	3.6	3.1
Georgia	4.7	4.0	3.4
National Average	4.3	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to 2018 D&B data, were services at 47.0 percent, non-classifiable establishments at 13.2 percent, retail trade at 11.3 percent, and finance and insurance at 8.9 percent. Of the total businesses operating in the assessment area, 70.2 percent have four or fewer employees and 91.6 percent operate from a single location. The top five employers, according to Moody’s Analytics, for the Atlanta-Sandy Springs-Roswell, Georgia MSA include Delta Air Lines Inc., Emory University & Emory Healthcare, The Home Depot Inc., Northside Hospital, and Piedmont Healthcare.

### **Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 79 FDIC-insured financial institutions operated 1,108 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 11<sup>th</sup> with a 1.7 percent deposit market share. SunTrust Bank was the market leader with a 27.2 percent market share, followed by Bank of America N.A. at 19.1 percent, and Wells Fargo Bank N.A. at 17.8 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 853 lenders reported 207,211

residential mortgage loans, totaling \$51.2 billion in the assessment area. United Community Bank ranked 34<sup>th</sup> with a market share of 0.7 percent by number of loans. The top five home mortgage lenders accounted for 22.9 percent of total market share by number of loans.

With regard to the competition for small business loans, aggregate data for 2018 indicates 209 lenders reported 154,001 small business loans, totaling \$4.8 billion in the assessment area, which also demonstrates a high level of competition. United Community Bank ranked 26<sup>th</sup> with a 0.3 percent market share by number of loans. The top five small business lenders accounted for 65.9 percent of total market share by number of loans.

### **Community Contacts**

Examiners contacted an economic development organization that serves the Atlanta Assessment Area. The organization works to connect businesses and entrepreneurs with the resources they need to start, relocate, or expand operations in Fulton County. The contact stated that the organization was heavily involved in assisting local businesses acquire PPP loans at the beginning of the COVID-19 outbreak, and continues to provide assistance in achieving loan forgiveness on those loans. It was noted during the discussion that the economic impact of the COVID-19 outbreak has yet to be fully seen, and local businesses are expected to make a recovery. While the contact was not aware of any credit needs that were unaddressed by local financial institutions, micro loans to small businesses is an on-going need in the assessment area. In addition, there are opportunities to assist individuals starting new businesses in obtaining start-up financing. Finally, the contact stated that there is a high amount of competition between financial institutions.

### **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data, as well as community contact information, indicates a credit need for affordable housing and small business loans. The need for small business loans is in part based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less. In addition, there is a need for financial assistance and small business credit given the adverse impacts of the COVID-19 pandemic. Examiners also determined the need for affordable housing based on the representation of low- and moderate-income families and households and the poverty level within the assessment area. This need is further supported by the area's median housing value in relation to low- and moderate-income family income.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ATLANTA ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Atlanta Assessment Area reflects good responsiveness to assessment area credit needs. The geographic distribution of loans reflects adequate penetration of low- and moderate-income census tracts, and borrower profile reflects good penetration among individuals of different incomes and businesses of different sizes. In addition, the bank made a relatively high level of community development loans and makes extensive use of flexible and innovative lending practices in order to serve assessment area credit needs.

#### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout this assessment area.

##### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The bank's performance in low-income census tracts was below both aggregate and demographic data. Given limited lending opportunities in low-income geographies, as evidenced by the low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition, the bank's penetration is adequate. The bank's performance in moderate-income census tracts was slightly below aggregate and demographic data, but adequate given strong competition in the area.

##### *Small Business Loans*

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The bank's performance in low- and moderate- income census tracts was below aggregate and demographic data. Strong competition within the assessment area influenced small business lending opportunities.

#### **Borrower Profile**

The distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes.

##### *Home Mortgage Loans*

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Lending to low-income borrowers exceeded aggregate data, but was significantly below demographics. Examiners noted limited lending opportunities when considering the number of families living below the poverty level. Lending to moderate-income borrowers exceeded both aggregate and demographic data.

### *Small Business Loans*

The distribution of small business loans reflects adequate penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1 million or less was below aggregate and demographic data. Strong competition within the assessment area and the introduction of Business Express and United Minute Lender loans impacted small business lending performance.

### **Community Development Loans**

United Community Bank has made a relatively high level of community development loans in the Atlanta Assessment Area. The bank originated 11 community development loans totaling \$24.1 million, compared to 11 loans totaling \$70.6 million during the previous evaluation. This performance represents 57.9 percent by number and 39.7 percent by dollar volume of community development loans originated in Georgia during the evaluation period. Below are examples of community development loans originated in the Atlanta Assessment Area during the evaluation period:

- One loan totaling \$10 million to an entity to fund construction of an industrial manufacturing facility located in a low-income geography in Clayton County, Georgia. The loan promotes revitalization of a low-income geography by attracting a new business to the area and creating jobs for low- or moderate-income individuals.
- One loan totaling \$350,000 to an entity to fund a participation in a community investment corporation's low-income housing project located in a middle-income geography in Coweta County, Georgia. The loan promotes affordable housing.
- One loan totaling \$2.4 million to an entity located in a low-income census tract in Clayton County, Georgia. The PPP loan promotes stabilization for the geography by retaining a business that employs low-income individuals.

### **INVESTMENT TEST**

United Community Bank made a significant level of qualified investments and donations in the Atlanta Assessment Area. The bank occasionally uses innovative and/or complex investments to support community development initiatives. Qualified investment and donation performance in this assessment area was consistent with overall state performance.

### **Investment and Grant Activity**

The bank has a significant level of qualified community development investments and grants in the Atlanta Assessment Area. The bank made or retained 148 investments totaling \$41.8 million. This performance represents a significant increase from \$19.2 million during the previous evaluation. Qualified investments directly benefitting the Atlanta Assessment Area consisted of \$39.2 million in affordable housing, \$500,000 in community services, \$2.0 million in economic development investments, and \$93,000 in grants and donations. Prior period investments benefitting the assessment area represent approximately \$835,000 (2.0 percent) of the assessment area's total

qualified investments. This assessment area also benefitted from investments made in a broader regional or statewide area that includes the Atlanta Assessment Area. Please refer to the statewide analysis for details. Noted below are qualified investments and donations directly benefitting the Atlanta Assessment Area.

- In 2017, the bank invested \$23.2 million in two municipal bonds to acquire and rehabilitate two multi-family apartment complexes that provide affordable housing.
- In 2019, the bank donated \$5,000 to an organization that promotes economic development throughout Carroll County, Georgia.

## **SERVICE TEST**

United Community Bank's delivery systems are accessible to essentially all portions of the assessment area, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provides an adequate level of community development services.

### **Changes in Branch Locations**

To the extent changes have been made, the opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank did not open any branches, but closed one branch located in a middle-income census tract. Other branch offices are located in close proximity to the closed branch, minimizing concerns regarding accessibility to banking services.

### **Community Development Services**

United Community Bank provided a relatively high level of community development services in the Atlanta Assessment Area. During the evaluation period, bank records reflect employees were involved in several community development organizations and activities, providing 52 qualified services. This performance represents 34.0 percent of all activities in the state, which is below the assessment area's share of branches at 49.2 percent. However, the bank was responsive to community needs of the area. The following are notable examples of community development services provided in this assessment area during the evaluation.

- As Chairman of a local development authority, an employee provided leadership and financial expertise to the organization, which is located in a moderate-income census tract. The development authority is the economic development department for the county and works with various organizations to help promote economic development within the community. One such organization serves as a business incubator for start-up businesses and is a resource center for the businesses.

- An employee provided financial expertise and helped organize an affordable housing event in collaboration with various organizations as part of the Georgia Initiative for Community Housing (GICH). This program is a three-year program that offers collaboration and technical assistance related to housing and community development. Examples of organizations included in the event include the Georgia Department of Community Affairs, the United States Department of Agriculture Rural Development, Habitat for Humanity, and Home Development Resources, which is a United States Department of Housing and Urban Development approved housing counseling agency. The employee also provided financial training, which covered understanding and managing credit, and discussed affordable housing loan products, rehabilitation and renovation lending, and renters' rights during the event for low- and moderate-income individuals and families in the community.

During the evaluation period, several employees served as Board members providing financial expertise to a local organization. The organization's mission is to serve the needs of women and children experiencing temporary homelessness by providing them an opportunity to re-establish self-sufficiency in a residential setting. This organization is located in a moderate-income census tract.

## **GEORGIA NMSA ASSESSMENT AREA – Full Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GEORGIA NMSA ASSESSMENT AREA**

United Community Bank delineated Chattooga, Jackson, Banks, Fannin, Gilmer, Habersham, Lumpkin, Rabun, Towns, Union, White, and Ware Counties as the Georgia NMSA Assessment Area. The following table provides a summary of the assessment area, including the number of census tracts and branches by county.

<b>Description of the Assessment Area</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branches</b>
NMSA Assessment Area	Chattooga	6	2
	Jackson	11	1
	Banks	4	0
	Fannin	5	3
	Gilmer	5	1
	Habersham	8	2
	Lumpkin	4	1
	Rabun	5	1
	Towns	3	1
	Union	6	2
	White	5	2
	Ware	9	1
<b>Total</b>	<b>12</b>	<b>71</b>	<b>17</b>
<i>Source: 2015 ACS Data and Bank Records</i>			

United Community Bank operates 17 branches in this assessment area representing 25.4 percent of statewide branches. ATMs, four of which are deposit taking, are available at each of the 17 branch locations. In addition, the bank operates four remote non-deposit taking ATMs in this assessment area, three in Towns County and one in Fannin County. The assessment area accounts for 37.4 percent of rated area loans by number and 35.5 percent of rated area deposits by dollar volume.

### **Economic and Demographic Data**

Lending opportunities are more widely available throughout middle- and upper-income geographies based on the disbursement of population, housing units, and businesses. Limited lending opportunities exist in low- and moderate-income geographies, which represent 2.4 and 4.2 percent of the total geographies, respectively. With 14.1 percent of families living below the poverty level, lending opportunities are further limited as families living below the poverty level may have difficulty qualifying for credit. The following table presents demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Georgia NMSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	71	2.8	4.2	59.2	33.8	0.0
Population by Geography	344,165	0.9	5.6	61.7	31.8	0.0
Housing Units by Geography	173,360	1.1	4.9	62.1	31.9	0.0
Owner-Occupied Units by Geography	93,887	0.7	4.5	60.4	34.4	0.0
Occupied Rental Units by Geography	34,154	2.1	8.6	65.4	23.9	0.0
Vacant Units by Geography	45,319	1.2	2.9	63.0	32.9	0.0
Businesses by Geography	22,126	1.2	5.0	62.2	31.6	0.0
Farms by Geography	1,044	0.0	4.3	59.2	36.5	0.0
Family Distribution by Income Level	90,099	17.9	16.5	19.8	45.8	0.0
Household Distribution by Income Level	128,041	21.5	14.8	16.9	46.8	0.0
Median Family Income: Georgia NMSA		\$45,886	Median Housing Value Median Gross Rent Families Below Poverty Level			\$144,756 \$705 14.1%
<i>Source: 2015 ACS Data, 2018 D&amp;B Data, and FFIEC Median Family Income. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.</i>						

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Georgia NMSA Median Family Income</b>				
2018 (\$48,900)	<\$24,450	\$24,450 to <\$39,120	\$39,120 to <\$58,680	≥\$58,680
<i>Source: FFIEC</i>				

According to 2018 D&B data, there were 22,126 non-farm businesses operating within the Georgia NMSA Assessment Area. Gross annual revenues for these businesses are:

- 85.9 percent with \$1 million or less,
- 3.7 percent with more than \$1 million, and
- 10.4 percent with unknown revenues.

According to the Bureau of Labor Statistics, unemployment rates across all counties in the assessment area, with the exception of Chattooga County, have declined. In most instances, the rates were below or comparable to the state and national averages; however, in some instances, the rates were higher. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national averages.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	%	%	%
Banks County	3.9	3.1	2.8
Chattooga County	4.7	4.1	4.9
Fannin County	4.8	4.0	3.3
Gilmer County	5.0	4.2	3.5
Habersham County	4.5	3.7	3.5
Jackson County	3.7	3.1	2.7
Lumpkin	4.1	3.5	3.1
Rabun	4.9	4.0	3.5
Towns	6.5	5.6	4.8
Union	4.5	3.7	3.1
Ware County	4.5	3.9	3.7
White County	3.8	3.0	2.7
Georgia	4.7	4.0	3.4
National Average	4.3	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to 2018 D&B data, were services at 39.7 percent, retail trade at 15.0 percent, non-classifiable establishments at 11.5 percent, and construction at 8.7 percent. Of the total businesses operating in the assessment area, 70.7 percent have four or fewer employees, and 90.0 percent operate from a single location. The top five employers, according to Workforce Georgia, for each county in the Georgia NMSA are listed below.

- *Chattooga* – Georgia Department of Corrections, Ingles Markets, Incorporated (Inc.), Mohawk Carpet Distribution LP, Mount Vernon Mills, Inc., and Oakview Health and Rehabilitation.
- *Jackson* – Amazon.Com Services, Inc., Bed Bath and Beyond, Inc., HG Georgia Merchants, Inc., Hire Dynamics, Limited Liability Company (LLC), and Kubota Industrial Equipment.

- *Banks* – Arby’s, Axiom Staffing Group, Country Charm Egg Distributors, Inc., Cracker Barrel Old Country Store, and Dunkin Donuts/Baskin Robbins.
- *Fannin* – Fannin Regional Hospital, Fleet Personnel Corporation, Georgia Mountains Health Services, Inc., Heritage Healthcare of Blue Ridge, and Hidden Valley Medical Center, Inc.
- *Gilmer* – Chick-Fil-A, Ellijay Telephone Company, Gold Kist Inc., Imerys, and Ingles Markets, Inc.
- *Habersham* – Ethicon, Inc., Fieldale Farms Corporation, Georgia Department of Corrections, Headwaters Windows, LLC, and Ingles Markets, Inc.
- *Lumpkin* – Dress Up Boutique, Gold City Health & Rehabilitation, Home Depot, Koyo Bearings USA, LLC and Mt Sinai Wellness Center, LLC.
- *Rabun* – Home Depot, Ingles Markets, Inc., Mountain Lakes Medical Center, Mountain View Health & Rehabilitation, LLC, and Osage Farms, Inc.
- *Towns* – Advanced Digital Cable, Inc., Blue Ridge Mountain Electric Membership Corporation, Brasstown Manor, Brown Haven Homes, LLC, and Chatuge Regional Hospital, Inc.
- *Union* – Corrugated Replacements Inc., Aviagen North America, Inc., Chick-Fil-A, Davenport Transportation, Inc., and Home Depot.
- *White* – Black Bear Treatment Center, LLC, Cobb Vantress, Inc., Freudenberg-NOK General Partnership, Friendship Health & Rehabilitation, LLC, and Ingles Markets, Inc.
- *Ware* – Baptist Village, Inc., Circle K, Concerted Services, Inc., Georgia Department of Corrections, and Memorial Satilla Health

### **Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 22 FDIC-insured financial institutions operated 80 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 1<sup>st</sup> with a 36.9 percent deposit market share. South State Bank was ranked 2<sup>nd</sup> at 13.5 percent, followed by Bank OZK at 7.5 percent, and Regions Bank at 7.5 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 437 lenders reported 13,090 residential mortgage loans, totaling \$2.4 billion. United Community Bank ranked 1<sup>st</sup> with a market share of 11.6 percent by number of loans. The next top four home mortgage lenders accounted for 20.7 percent of market share by number of loans.

With regard to competition for small business loans, aggregate data for 2018 indicates 80 lenders reported 6,384 small business loans, totaling \$209.2 million in the assessment area, which also demonstrates a high level of competition. United Community Bank ranked 5<sup>th</sup> with a 6.8 percent market share by number of loans. The top four small business lenders accounted for 43.4 percent of total market share by number of loans.

### **Community Contacts**

During CRA evaluations, examiners conduct community contacts to develop a better understanding of the demographic, economic, and credit needs of the assessment areas. Examiners contacted an economic development organization that serves the Georgia NMSA Assessment Area. The contact noted that economic conditions are steady and that there has been an increase in the number of people relocating to the area. However, this is causing an increase in demand for affordable housing. As a result, housing is becoming scarce and home prices are being driven up. In addition, the contact identified small business lending as a major credit need, particularly for start-up businesses.

### **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data, as well as community contact information, indicates a credit need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families, high median family housing value, and relatively high rental rates within the assessment area. Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or fewer employees and the significant majority of businesses reporting gross annual revenues of \$1 million or less in the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GEORGIA NMSA ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Georgia NMSA Assessment Area reflects adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration of low- and moderate-income census tracts and the borrower profile reflects good penetration to individuals of different incomes and businesses of different sizes. In addition, the bank made an adequate level of community development loans and makes extensive use of flexible and innovative lending programs.

### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout this assessment area.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The bank did not originate any loans in low-income census tracts. Limited lending opportunities in the low-income geographies, as evidenced by the low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition influenced the bank's performance. The bank's performance in moderate-income census tracts was comparable to aggregate but below demographic data.

### *Small Business Loans*

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The bank's performance in low-income census tracts was comparable to aggregate data but lower than demographic data. Additionally, its performance in moderate-income census tracts was below both aggregate and demographic data. Limited lending opportunities in the low- and moderate-income geographies, as evidenced by the low percentage of businesses, nominal aggregate lending, and strong competition influenced the bank's performance.

### **Borrower Profile**

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. In 2018, the bank's lending to low-income borrowers exceeded aggregate data, but was below demographic data. Limited lending opportunities to low-income borrowers, as evidenced by the high percentage of families living below the poverty level and strong competition most likely influenced the bank's performance. The bank's lending to moderate-income borrowers also exceeded aggregate data, but was below demographic data.

### *Small Business Loans*

The distribution of small business loans reflects good penetration among businesses of different sizes. Lending to business customers with gross annual revenues of \$1 million or less exceeded aggregate data, but was significantly below demographic data. It is noted that 31.2 percent of businesses did not report revenue information.

### **Community Development Loans**

United Community Bank originated an adequate level of community development loans in the Georgia NMSA Assessment Area, which represents a decline from the previous evaluation. The bank originated two community development loans totaling \$4.3 million, compared to five loans totaling \$7.6 million during the previous evaluation. This performance represents 10.5 percent by number and 7.1 percent by dollar volume of community development loans in Georgia. Below is a

summary of the bank's community development loans originated in the Georgia NMSA Assessment Area during the evaluation period:

- One loan totaling \$2.5 million to a regional service agency to fund construction of an addition for a school campus, renovations, and capital expenditures. The campus is located in a middle-income geography in Habersham County, Georgia. The agency primarily serves children from low- and moderate-income families. The loan promotes a community service.
- One loan totaling \$1.8 million to an entity for job retention. The entity is located in a low-income geography in Ware County, Georgia. The PPP loan promotes stabilization of a low-income geography by retaining a business that employs moderate-income individuals.

## **INVESTMENT TEST**

United Community Bank has an adequate level of qualified investments and donations in the Georgia NMSA Assessment Area relative to bank operations. The bank occasionally uses innovative and/or complex investments to support community development initiatives.

### **Investment and Grant Activity**

The bank has an adequate level of qualified community development investments and grants in the Georgia NMSA Assessment Area. The bank made or retained 178 investments totaling \$106,000. This represents a decline from \$2.1 million in qualified investments and donations during the previous evaluation in this assessment area. However, as noted in the statewide Investment Test analysis for Georgia, this assessment area benefitted from investments made in regional and statewide areas that include the Georgia NMSA Assessment Area. Please refer to the statewide analysis for details. Below are notable examples of United Community Bank's qualified investments directly benefitting the assessment area.

- In 2018, the bank donated \$2,000 for financial literacy to students who predominately qualify for free or reduced school lunch.
- In 2018 and 2019, the bank donated \$4,500 to an organization that promotes economic development.

## **SERVICE TEST**

United Community Bank's delivery systems are accessible to essentially all portions of the assessment area, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank has a relatively high level of community development services.

**Community Development Services**

United Community Bank has provided a relatively high level of community development services in the Georgia NMSA Assessment Area. During the evaluation period, bank records reflect employees were involved in numerous community development organizations and activities, providing 81 qualified services. This performance represents 52.9 percent of all activities in the state, which is above the assessment area’s share of branches at 25.4 percent. The following are notable examples of community development services provided in this assessment area during the evaluation period.

- Several employees provided financial expertise and services, with some holding Board positions, for local housing authorities. The housing authorities provide assistance to low-income individuals and families seeking affordable housing. Assistance provided includes helping with the application process and eligibility guidelines.
- An employee provides financial services to the Downtown Development Committee of a local development authority. The committee discusses revitalization of communities including the downtown area, which is located in a moderate-income census tract, designated as an Opportunity Zone, and operates with a Redevelopment Plan.
- An employee serves on the Board of a children’s center and provides financial service expertise. The center is an advocate for the safety of all children and seeks to reduce the trauma of child abuse victims and their families. The non-profit organization provides immediate support and assistance to child victims and their families. Services include advocacy, crisis intervention, counseling, medical exams, and help locating needed resources. Services are provided free of charge for low- and moderate-income individuals and families in need.
- An employee served on the Board, providing financial services, for the Habitat for Humanity. The organization helps low- and moderate-income individuals and families afford their own homes through shared participation in building the homes.

**OTHER ASSESSMENT AREAS – Limited-Scope Review**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GEORGIA LIMITED-SCOPE ASSESSMENT AREAS**

The following table summarizes the conclusions for the Georgia assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Athens Assessment Area	Consistent	Consistent	Consistent
Brunswick Assessment Area	Exceeds	Below	Consistent
Gainesville Assessment Area	Consistent	Consistent	Consistent

Assessment Area	Lending Test	Investment Test	Service Test
Rome Assessment Area	Consistent	Below	Consistent
Savannah Assessment Area	Consistent	Consistent	Below

A summary of United Community Bank’s operations and activities for each limited-scope assessment area follows, with additional information in the CRA Tables in Appendix E.

## ATHENS ASSESSMENT AREA

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATHENS ASSESSMENT AREA

United Community Bank delineated Clarke, Madison, and Oconee Counties, which represent part of the Athens-Clarke County, Georgia MSA, as the Athens Assessment Area. This is a new assessment area since the previous evaluation. United Community Bank acquired four branches through the acquisition of First Madison Bank & Trust, expanding its market to the Athens-Clarke County, Georgia MSA.

United Community Bank operates four branches in the assessment area, which represents 6.0 percent of statewide branches. Non-deposit taking ATMs are available at each of the four branch locations. The assessment area accounts for 1.9 percent of rated area loans by number and 3.4 percent of rated area deposits by dollar volume. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

Demographic Information of 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	12,298	11.8	10.2	32.4	44.1	1.5
Farms by Geography	537	3.5	17.1	27.4	51.2	0.8
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%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, 17 FDIC-insured financial institutions operated 51 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 8<sup>th</sup> with a 4.8 percent deposit market share. Synovus Bank was the market share leader at 22.6 percent of the market, followed by SunTrust Bank at 16.2 percent, and Bank of America, N.A. at 15.1 percent.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ATHENS ASSESSMENT AREA

The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	77	15,366
Small Business Loans	146	19,356
Community Development Loans	0	0
Investments (New)	1	7,049
Investments (Prior Period)	-	-
Donations	6	2
Community Development Services	4	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

### Geographic Distribution and Borrower Profile

Refer to the tables in Appendix E for detailed information.

## BRUNSWICK ASSESSMENT AREA

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BRUNSWICK ASSESSMENT AREA

United Community Bank delineated Glynn County, which is part of the Brunswick, Georgia MSA, as the Brunswick Assessment Area.

United Community Bank operates three branches in the assessment area representing 4.5 percent of statewide branches. Non-deposit taking ATMs are available at each of the three branch locations. The assessment area accounts for 3.9 percent of rated area loans by number and 3.0 percent of rated area deposits by dollar volume. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Brunswick Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	16	6.3	25.0	25.0	37.5	6.3
Population by Geography	81,743	5.0	26.2	33.8	34.9	0.0
Housing Units by Geography	41,471	4.2	24.5	27.5	43.9	0.0
Owner-Occupied Units by Geography	19,709	2.0	20.0	31.1	46.9	0.0
Occupied Rental Units by Geography	12,602	7.8	37.4	30.3	24.4	0.0
Vacant Units by Geography	9,160	3.9	16.3	15.6	64.2	0.0
Businesses by Geography	6,973	7.3	29.9	19.8	43.0	0.0
Farms by Geography	170	4.1	17.1	24.1	54.7	0.0
Family Distribution by Income Level	21,755	21.2	15.3	19.6	43.9	0.0
Household Distribution by Income Level	32,311	23.9	14.8	17.4	43.9	0.0
Median Family Income: Brunswick, GA MSA		\$52,987	Median Housing Value Median Gross Rent Families Below Poverty Level			\$192,495 \$864 14.7%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, 14 FDIC-insured financial institutions operated 32 banking offices within the assessment area, indicating moderate competition. Of these institutions, United Community Bank ranked 6<sup>th</sup> with a 10.2 percent deposit market share. SunTrust Bank was the market share leader at 13.4 percent, followed by Synovus Bank at 12.5 percent, and Ameris Bank at 11.5 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BRUNSWICK ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	314	69,418
Small Business Loans	245	29,409
Community Development Loans	0	0
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	7	8
Community Development Services	1	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

As noted in the statewide Investment Test analysis for Georgia, this assessment area benefitted from investments made in a statewide area that included the Brunswick Assessment Area. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

**GAINESVILLE ASSESSMENT AREA**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GAINESVILLE ASSESSMENT AREA**

United Community Bank delineated Hall County, which comprises the Gainesville, Georgia MSA in its entirety, as the Gainesville Assessment Area.

United Community Bank operates four branches in the assessment area representing 6.0 percent of statewide branches. In May 2019, the bank closed one of its Hall County branches, which was located in an upper-income census tract. ATMs, two of which are deposit taking, are available at each of the four branch locations. The assessment area accounts for 5.7 percent of rated area loans by number and 6.7 percent of rated area deposits by dollar volume. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Gainesville Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	36	5.6	19.4	41.7	33.3	0.0
Population by Geography	187,916	6.1	18.9	42.3	32.8	0.0
Housing Units by Geography	69,302	5.4	16.2	45.4	33.0	0.0
Owner-Occupied Units by Geography	41,434	1.2	12.4	44.6	41.8	0.0
Occupied Rental Units by Geography	20,558	13.1	25.1	43.7	18.1	0.0
Vacant Units by Geography	7,310	7.3	12.4	55.0	25.3	0.0
Businesses by Geography	12,976	9.6	16.9	41.1	32.4	0.0
Farms by Geography	417	3.6	14.4	43.6	38.4	0.0
Family Distribution by Income Level	45,810	20.6	18.0	20.3	41.0	0.0
Household Distribution by Income Level	61,992	22.5	17.0	18.8	41.7	0.0
Median Family Income: Gainesville, GA MSA		\$58,558	Median Housing Value			\$161,600
			Median Gross Rent			908%
			Families Below Poverty Level			14.3%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, 18 FDIC-insured financial institutions operated 44 branch offices in the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 5<sup>th</sup> with an 11.5 percent deposit market share. Wells Fargo Bank, N.A. was the market share leader at 17.6 percent, followed by Branch Banking and Trust Company at 13.3 percent, and SunTrust Bank at 12.1 percent.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GAINESVILLE ASSESSMENT AREA**

United Community Bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	523	101,229
Small Business Loans	288	44,267
Community Development Loans	1	1,133
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	33	37
Community Development Services	3	-
<i>Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.</i>		

As noted in the statewide Investment Test analysis for Georgia, this assessment area benefitted from investments made in a statewide area that included the Gainesville Assessment Area. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to tables in Appendix E for detailed information.

### **ROME ASSESSMENT AREA**

#### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ROME ASSESSMENT AREA**

United Community Bank delineated Floyd County, which comprises the Rome, Georgia MSA in its entirety, as the Rome Assessment Area.

United Community Bank operates three branches in the assessment area representing 4.5 percent of statewide branches. ATMs, one of which is deposit taking, are available at each of the three branch locations. The assessment area accounts for 5.0 percent of rated area loans by number and 4.6 percent of rated area deposits by dollar volume.

### **Demographic Data**

The following table presents select demographic information from the 2015 ACS Census and 2018 D&B for the assessment area.

<b>Demographic Information of the Rome Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	20	5.0	30.0	40.0	25.0	0.0
Population by Geography	96,169	3.6	28.1	40.6	27.7	0.0
Housing Units by Geography	40,458	4.0	27.6	40.2	28.1	0.0
Owner-Occupied Units by Geography	21,182	1.4	19.4	44.0	35.2	0.0
Occupied Rental Units by Geography	13,692	7.1	40.0	35.0	17.9	0.0
Vacant Units by Geography	5,584	6.2	28.8	38.8	26.2	0.0
Businesses by Geography	5,495	3.0	44.6	31.8	20.6	0.0
Farms by Geography	164	1.2	17.1	45.1	36.6	0.0
Family Distribution by Income Level	23,513	22.3	17.5	18.9	41.3	0.0
Household Distribution by Income Level	34,874	25.4	15.4	16.3	42.8	0.0
Median Family Income: Rome, GA MSA		\$51,379	Median Housing Value Median Gross Rent Families Below Poverty Level			\$115,813 \$678 16.4%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, nine FDIC-insured financial institutions operated 20 banking offices within the assessment area, indicating moderate competition. Of these institutions, United Community Bank ranked 1<sup>st</sup> with an 18.7 percent deposit market share. Synovus Bank ranked second with a market share at 18.5 percent, followed by SunTrust Bank at 13.0 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ROME ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	442	65,677
Small Business Loans	273	34,632
Community Development Loans	2	20,413
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	31	23
Community Development Services	11	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

As noted in the statewide Investment Test analysis for Georgia, this assessment area benefitted from investments made in a statewide area that included the Rome Assessment Area. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to tables in Appendix E for detailed information.

## SAVANNAH ASSESSMENT AREA

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SAVANNAH ASSESSMENT AREA

United Community Bank delineated Chatham County, which is part of the Savannah, Georgia MSA, as the Savannah Assessment Area.

United Community Bank operates three branches in the assessment area representing 4.5 percent of statewide branches. Non-deposit taking ATMs are available at each of the three branch locations. The assessment area accounts for 5.0 percent of rated area loans by number and 2.8 percent of rated area deposits by dollar volume. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

Demographic Information of the Savannah Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	13.9	37.5	22.2	22.2	4.2
Population by Geography	279,290	10.1	29.8	29.0	31.1	0.0
Housing Units by Geography	121,877	9.8	29.7	29.2	31.3	0.0
Owner-Occupied Units by Geography	57,315	5.6	21.2	33.5	39.8	0.0
Occupied Rental Units by Geography	47,597	13.4	39.5	24.3	22.7	0.0
Vacant Units by Geography	16,965	13.8	31.2	28.4	26.6	0.1
Businesses by Geography	21,304	9.0	23.3	33.8	33.5	0.4
Farms by Geography	385	5.2	22.3	40.3	32.2	0.0
Family Distribution by Income Level	64,069	25.1	16.6	20.2	38.2	0.0
Household Distribution by Income Level	104,912	26.9	16.5	17.6	39.0	0.0
Median Family Income: Savannah, GA MSA		\$61,754	Median Housing Value Median Gross Rent Families Below Poverty Level			\$188,202 \$955 14.4%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, 19 FDIC-insured financial institutions operated 76 banking offices in the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 9<sup>th</sup> with a 2.9 percent deposit market share. SunTrust Bank was the market share leader at 24.5 percent, followed by Wells Fargo Bank, N.A. at 19.0 percent, and Bank of America, N.A. at 15.9 percent.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SAVANNAH ASSESSMENT AREA

United Community Bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	338	96,958
Small Business Loans	380	83,731
Community Development Loans	0	0
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	6	12
Community Development Services	1	-
<i>Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.</i>		

As noted in the statewide Investment Test analysis for Georgia, this assessment area benefitted from investments made in a statewide area that included the Savannah Assessment Area. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to tables in Appendix E for detailed information.

## NORTH CAROLINA

### CRA RATING FOR NORTH CAROLINA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA

The evaluation of North Carolina performance considered the operations of United Community Bank in the North Carolina NMSA, Raleigh, Asheville, and Fayetteville Assessment Areas. The Raleigh and Fayetteville Assessment Areas are new since the previous evaluation. The Raleigh Assessment Area was created November 1, 2017, when the bank acquired Four Oaks Bank & Trust Company. The acquisition also added Duplin and Harnett Counties to the North Carolina NMSA Assessment Area. However, the Office of Management and Budget Bulletin revised MSA designations in September 2018, which were effective for the 2019 analysis. Due to the revision, Harnett County became part of the Fayetteville, North Carolina MSA. Therefore, beginning in 2019, the bank created the Fayetteville Assessment Area. The bank operates 32 (22.5 percent) of its 142 offices in North Carolina. North Carolina accounts for 19.1 percent of the bank-wide dollar volume of loans and 15.8 percent of deposits. Overall, United Community Bank ranks 7<sup>th</sup> in deposit market share at 3.8 percent in the statewide assessment areas. The leading institutions are Wells Fargo Bank, N.A.; Branch Banking and Trust Company; and, First Citizens Bank & Trust Company with a collective deposit market share of 48.0 percent.

### SCOPE OF EVALUATION IN NORTH CAROLINA

Examiners conducted full-scope reviews for the North Carolina NMSA and Raleigh Assessment Areas, as these areas contain most of the bank's operations within the state. The Asheville and Fayetteville Assessment Areas were reviewed using limited-scope procedures due to limited branch structure and lending activity in those areas. When drawing overall state conclusions, the NMSA Assessment Area received the most weight based on the relatively high percentages of statewide loans, deposits, and branches. The Raleigh Assessment Area received moderate weight, and the two limited-scope assessment areas received lesser weight. Refer to the following table for the distribution of lending, deposits, and branches in each assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches Statewide</b>								
<b>Assessment Area</b>	<b>Loans*</b>				<b>Deposits</b>		<b>Branches</b>	
	<b>#</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
North Carolina NMSA	2,685	51.1	400,933	45.4	1,007,370	59.6	17	53.1
Raleigh	1,553	29.6	251,519	28.5	496,026	29.3	11	34.4
Asheville	967	18.4	222,394	25.2	170,406	10.1	3	9.4
Fayetteville	50	0.9	8,616	0.9	16,381	1.0	1	3.1
<b>Total</b>	<b>5,255</b>	<b>100.0</b>	<b>883,462</b>	<b>100.0</b>	<b>1,690,183</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>

*Source: Bank Records and FDIC Summary of Deposits (06/30/2019).*  
*\*Includes 2017, 2018, and 2019 home mortgage and small business loans. Due to rounding, totals may not equal 100.0 percent.*

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NORTH CAROLINA**

### **LENDING TEST**

The Lending Test rating for North Carolina is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs. The geographic distribution reflects good penetration to low- and moderate-income tracts, and borrower profile reflects adequate lending to borrowers of different incomes and businesses of different sizes. In addition, the bank made extensive use of innovative and/or flexible lending programs to expand lending and made an adequate level of community development loans. Overall, performance was generally consistent across the assessment areas for geographic distribution with only a couple of exceptions. However, borrower profile performance was varied. Community development lending also varied. Please refer to the institution-wide analysis for information on the bank's innovative and/or flexible lending programs.

### **Lending Activity**

Lending levels reflect good responsiveness to the assessment areas' credit needs. Lending opportunities are widely available throughout the assessment areas for home mortgage and small business loans. The volume of small business loans declined somewhat; however, responsiveness remains consistent with the previous evaluation. Please refer to the HMDA and CRA lending performance tables in Appendix E for details.

### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects overall good penetration throughout the assessment areas. Performance was generally consistent across all assessment areas; however, there were exceptions. For home mortgage loans, lending was good in all assessment areas except the Raleigh Assessment Area, where performance was excellent. For small business loans, lending was adequate in all of the assessment areas except the Raleigh Assessment Area, where performance was excellent. Small business lending in Fayetteville was poor.

## **Borrower Profile**

The distribution of home mortgage and small business loans reflects adequate penetration among individuals of different income levels and businesses of different sizes. Bank performance was varied across assessment areas and product lines. For home mortgage loans, lending was adequate in the Raleigh and Asheville Assessment Areas and good in the North Carolina NMSA and Fayetteville Assessment Areas. For small business loans, lending was good in the North Carolina NMSA Assessment Area, adequate in the Raleigh and Asheville Assessment Areas, and poor in the Fayetteville Assessment Area.

## **Community Development Loans**

United Community Bank made an adequate level of community development loans in North Carolina. During this evaluation period, the bank originated 11 community development loans totaling \$15.7 million, compared to one loan totaling \$125,000 at the last evaluation. This performance represents 22.5 percent by number and 11.0 percent by dollar volume of bank-wide community development loans. Performance varied throughout the North Carolina assessment areas, with the majority of loans in the North Carolina NMSA Assessment Area. Additionally, two loans totaling \$3.9 million were originated outside the assessment areas but in a broader statewide area. Because the bank has been responsive to community development needs and opportunities inside its assessment areas, examiners gave consideration for broader statewide lending. The analysis for each full-scope North Carolina assessment area includes a discussion of community development loans that directly benefitted those assessment areas. The following tables detail community development lending activity by assessment area, year, and purpose.

<b>Community Development Lending in North Carolina by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2017 (Partial)	-	-	-	-	-	-	-	-	-	-
2018	1	370	-	-	-	-	1	1,611	2	1,981
2019	1	370	1	1,400	-	-	-	-	2	1,770
YTD 2020	1	605	2	4,953	-	-	4	6,363	7	11,921
<b>Totals</b>	<b>3</b>	<b>1,345</b>	<b>3</b>	<b>6,353</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>7,974</b>	<b>11</b>	<b>15,672</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>										

Community Development Lending in North Carolina by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Raleigh	-	-	2	4,319	-	-	-	-	2	4,319
North Carolina NMSA	2	740	-	-	-	-	3	4,029	5	4,769
Asheville	1	605	1	2,034	-	-	-	-	2	2,639
Fayetteville	-	-	-	-	-	-	-	-	-	-
<b>Total in Assessment Areas</b>	<b>3</b>	<b>1,345</b>	<b>3</b>	<b>6,353</b>	-	-	<b>3</b>	<b>4,029</b>	<b>9</b>	<b>11,727</b>
Statewide Activities	-	-	-	-	-	-	2	3,945	2	3,945
<b>Totals</b>	<b>3</b>	<b>1,345</b>	<b>3</b>	<b>6,353</b>	-	-	<b>5</b>	<b>7,974</b>	<b>11</b>	<b>15,672</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>										

Below is an example of the bank's statewide activities in South Carolina.

- One PPP loan totaling \$2.3 million to a manufacturing company that provided job retention. The company is located in a low-income census tract in Charlotte, North Carolina and employs low-income individuals.

## INVESTMENT TEST

The Investment Test rating for North Carolina is High Satisfactory. The bank has a significant level of qualified investments and grants, which were responsive to community development needs and occasionally included innovative and complex characteristics. Performance was generally consistent across the assessment areas.

### Investment and Grant Activity

United Community Bank has a significant level of qualified investments and grants. The bank made or retained 75 investments totaling \$26.2 million, representing 14.1 percent of qualified investments. The number of investments decreased from 96 at the previous evaluation, while the dollar amount increased from \$10.3 million. Qualified investments consist of \$26.2 million in affordable housing investments, as well as \$41,000 in grants and donations. Prior period investments represent approximately \$3.4 million. Regional activities include investments that benefitted multiple assessment areas, and statewide activities include investments that benefitted areas outside of the North Carolina assessment areas but within the broader statewide area. The following tables reflect the qualified investments and donations by purpose, assessment area, and year.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Asheville	1	1,167	29	19	27	14	-	-	57	1,200
Raleigh	1	1,100	2	1	-	-	1	3	4	1,104
North Carolina NMSA	1	1	8	4	-	-	-	-	9	5
Fayetteville	-	-	-	-	-	-	-	-	-	-
Regional Activities	2	6,107	-	-	-	-	-	-	2	6,107
Statewide Activities	3	17,833	-	-	-	-	-	-	3	17,833
<b>Totals</b>	<b>8</b>	<b>26,208</b>	<b>39</b>	<b>24</b>	<b>27</b>	<b>14</b>	<b>1</b>	<b>3</b>	<b>75</b>	<b>26,249</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

Qualified Investments by Purpose and Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	3,374	-	-	-	-	-	-	3	3,374
2017 (Partial)	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	4	22,833	-	-	-	-	-	-	4	22,833
YTD 2020	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>7</b>	<b>26,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>26,207</b>
Qualified Grants & Donations	1	1	39	24	27	14	1	3	68	42
<b>Totals</b>	<b>8</b>	<b>26,208</b>	<b>39</b>	<b>24</b>	<b>27</b>	<b>14</b>	<b>1</b>	<b>3</b>	<b>75</b>	<b>26,249</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

The analysis for each full-scope North Carolina assessment area includes a discussion of qualified investments that directly benefitted those assessment areas. Below are examples of the bank's regional and statewide activities in North Carolina.

- The bank invested \$5.0 million to fund the development of low-income housing throughout North Carolina using LIHTCs. The funds were earmarked for properties located in the Asheville, Raleigh, and North Carolina NMSA Assessment Areas.
- The bank invested \$3.0 million in a fund that promotes affordable housing through multi-family developments throughout the state of North Carolina using LIHTCs.

## SERVICE TEST

The Service Test rating for this institution is High Satisfactory in North Carolina. United Community Bank's delivery systems are accessible to essentially all portions of the assessment areas. The opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low and moderate-income individuals. Services and business hours do not vary in a way that inconveniences certain portions

of the assessment areas, and the bank provided an adequate level of community development services.

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, the bank added 13 new branches, including 12 through a bank acquisition, and 1 branch opening. Of the 13 branches, one is in a low-income tract, five are in moderate-income tracts, six are in middle-income tracts, and one is in an upper-income census tract. In addition, one of the six branches in middle-income census tracts is in a tract designated as distressed and/or underserved. The bank did not close any branches in North Carolina during the evaluation period. With the new branches, branch distribution is comparable to low-income demographics and better than moderate-income demographics of the North Carolina assessment areas. Changes in Branch Locations are discussed further within the assessment area sections where changes have occurred. Refer to Appendix E for branch distribution details.

### **Community Development Services**

United Community Bank provided an adequate level of community development services in North Carolina. Bank employees and directors provided 74 qualified services throughout the North Carolina assessment areas. This performance represented 25.4 percent of the institution-wide community development services by number. The following tables detail community development services by assessment area, year, and purpose.

<b>Community Development Services in North Carolina by Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2017	1	9	3	1	<b>14</b>
2018	1	7	5	1	<b>14</b>
2019	2	13	10	4	<b>29</b>
2020	-	8	6	3	<b>17</b>
<b>Totals</b>	<b>4</b>	<b>37</b>	<b>24</b>	<b>9</b>	<b>74</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

<b>Community Development Services in North Carolina by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
North Carolina NMSA	-	17	8	4	<b>29</b>
Raleigh	-	13	9	-	<b>22</b>
Asheville	4	5	3	-	<b>12</b>
Fayetteville	-	2	4	5	<b>11</b>
<b>Totals</b>	<b>4</b>	<b>37</b>	<b>24</b>	<b>9</b>	<b>74</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

## NORTH CAROLINA NMSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NORTH CAROLINA NMSA ASSESSMENT AREA

United Community Bank’s North Carolina NMSA Assessment Area changed during the evaluation period. Until November 1, 2017, the assessment area included 12 counties. With the acquisition of Four Oaks Bank & Trust Company, the assessment area added Duplin and Harnett Counties and expanded to 14 counties as shown in the table below. For 2017 and 2018, the assessment area included 14 counties, which are listed in the table below. The Office of Management and Budget revised the MSA designations in September 2018. Effective January 1, 2019, Harnett County was removed from the North Carolina NMSA assessment area and became a part of the Fayetteville, NC MSA. The bank delineated a new MSA with only Harnett County. Branches decreased to 17, representing 53.1 percent of statewide branches. The assessment area also accounts for 51.1 percent of rated area loans by number and 45.4 percent by dollar volume as well as 59.6 percent of rated area deposits.

Counties	# of Branches
Avery	1
Cherokee	2
Clay	1
Columbus	0
Duplin	1
Graham	1
Harnett	1
Jackson	3
Macon	1
Mitchell	2
Swain	1
Transylvania	2
Watauga	1
Yancey	1
	<b>18</b>

#### **Economic and Demographic Data**

The demographic table below is based on the North Carolina NMSA assessment area as delineated in 2018 since the lending data provided in the appendix is for 2018 only. However, the change in the assessment area due to the MSA revisions did not have a significant impact on the overall demographics with the exception of a reduction of 27 census tracts. The following table reflects the census tract designations for 2018 and 2019.

Tract Income	2018 Census Tracts	2019 Census Tracts
Low	0	0
Moderate	13	11
Middle	79	64
Upper	27	17
Not Applicable	1	1
<b>Totals</b>	120	93

There are no low-income census tracts in the North Carolina NMSA Assessment Area. The majority of the population, owner-occupied housing, and businesses are in the middle-income geographies with good opportunities also within the upper-income tracts. Lesser lending opportunities exist in moderate-income geographies. In addition, low-income families represent 19.9 percent of total families, and 72.9 percent of low-income families live below poverty levels. This further limits lending opportunities as low-income families and especially those below the poverty level may have difficulty qualifying for conventional mortgage loans. In addition, 81.3 percent of middle-income census tracts are designated distressed due to poverty and/or underserved due to remote/rural location. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

Demographic Information of the North Carolina NMSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	120	0.0	10.8	65.8	22.5	0.8
Population by Geography	512,142	0.0	12.0	68.7	19.3	0.0
Housing Units by Geography	277,185	0.0	10.6	67.4	22.0	0.0
Owner-Occupied Units by Geography	136,943	0.0	11.2	69.3	19.5	0.0
Occupied Rental Units by Geography	59,175	0.0	13.8	67.4	18.8	0.0
Vacant Units by Geography	81,067	0.0	7.2	64.1	28.7	0.0
Businesses by Geography	27,341	0.0	9.5	68.8	21.7	0.0
Farms by Geography	1,608	0.0	13.9	68.2	17.8	0.1
Family Distribution by Income Level	129,900	19.9	17.7	20.0	42.4	0.0
Household Distribution by Income Level	196,118	24.3	15.5	17.0	43.2	0.0
Median Family Income: North Carolina NMSA		\$47,794	Median Housing Value Median Gross Rent Families Below Poverty Level			\$161,818 \$719 14.5%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income.  
Due to rounding, totals may not equal 100.0 percent.  
(\* ) The NA category consists of geographies that have not been assigned an income classification.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area based on the North Carolina NMSA median family income.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$52,300)	<\$26,150	\$26,150 to <\$41,840	\$41,840 to <\$62,760	≥\$62,760

*Source: FFIEC*

According to 2018 D&B data, there are 27,341 non-farm businesses operating within the North Carolina NMSA Assessment Area. Gross annual revenues for these businesses are:

- 83.6 percent have \$1 million or less,
- 4.6 percent have more than \$1 million, and
- 11.8 percent have unknown revenues.

According to the U.S. Bureau of Labor Statistics, in most counties, the state, and nationally, unemployment rates decreased during the evaluation period, on average. However, the unemployment rate in the majority of assessment area counties are higher than the state and national rates. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Avery County	4.2	3.7	3.7
Cherokee County	4.9	4.5	4.5
Clay County	4.9	4.4	4.5
Columbus County	5.4	5.0	4.9
Duplin County	4.8	4.3	4.1
Graham County	6.8	5.9	5.4
Harnett County	5.1	4.7	4.6*
Jackson County	4.7	4.2	4.1
Macon County	4.6	4.0	3.9
Mitchell County	5.2	4.5	4.6
Swain County	5.0	4.3	4.0
Transylvania County	4.3	3.8	3.7
Watauga County	4.0	3.5	3.5
Yancey County	4.5	3.6	3.8
State of North Carolina	4.5	4.0	3.9
National Average	4.4	3.9	3.7

*Source: Bureau of Labor Statistics, \* - for 2019 Harnett County is part of the Fayetteville, NC MSA*

The top industries in the assessment area, according to 2018 D&B data, were services at 39.3 percent, followed by retail trade at 15.5 percent, construction at 9.7 percent, and finance, insurance, and real estate at 7.8 percent. Of the total businesses operating in the assessment area, 68.6 percent have four or fewer employees and 88.8 percent operate from a single location. The top five employers, according to the North Carolina Labor and Economic Division for 2019, for each county in the North Carolina NMSA are listed below:

- *Avery County* – North Carolina Department of Public Safety, Avery County Schools, County of Avery, Sugar Mountain Resort Inc., and Less – McRae College
- *Cherokee County* – Cherokee County Board of Education, Murphy Medical Center Inc., Moog Inc., Cherokee County, and Wal-Mart Associates Inc.
- *Clay County* - Clay County Board of Education, County of Clay, Ingles Markets, Inc., Shoreline Healthcare Management LLC, and Advanced Digital Cable Inc.

- *Columbus County* – Employer HR, LLC, Columbus County Board of Education, Department of Public Safety, International Paper Company, and Columbia Regional Healthcare System
- *Duplin County* – Butterball LLC, House of Raeford, Duplin County Schools, Smithfield Foods Inc., and Murphy Family Ventures LLC
- *Graham County* – Graham County Schools, Graham County, Graham County Land Company LLC, Crisp & Crisp Inc., and Principle Long Term Care Inc.
- *Jackson County* – Western Carolina University, Dip Partner Midwest LLC, Aramark Food and Support Services, Jackson County Public Schools, and Jackson County
- *Macon County* – Macon County Public Schools, Drake Enterprises Limited, Macon County, Ingles Markets, Inc., and MH Angel Medical Center
- *Mitchell County* – Sibelco North American, Inc., Mitchell County Board of Education, Blue Ridge Medical Center, Mayland Community College, and Wal-Mart Associates Inc.
- *Swain County* – Eastern Band of Cherokee Indians, Cherokee Indian Hospital Authority, The Cherokee Boys Club Inc., Swain County Schools, and Great Smoky Mountains Railroad
- *Transylvania County* – Transylvania County Schools, Transylvania County, Transylvania Regional Hospital, Brevard College Corp, and Ingles Markets, Inc.
- *Watauga County* – Appalachian State University, Appalachian Regional Healthcare System, Samaritan’s Purse, Watauga County Board of Education, and Watauga County.
- *Yancey County* – Altec Industries Inc., Yancey County Schools, County of Yancey, Ingles Markets, Inc., and Glen Raven Inc.

## **Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 23 FDIC-insured financial institutions operate 105 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 4<sup>th</sup> with a 13.5 percent deposit market share. Branch Banking and Trust Company is the market share leader at 19.5 percent of area deposits, followed by PNC Bank, N.A. at 16.5 percent, and First-Citizens Bank and Trust Company at 14.6 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicated 472 lenders reported 14,010 residential mortgage loans totaling \$2.5 billion. United Community Bank ranked 3<sup>rd</sup> with a market share of 5.4 percent by number of loans. The top two home mortgage lenders accounted for 16.9 percent of market share by number of loans.

With regard to competition for small business loans, aggregate data for 2018 indicates 101 lenders reported 8,282 small business loans totaling \$267.7 million in the assessment area, which also demonstrates a high level of competition. United Community Bank ranked 13<sup>th</sup> with a market share of 2.4 percent by number of loans. The top five small business lenders accounted for 51.3 percent of total market share by number of loans.

## **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data indicates the need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families and high median family housing value within the assessment area. The high median age of housing stock in the assessment area (33 years) also indicates a potential need for home improvement or renovation loans.

Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or fewer employees and a significant percentage of businesses reporting gross annual revenues of \$1 million or less.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NORTH CAROLINA NMSA ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the North Carolina NMSA Assessment Area reflects good responsiveness to assessment area credit needs. The geographic distribution reflects good distribution throughout the assessment area, and the borrower profile reflects good distribution among borrowers of different incomes and businesses of different sizes. In addition, the bank made an adequate level of community development loans and makes extensive use of flexible and innovative loan programs.

### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout this assessment area.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Lending in moderate-income census tracts is well below demographic data but slightly higher than the aggregate lending.

#### *Small Business Loans*

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in moderate-income census tracts was below both aggregate and demographic data.

### **Borrower Profile**

The distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Lending to low-income borrowers exceeded aggregate performance but was significantly below demographic data. Similarly, lending to moderate-income borrowers was above aggregate performance but below demographic data.

### *Small Business Loans*

The distribution of small business loans reflects good penetration among businesses of different sizes. Lending to business customers with gross annual revenues of \$1 million or less exceeded aggregate performance but was significantly below demographic data.

### **Community Development Loans**

United Community Bank made an adequate level of community development loans during the evaluation period. The bank originated five community development loans totaling \$4.8 million, compared to one loan totaling \$125,000 at the previous evaluation. This performance represents 45.5 percent by number and 30.6 percent by dollar volume of community development loans in North Carolina. Below are examples of community development loans originated in the North Carolina NMSA Assessment Area.

- One loan totaling \$1.6 million to a municipality to construct a fire department located in an underserved middle-income geography. The loan promotes revitalization and stabilization of an underserved geography by providing essential infrastructure.
- One loan totaling \$1.0 under the SBA's PPP to a non-profit organization located in a moderate-income geography in Cherokee County, North Carolina. The organization promotes job retention by offering adults with disabilities gainful employment and manufactures military and law enforcement products and medical products.
- One line of credit totaling \$369,500 to a rural development authority to purchase land and site development for a 14-lot affordable housing subdivision located in a distressed middle-income geography. The home sites will only be available to low- and moderate-income households to purchase and construct single-family dwellings.

### **INVESTMENT TEST**

United Community Bank has an adequate level of qualified investments and donations in the North Carolina NMSA Assessment Area that exhibit adequate responsiveness to credit and community development needs. United Community Bank occasionally uses innovative and/or complex investments to support community development initiatives.

## **Investment and Grant Activity**

The bank has an adequate level of qualified community development investments and grants. The bank made nine donations totaling \$5,000. Qualified investments directly benefitting the NMSA counties consisted of donations to organizations that support affordable housing and provide community services. However, as noted in the statewide Investment Test analysis for North Carolina, this assessment area benefitted from investments made in regional and statewide areas that included the North Carolina NMSA Assessment Area. Please refer to the statewide analysis for details. Below are examples of the bank's qualified investments that benefitted this assessment area.

- In 2019, the bank donated \$500 to caregivers at a school to provide shoes, books, and fees for students in need. The majority of the students attending the school receive free or reduced lunches.
- In 2019, the bank donated \$150 to an organization that provides fresh produce to low- and moderate-income individuals.

## **SERVICE TEST**

United Community Bank's delivery systems are accessible to essentially all portions of the assessment area. To the extent changes have been made, the opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank provided an adequate level of community development services.

## **Changes in Branch Locations**

The opening and closing of branches has not adversely affected accessibility of the bank's delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank opened two branches located in middle-income census tracts through acquisition, with one in a distressed/underserved middle-income census tract. No branches were closed.

## **Community Development Services**

United Community Bank provided an adequate level of community development services in the North Carolina NMSA Assessment Area. During the evaluation period, employees participated in 29 community development services. This represents 39.2 percent of all activities in the state, which is below the assessment area's share of branches at 53.1 percent. The following are notable examples of community development services provided in this assessment area during the evaluation period.

- An employee serves as an Advisory Board member for a foundation that partners with non-profit community organizations to address medical and dental, food, and housing needs for low- and moderate-income individuals and families.

- An employee serves as a loan committee member to provide small business counseling and rural loans. This organization administers a local small business incubator promoting economic development.
- An employee serves as a Board member for an organization that helps new and existing businesses with financial assistance and business development efforts.

## **RALEIGH ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RALEIGH ASSESSMENT AREA**

United Community Bank delineated Johnston and Wake Counties, part of the Raleigh-Cary, NC MSA, as the Raleigh Assessment Area. The Raleigh-Cary, NC MSA also includes Franklin County; however, Franklin County was not included in the assessment area. This area was delineated following the acquisition of Four Oaks Bank & Trust Company in November 1, 2017. United Community Bank operates 11 branches in the assessment area representing 34.4 percent of statewide branches. ATMs, one of which is deposit taking, are available at 10 of the 11 branch locations. The assessment area accounts for 29.6 percent of rated area loans by number and 28.5 percent by dollar volume of loans as well as 29.3 percent of rated area deposits.

#### **Economic and Demographic Data**

Lending opportunities are widely available throughout moderate-, middle-, and upper-income geographies based on the disbursement of population, housing units, and businesses. Limited lending opportunities exist in low-income geographies that represent 6.6 percent of the total geographies. With 21.1 percent of families living below the poverty level, lending opportunities are further limited as families living below the poverty level may have difficulty qualifying for credit and a conventional mortgage loan. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Raleigh Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	212	6.6	25.0	29.7	37.3	1.4
Population by Geography	1,154,415	5.8	28.8	32.2	32.8	0.4
Housing Units by Geography	462,243	5.4	28.7	33.2	32.7	0.0
Owner-Occupied Units by Geography	277,955	2.2	25.4	34.9	37.5	0.0
Occupied Rental Units by Geography	148,664	11.0	33.7	30.3	25.0	0.0
Vacant Units by Geography	35,624	7.8	32.6	31.1	28.5	0.0
Businesses by Geography	98,052	3.9	23.1	32.7	40.1	0.2
Farms by Geography	2,454	2.8	26.7	40.4	30.1	0.0
Family Distribution by Income Level	289,707	21.5	17.1	19.1	42.3	0.0
Household Distribution by Income Level	426,619	22.3	17.0	17.9	42.8	0.0
Median Family Income: Raleigh, NC MSA		\$78,057	Median Housing Value Median Gross Rent Families Below Poverty Level			\$231,772 \$945 8.4%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. Due to rounding, totals may not equal 100.0 percent.  
(\*) The NA category consists of geographies that have not been assigned an income classification.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area based on the 2018 median family income for the Raleigh-Cary, NC MSA.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$84,300)	<\$42,150	\$42,150 to <\$67,440	\$67,440 to <\$101,160	≥\$101,160

*Source: FFIEC*

According to 2018 D&B data, there were 98,052 non-farm businesses operating within the Raleigh Assessment Area. Gross annual revenues for these businesses are:

- 85.3 percent have \$1 million or less,
- 4.6 percent have more than \$1 million, and
- 10.1 percent have unknown revenues.

According to the U.S. Bureau of Labor Statistics, the unemployment rate decreased in both assessment area counties, the state, and nationally, during the evaluation period. In addition, the Raleigh Assessment Area's unemployment rates were below the national and state averages. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Johnston County	4.1	3.7	3.6
Wake County	3.9	3.4	3.3
State of North	4.5	4.0	3.9
National Average	4.4	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to 2018 D&B data, were services at 44.9 percent, followed by retail trade at 10.8 percent; finance, insurance, and real estate at 9.8 percent; and, construction at 7.2 percent. Of total businesses operating, 67.2 percent have four or fewer employees and 90.5 percent operate from a single location. The top five employers in the Raleigh-Cary, NC MSA include IBM Corp., WakeMed Health & Hospitals, North Carolina State University, Rex Healthcare, and SAS Institute Inc.

### **Competition**

According to the FDIC’s Deposit Market Share Report as of June 30, 2019, 33 FDIC-insured financial institutions operated 287 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 13<sup>th</sup> with a 1.8 percent deposit market share. Wells Fargo Bank, N.A. was the market share leader with 24.2 percent of area deposits, followed by Branch Banking and Trust Company at 14.8 percent, and Bank of America, N.A. at 13.3 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 590 lenders reported 52,487 residential mortgage loans totaling \$12.9 billion. United Community Bank ranked 43<sup>rd</sup> by number with a 0.5 percent market share. The top five home mortgage lenders accounted for 32.4 percent of total market share by number of loans.

With regard to the competition for small businesses, aggregate data for 2018 indicates that 122 lenders reported 30,851 small business loans totaling \$1.2 billion in the assessment area, which also indicates high competition. United Community Bank ranked 17<sup>th</sup> by number with a 0.9 percent market share by number of loans. The top market share lenders by number include American Express National Bank at 17.7 percent, Branch Banking and Trust Company at 12.1 percent, Chase Bank USA, N.A. at 10.2 percent, Wells Fargo Bank, N.A. at 10.0 percent, and Bank of America, N.A. at 8.6 percent. The top five small business lenders accounted for 54.2 percent of total market share by number of loans.

### **Community Contacts**

Examiners contacted a nonprofit organization that serves the Raleigh Assessment Area. The community contact indicated the COVID-19 pandemic has adversely affected economic conditions in the assessment area. Specifically, for small businesses the impacts include business

disruptions, shutdowns, and closings. The contact also stated businesses credit needs include, but are not limited to, working capital lines-of-credit, forbearance on small business debt, financial counseling, and start-up loans. Further, the contact noted that financial institutions in the community are strong advocates for customers and are great community partners.

### **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data, as well as community contact information, indicates the need for small business loans, home mortgage loans, and financial assistance given the adverse impacts of the COVID-19 pandemic. In particular, there is a need for small business loans based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less. Information from a community contact also stated a need for small business credit and emphasized the need for financial assistance to businesses given the impacts of the COVID-19 pandemic. In addition, there is a need for affordable housing for low- and moderate-income families given the median housing values and median family income level. Additionally, 38.6 percent of families are low- or moderate-income.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE RALEIGH ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Raleigh Assessment Area reflects good responsiveness to assessment area credit needs. The geographic distribution reflects excellent penetration of low- and moderate-income tracts, and borrower profile reflects adequate lending to borrowers of different incomes and businesses of different sizes. In addition, the bank made extensive use of innovative and/or flexible lending programs to expand lending and made an adequate level of community development loans.

### **Geographic Distribution**

The geographic distribution of loans reflects excellent penetration throughout this assessment area.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. Lending performance in low-income census tracts exceeds both aggregate and demographic data. Performance in moderate-income census tracts is double aggregate performance and substantially above demographic data.

#### *Small Business Loans*

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. Lending in low-income census tracts is more than three times aggregate and demographic data. Similarly, performance in moderate-income census tracts is substantially above aggregate performance and demographic data.

## **Borrower Profile**

The distribution of loans reflects adequate penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels. Lending to low-income borrowers was well below demographics; however, was well above aggregate levels. Lending to moderate-income borrowers was below aggregate and demographic data.

### *Small Business Loans*

The distribution of small business loans reflects adequate penetration among businesses of different sizes. Overall, lending in 2018 was well below demographics and aggregate lending levels. However, lending to small businesses in 2017 exceeded aggregate lending and was also well below demographics. Lending in 2019 improved from 2018.

## **Community Development Loans**

United Community Bank has made an adequate level of community development loans. The bank originated two community development loans totaling \$4.3 in this assessment area. This performance represents 18.2 percent by number and 27.6 percent by dollar volume of community development loans in North Carolina. The community development loans are listed below.

- One loan totaling \$1.4 million to a not-for-profit federally qualified health care organization to fund the purchase and up-fit of an administrative office building located in a moderate-income geography. The organization provides medical care services primarily to low- and moderate-income individuals.
- One loan totaling \$2.9 million to a not-for-profit federally qualified health care organization for job retention under the SBA's PPP. The organization provides medical care services primarily to low- and moderate-income individuals in southern North Carolina including the assessment area.

## **INVESTMENT TEST**

United Community Bank has an adequate level of qualified investments and donations in the Raleigh Assessment Area that exhibit adequate responsiveness to the credit and community development needs. United Community Bank occasionally uses innovative and/or complex investments to support community development initiatives.

## **Investment and Grant Activity**

United Community Bank has an adequate level of qualified investments and grants. The bank made four investments totaling \$1.1 million. Qualified investments directly benefitting the Raleigh Assessment Area consist of \$1.1 million in affordable housing which are from the prior period and \$4,000 in donations. However, as noted in the statewide Investment Test analysis for North Carolina, this assessment area benefitted from investments made in regional or statewide areas that included the Raleigh Assessment Area. Please refer to the statewide analysis for details. Noted below are qualified investments and donations directly benefitting the Raleigh Assessment Area.

- The bank continues to maintain a \$1.1 million prior period investment in an investment fund focused on low-income housing tax credit projects.
- In 2020, the bank donated \$2,500 to an organization that provides support to low- and moderate-income individuals seeking food, housing, and financial assistance due to the COVID-19 pandemic.

## **SERVICE TEST**

United Community Bank's delivery systems are readily accessible to essentially all portions of the assessment area, and the opening and closing of branches has improved the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provided a relatively high level of community development services.

## **Changes in Branch Locations**

The opening and closing of branches has improved the accessibility of delivery systems in low- and moderate-income geographies and/or to low- and moderate-income individuals. The Raleigh Assessment Area is a new assessment area since the last evaluation. During the evaluation period, the bank acquired an institution with 9 full-service and 1 limited-service branches. One branch is in a low-income census tract, and 5 branches are in moderate-income census tracts. Subsequently, the bank opened 1 branch located in an upper-income census tract. Combined, branches in low- and moderate-income census tracts account for 54.5 percent of assessment area branches. The bank did not close any branches within this assessment area.

## **Community Development Services**

United Community Bank provided a relatively high level of community development services in the Raleigh Assessment Area given the bank has only been in the market for two years. During the evaluation period, employees participated in 22 community development services. This performance represents 29.7 percent of all activities in the state, which is comparable to the assessment area's share of branches at 34.4 percent. The following are community development services provided.

- An employee serves as a Board member and provides financial expertise for a non-profit organization that supports initiatives of the chamber of commerce, including establishing a small business grant to address economic hardship resulting from COVID-19.
- An employee serves as a Board member for an organization that provides financial support to many health programs targeted to low-and moderate-income individuals. The foundation assists individuals with buying medication, transportation for medical appointments, and funds for counseling, health devices, and treatments. The organization is also located in a moderate-income census tract.
- An employee serves as a Treasurer for an organization that promotes the economic development for small businesses, such as by collaborating with the local small business center. Both the organizations are located in moderate-income census tracts.

**OTHER ASSESSMENT AREAS – Limited-Scope Review**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NORTH CAROLINA LIMITED-SCOPE ASSESSMENT AREAS**

The following table summarizes the conclusions for the North Carolina assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Asheville Assessment Area	Consistent	Above	Consistent
Fayetteville Assessment Area	Below	Below	Below

A summary of United Community Bank’s operations and activities for each limited-scope assessment area follows, with additional information in the CRA Tables in Appendix E. Please note that the HMDA and small business lending figures in the activity table in the “Conclusions on Performance Criteria” section for the Asheville Assessment Area are based on the combined 2017, 2018, and 2019 lending data. Lending figures for the Fayetteville Assessment Area are only for 2019 as the assessment area was created when Harnett County was added as part of the Fayetteville, NC MSA.

## ASHEVILLE ASSESSMENT AREA

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ASHEVILLE ASSESSMENT AREA

The Asheville Assessment Area consists of Buncombe, Haywood, and Henderson Counties, which are part of the Asheville, NC MSA. The Asheville, NC MSA also includes Madison County; however, the bank did not include it in the assessment area delineation. The bank operates three branches in the assessment area. The assessment area contains 18.4 percent of statewide loans by number and 25.2 percent by dollar volume as well as 10.1 percent of statewide deposits and 9.4 percent of branches. ATMs, two of which are deposit taking, are available at each location. Demographic data for the assessment area follows.

Demographic Information of the Asheville Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	99	2.0	14.2	59.6	22.2	2.0
Population by Geography	416,225	1.7	13.1	63.7	21.5	0.0
Housing Units by Geography	205,711	2.0	12.9	63.4	21.8	0.0
Owner-Occupied Units by Geography	117,110	1.4	10.9	64.1	23.6	0.0
Occupied Rental Units by Geography	56,940	3.2	17.9	59.2	19.7	0.0
Vacant Units by Geography	31,661	2.2	10.8	68.0	19.0	0.0
Businesses by Geography	34,310	3.0	15.1	53.3	28.6	0.0
Farms by Geography	1,225	1.3	13.9	64.9	19.9	0.0
Family Distribution by Income Level	107,409	20.1	18.3	20.5	41.1	0.0
Household Distribution by Income Level	174,050	23.2	16.5	18.2	42.1	0.0
Median Family Income: Asheville North Carolina MSA		\$57,243	Median Housing Value Median Gross Rent Families Below Poverty Level			\$194,389 \$795 11.1%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. Due to rounding, totals may not equal 100.0 percent.  
(\* ) The NA category consists of geographies that have not been assigned an income classification.*

The assessment area reflects strong competition for financial services. According to the FDIC's Deposit Market Share Report as of June 30, 2019, 19 FDIC-insured financial institutions operate 107 banking offices in the assessment area. Of these institutions, United Community Bank ranked 12<sup>th</sup> with a 2.1 percent deposit market share. Wells Fargo Bank, N.A. was the market leader at 19.9 percent, followed by First-Citizens Bank and Trust Company at 18.4 percent, and HomeTrust Bank at 9.9 percent.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ASHEVILLE ASSESSMENT AREA

The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	848	205,318
Small Business Loans	119	17,076
Community Development Loans	2	2,639
Investments (New)	-	-
Investments (Prior Period)	1	1,167
Donations	56	33
Community Development Services	12	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

As noted in the statewide Investment Test analysis for North Carolina, this assessment area benefitted from investments made in a statewide area that included the Asheville Assessment Area. Please refer to the statewide analysis for details.

### Geographic Distribution and Borrower Profile

Refer to the tables in Appendix E for detailed information.

## FAYETTEVILLE ASSESSMENT AREA

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FAYETTEVILLE ASSESSMENT AREA

The Fayetteville Assessment Area consists of Harnett County, which is part of the Fayetteville, NC MSA. The Fayetteville, NC MSA also includes Cumberland and Hoke Counties; however, the bank did not include them in the assessment area delineation. The Fayetteville Assessment Area was delineated in 2019 when the Office of Management and Budget revised the MSA designations and moved Harnett County from the Non-MSA portion of North Carolina into the Fayetteville, NC MSA. Therefore, the lending data for the assessment is excluded from Appendix E. The bank operates one branch in the assessment area. The assessment area contains 0.9 percent of statewide loans by number and dollar volume as well as 1.0 percent of statewide deposits and 3.1 percent of branches. A non-deposit taking ATM is located at the branch. Demographic data for the assessment area follows.

<b>Demographic Information of the Fayetteville Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	27	0.0	7.4	74.1	18.5	0.0
Population by Geography	124,320	0.0	6.5	71.6	21.9	0.0
Housing Units by Geography	48,676	0.0	7.4	71.5	21.1	0.0
Owner-Occupied Units by Geography	28,139	0.0	6.4	69.0	24.6	0.0
Occupied Rental Units by Geography	14,533	0.0	9.4	75.8	14.8	0.0
Vacant Units by Geography	6,004	0.0	7.7	72.9	19.4	0.0
Businesses by Geography	6,262	0.0	14.0	65.1	20.9	0.0
Farms by Geography	320	0.0	7.2	70.0	22.8	0.0
Family Distribution by Income Level	30,799	17.7	16.1	18.0	48.1	0.0
Household Distribution by Income Level	42,672	18.6	14.4	16.9	50.2	0.0
Median Family Income: Fayetteville, NC MSA		\$52,485	Median Housing Value Median Gross Rent Families Below Poverty Level			\$135,342 \$852 14.4%
<i>Source: 2015 ACS Data, 2019 D&amp;B Data, and FFIEC Median Family Income. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.</i>						

According to the FDIC’s Deposit Market Share Report, as of June 30, 2019, there were 10 financial institutions operating 23 banking offices in the assessment area, indicating moderate competition. Of these institutions, United Community Bank ranked 9<sup>th</sup> with a 1.6 percent deposit market share. Branch Banking and Trust Company was the market share leader at 26.2 percent, followed by Select Bank & Trust Company at 19.6 percent, and First-Citizens Bank and Trust Company Bank at 14.3 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FAYETTEVILLE ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	33	5,300
Small Business Loans	17	3,316
Community Development Loans	-	-
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	11	-
<i>Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.</i>		

### **Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

## SOUTH CAROLINA

### CRA RATING FOR SOUTH CAROLINA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN SOUTH CAROLINA

The evaluation of South Carolina performance considered the operations of United Community Bank in the Charleston, Greenville, Hilton Head, Myrtle Beach, Spartanburg, and South Carolina NMSA Assessment Areas. The bank operates 35 (24.7 percent) of its 142 offices in South Carolina. South Carolina accounts for 19.9 percent of the bank-wide dollar volume of loans and 16.4 percent of the deposits. Overall, United Community Bank ranks 8<sup>th</sup> in deposit market share at 3.4 percent in the statewide assessment areas. The leading institutions are Wells Fargo Bank, N.A.; Bank of America, N.A.; Branch Banking and Trust Company; and South State Bank with a collective deposit market share of 47.5 percent.

### SCOPE OF EVALUATION IN SOUTH CAROLINA

Examiners conducted full-scope reviews of the bank’s performance in the Charleston, Greenville, and Spartanburg Assessment Areas as these three areas generally contain most of the bank’s operations within the state. The Myrtle Beach, South Carolina NMSA, and Hilton Head Assessment Areas were reviewed using limited-scope procedures due to limited branch structure and lending activity in those areas. When drawing overall state conclusions, the Greenville Assessment Area received the most weight based on the relatively high percentages of statewide loans, deposits, and branches in the area. Refer to the following table for the distribution of lending, deposits, and branches in each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches Statewide								
Assessment Area	Loans*				Deposits		Branches	
	#	%	\$(000)	%	\$(000s)	%	#	%
Greenville Assessment Area	1,776	38.7	299,128	32.3	846,811	48.4	15	42.9
Charleston Assessment Area	764	16.8	278,946	30.1	166,175	9.5	3	8.6
Spartanburg Assessment Area	719	15.8	104,770	11.3	193,759	11.1	4	11.4
Myrtle Beach Assessment Area	622	13.6	113,907	12.3	334,492	19.1	9	25.7
NMSA Assessment Area	508	11.2	77,129	8.3	177,062	10.1	3	8.6
Hilton Head Assessment Area	178	3.9	53,090	5.7	32,538	1.9	1	2.9
<b>Total</b>	<b>4,557</b>	<b>100.0</b>	<b>926,970</b>	<b>100.0</b>	<b>1,750,837</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>

*Source: Bank Records and FDIC Summary of Deposits (06/30/2019). Due to rounding, totals may not equal 100.0 percent.  
\*Includes 2017, 2018, and 2019 home mortgage and small business loans.*

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTH CAROLINA**

### **LENDING TEST**

The Lending Test rating for South Carolina is Low Satisfactory. Lending levels reflect adequate responsiveness to the assessment areas' credit needs. The bank's performance was consistent throughout the assessment areas within South Carolina. The geographic distribution reflects adequate penetration in low- and moderate-income census tracts and the borrower profile reflects adequate penetration among individuals of different incomes and businesses of different sizes. In addition, the bank made use of innovative and/or flexible lending programs to expand lending, and made a relatively high level of community development loans.

#### **Lending Activity**

Lending levels reflect adequate responsiveness to the assessment areas' credit needs. Limited lending opportunities based on the relatively low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition in the assessment areas were factors in the analysis for each assessment area. Additionally, the volume of small business loans declined since the last evaluation; however, responsiveness remains consistent with the previous evaluation. Please refer to the HMDA and CRA lending performance tables in Appendix E for details regarding the bank's lending activities in South Carolina.

#### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment areas; however, the performance varied across assessment areas. For home mortgage loans, the bank's lending was good in the Charleston and Myrtle Beach Assessment Areas, adequate in the Greenville and Spartanburg Assessment Areas, and poor in the Hilton Head and South Carolina NMSA Assessment Areas. For small business loans, the bank's lending was good in all of the assessment areas except the South Carolina NMSA Assessment Area, where performance was excellent, and the Spartanburg Assessment Area, where performance was adequate.

#### **Borrower Profile**

The distribution of home mortgage and small business loans reflects adequate penetration among individuals of different income levels and businesses of different sizes. Bank performance was consistent across all assessment areas; however, there were exceptions. For home mortgage loans, the bank's lending was adequate in all assessment areas. For small business loans, the bank's lending was adequate in all assessment areas except for the Spartanburg Assessment Area, where performance was poor.

## Community Development Loans

United Community Bank has made a relatively high level of community development loans in South Carolina. During this evaluation period, the bank originated 14 community development loans totaling \$37.6 million, compared to six loans totaling \$22.1 million at the previous evaluation. This performance represents 28.6 percent by number and 26.4 percent by dollar volume of bank-wide community development loans. Performance varied throughout the assessment areas in South Carolina with the majority of the loans originated in the Greenville Assessment Area. Additionally, two loans totaling \$3.6 million were originated outside the assessment areas, but in a broader statewide area. Because the bank has been responsive to community development needs and opportunities inside its assessment areas, examiners gave consideration for broader statewide lending. The analysis for each full-scope South Carolina assessment area includes a discussion of community development loans that directly benefitted those assessment areas. The following tables detail the bank's community development lending activity by assessment area, year, and purpose during the evaluation period.

Community Development Lending in South Carolina By Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017 (Partial)	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	4	15,374	4	15,374
YTD 2020	-	-	1	2,236			9	19,945	10	22,181
<b>Totals</b>	-	-	<b>1</b>	<b>2,236</b>			<b>13</b>	<b>35,319</b>	<b>14</b>	<b>37,555</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

Community Development Lending in South Carolina by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Greenville Assessment Area	-	-	1	2,236	-	-	5	14,932	6	17,169
Charleston Assessment Area	-	-	-	-	-	-	3	7,136	3	7,136
Spartanburg Assessment Area	-	-	-	-	-	-	1	1,995	1	1,995
Myrtle Beach Assessment Area	-	-	-	-	-	-	-	-	-	-
NMSA Assessment Area	-	-	-	-	-	-	2	7,634	2	7,634
Hilton Head Assessment Area	-	-	-	-	-	-	-	-	-	-
<b>Total in Assessment Area</b>	-	-	<b>1</b>	<b>2,236</b>	-	-	<b>11</b>	<b>31,698</b>	<b>12</b>	<b>33,934</b>
Statewide Activities	-	-	-	-	-	-	2	3,622	2	3,622
<b>Totals</b>	-	-	<b>1</b>	<b>2,236</b>			<b>13</b>	<b>35,319</b>	<b>14</b>	<b>37,555</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

Below is a summary of a community development loan in South Carolina that benefitted multiple assessment areas.

- One loan totaling \$1.4 million to a non-profit community health care organization to revitalize and stabilize geographies designated a disaster area due to the COVID-19 pandemic. The organization provides medical care, dental care, and pharmaceutical services to residents, including low- and moderate-income individuals, in Spartanburg and Cherokee Counties, South Carolina.

## **INVESTMENT TEST**

The Investment Test rating for South Carolina is High Satisfactory. The bank has a significant level of qualified investments and grants, which were responsive to community development needs and occasionally included innovative and complex characteristics. Performance in the Greenville, Charleston, and Spartanburg Assessment Areas was consistent with the state performance. Performance in the South Carolina NMSA and Hilton Head Assessment Areas was below state performance. However, the performance in these three assessment areas did not adversely affect the overall state performance.

### **Investment and Grant Activity**

United Community Bank has a significant level of qualified community development investments and grants. The bank made or retained 44 investments totaling \$41.9 million, representing 22.5 percent of its total community development investments. The number of investments decreased from 88 at the previous evaluation, while the dollar amount increased from \$19.0 million. Qualified investments directly benefitting the state consisted of \$41.9 million in affordable housing investments and \$34,000 in grants and donations. Prior period investments benefitting South Carolina represent approximately \$14.7 million (35.0 percent) of the bank's total qualified statewide investment amount. Regional activities include investments that benefitted multiple areas, including the bank's assessment areas. The following tables reflect the qualified investments and donations benefitting the state of South Carolina by assessment area, year, and purpose.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Greenville Assessment Area	4	7,287	19	22	3	4	-	-	26	7,313
Spartanburg Assessment Area	1	8,262	2	2	-	-	-	-	3	8,264
Charleston Assessment Area	1	6,500	1	1	1	2	-	-	3	6,503
Hilton Head Assessment Area	-	-	-	-	-	-	-	-	-	-
Myrtle Beach Assessment Area	-	-	2	1	-	-	-	-	2	1
South Carolina NMSA Assessment Area	-	-	-	-	-	-	-	-	-	-
Regional Activities	10	19,804	-	-	-	-	-	-	10	19,804
<b>Total</b>	<b>16</b>	<b>41,853</b>	<b>24</b>	<b>26</b>	<b>4</b>	<b>6</b>	-	-	<b>44</b>	<b>41,885</b>

Source: August 8, 2017 through June 30, 2020 Bank Records

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	10	14,662	-	-	-	-	-	-	10	14,662
2017 (Partial)	1	4,085	-	-	-	-	-	-	1	4,085
2018	-	-	-	-	-	-	-	-	-	-
2019	1	8,342	-	-	-	-	-	-	1	8,342
YTD 2020	2	14,762	-	-	-	-	-	-	2	14,762
<b>Subtotal</b>	<b>14</b>	<b>41,851</b>	-	-	-	-	-	-	<b>14</b>	<b>41,851</b>
Qualified Grants & Donations	2	2	24	26	4	6	-	-	30	34
<b>Total*</b>	<b>16</b>	<b>41,853</b>	<b>24</b>	<b>26</b>	<b>4</b>	<b>6</b>	-	-	<b>44</b>	<b>41,885</b>

Source: August 8, 2017 through June 30, 2020 Bank Records

The analysis for each full-scope South Carolina assessment area includes a discussion of qualified investments that directly benefitted the assessment areas. Below are notable examples of United Community Bank’s South Carolina Regional qualified investments.

- The bank invested \$9.1 million in MBS used to promote affordable housing in the Greenville and Spartanburg Assessment Areas.
- The bank invested \$3.9 million in a fund that invests in LIHTCs used to fund multi-family properties that provide affordable housing to low- and moderate-income individuals. The areas served include the Greenville and Spartanburg Assessment Areas.
- The bank invested \$4.1 million in a fund that invests in LIHTCs used to fund multi-family apartment units that provide affordable housing to low- and moderate-income individuals. The areas served include the Hilton Head and Charleston Assessment Areas.

**SERVICE TEST**

The Service Test rating for South Carolina is Low Satisfactory. United Community Bank’s delivery systems are reasonably accessible to essentially all portions of its South Carolina assessment areas. The opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low and moderate-income individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank provides an adequate level of community development services. The bank’s performance was consistent in each assessment area throughout the state.

**Changes in Branch Locations**

To the extent changes have been made, the institution’s record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank opened one branch in an upper-income census tract within the South Carolina assessment areas. In addition, the bank closed six branches within the South Carolina assessment areas. Of the six branches, two were in moderate-, one was in a middle-, and three were in upper-income census tracts. With the net change in branch locations, branch distribution is lower than demographics in moderate-income census tracts. However, remaining branches are located in close proximity to the closed branches, which minimizes concerns regarding accessibility to banking services. Changes in Branch Locations are discussed further within the assessment area sections where changes have occurred. Refer to Appendix E for branch distribution details.

**Community Development Services**

United Community Bank provides an adequate level of community development services in South Carolina. Bank employees and directors provided 35 qualified services throughout the South Carolina assessment areas. This performance represented 12.0 percent of the institution-wide community development services by number. In addition, this performance reflects improvement since the bank’s prior performance of 22 community development services in South Carolina during the previous evaluation. The following tables detail the bank’s community development service activities by assessment area, year, and purpose during the evaluation period.

<b>Community Development Services in South Carolina by Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2017 (Partial)	-	5	3	-	<b>8</b>
2018	-	8	1	-	<b>9</b>
2019	-	8	2	-	<b>10</b>
YTD 2020	1	7	-	-	<b>8</b>
<b>Total</b>	<b>1</b>	<b>28</b>	<b>6</b>	<b>-</b>	<b>35</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>					

<b>Community Development Services in South Carolina by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Greenville Assessment Area	-	11	1	-	<b>12</b>
Spartanburg Assessment Area	-	5	5	-	<b>10</b>
Charleston Assessment Area	1	5	-	-	<b>6</b>
Myrtle Beach Assessment Area	-	3	-	-	<b>3</b>
Hilton Head Assessment Area	-	3	-	-	<b>3</b>
South Carolina NMSA Assessment Area	-	1	-	-	<b>1</b>
<b>Total in Assessment Areas</b>	<b>1</b>	<b>28</b>	<b>6</b>	<b>-</b>	<b>35</b>
Stateside Activities	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>28</b>	<b>6</b>	<b>-</b>	<b>35</b>

*Source: August 8, 2017 through June 30, 2020 231Bank Records*

## **GREENVILLE ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GREENVILLE ASSESSMENT AREA**

United Community Bank delineated Anderson, Greenville, Laurens, and Pickens Counties, which comprise the Greenville-Anderson, SC MSA in its entirety, as the Greenville Assessment Area. The following table provides a summary of the assessment area, including the number of census tracts and branches by county.

<b>Description of Assessment Area</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branches</b>
Greenville Assessment Area	Greenville	111	9
	Laurens	17	3
	Anderson	39	2
	Pickens	28	1
<b>Total</b>	<b>4</b>	<b>195</b>	<b>15</b>

*Source: 2015 ACS Data and Bank Records*

United Community Bank operates 15 branches in this assessment area representing 42.9 percent of statewide branches. ATMs, three of which are deposit taking, are available at each of the 15 branch locations. In addition, the bank operates three remote non-deposit taking ATMs in this assessment area, two in Greenville County and one in Laurens County. The assessment area accounts for 38.8 percent of rated area loans by number and 48.4 percent of rated area deposits by dollar volume.

### **Economic and Demographic Data**

Lending opportunities are more widely available throughout moderate-, middle-, and upper-income geographies based on the disbursement of population, housing units, and businesses. Limited lending opportunities exist in low-income geographies that represent 7.7 percent of the total geographies. With 12.3 percent of families living below the poverty level, lending opportunities are further limited as families living below the poverty level may have difficulty qualifying for credit.

The following table presents select demographic information from the 2015 ACS Census and 2018 D&B data.

<b>Demographic Information of the Greenville Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	195	7.7	27.2	40.5	24.6	0.0
Population by Geography	852,631	5.3	23.6	41.7	29.4	0.0
Housing Units by Geography	367,026	5.7	25.0	42.0	27.3	0.0
Owner-Occupied Units by Geography	220,754	3.1	20.9	43.6	32.4	0.0
Occupied Rental Units by Geography	102,937	10.3	30.7	38.7	20.3	0.0
Vacant Units by Geography	43,335	8.3	32.2	41.4	18.1	0.0
Businesses by Geography	48,037	6.0	18.9	39.8	35.4	0.0
Farms by Geography	1,297	2.5	20.0	49.7	27.8	0.0
Family Distribution by Income Level	218,963	22.9	17.1	18.8	41.2	0.0
Household Distribution by Income Level	323,691	24.9	15.9	16.7	42.4	0.0
Median Family Income: Greenville-Anderson, SC MSA		\$58,097	Median Housing Value Median Gross Rent Families Below Poverty Level			\$141,154 \$744 12.3%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Greenville-Anderson-Mauldin, South Carolina MSA</b>				
<b>Median Family Income</b>				
2018 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040

*Source: FFIEC*

According to 2018 D&B data, there were 48,037 non-farm businesses operating within the Greenville Assessment Area. Gross annual revenues for these businesses are:

- 80.9 percent have \$1 million or less,
- 6.2 percent have more than \$1 million, and
- 12.9 percent have unknown revenues.

According to the Bureau of Labor Statistics, the unemployment rates for all counties in the assessment area continue to decline with rates below the state and national average, with the exception of Laurens County. Laurens County’s unemployment rate was slightly above the state rate each year, as well as the national average for 2017, while below the national average for 2018 and 2019. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Anderson County	3.9	3.3	2.7
Greenville County	3.6	3.0	2.4
Laurens County	4.4	3.6	3.0
Pickens County	4.1	3.4	2.8
South Carolina	4.3	3.5	2.9
National Average	4.3	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to 2018 D&B data, were services at 40.6 percent, retail trade at 14.5 percent, non-classifiable establishments at 13.1 percent, finance, insurance, and real estate at 8.9 percent, and construction at 7.5 percent. Of the total businesses operating in the assessment area, 61.9 percent have four or fewer employees and 86.6 percent operate from a single location. The top five employers, according to Moody’s Analytics, for the Greenville-Anderson, South Carolina MSA include Prisma Health, Michelin North America Incorporated, BI-LO Supermarkets, Clemson University, and GE Power & Water.

**Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 35 FDIC-insured financial institutions operated 236 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 9<sup>th</sup> with a 4.9 percent deposit market share. Wells Fargo Bank, N.A. is the market share leader at 15.9 percent, followed by Bank of America, N.A. at 14.8 percent, and Branch Banking and Trust Company at 10.6 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 478 lenders reported 29,013 residential mortgage loans totaling \$6.0 billion. United Community Bank ranked 15<sup>th</sup> with a 1.5 percent market share by number of loans. The top five home mortgage lenders accounted for 23.5 percent of market share by number of loans.

With regard to competition for small business loans, aggregate data for 2018 indicates 101 lenders reported 16,639 small business loans totaling \$723.7 million in the assessment area, also demonstrating a high level of competition. United Community Bank ranked 19<sup>th</sup> with a 0.8 percent market share by number of loans. The top five small business lenders accounted for 51.1 percent of total market share by number of loans.

**Community Contacts**

Examiners referenced three recently completed community contacts serving counties in the Greenville Assessment Area that provide financial intermediary, housing, or economic development services. All contacts noted that the economy in the Greenville Assessment Area is growing. However, the financial intermediary contact stated renters are receiving eviction notices at higher

rates than usual and the poverty rate ranges from 10.0 to 12.0 percent. In addition, the contact noted a negative trend in the availability of affordable housing. The contact identified affordable housing, support to organizations serving low- and moderate-income residents, and financial education for low- and moderate-income individuals as the major credit and community development needs. Lastly, the contact stated that local banks were not as responsive as credit unions to the credit needs of residents within the assessment area.

The housing contact noted an increase in homelessness in the upstate, which resulted from rising housing prices and decreased affordable housing within the area. The housing contact further stated that one of the greatest needs in the community is affordable housing, specifically for one-bedroom units, as the cost of living has increased. While the contact noted local financial institutions are responsive overall, financial institutions need to increase low-income tax credit programs.

The economic development contact noted there has been success in bringing more jobs to the area and growing certain business clusters, but underemployment is a concern since many workers receive low wages. The contact stated credit and community needs include affordable housing; small business lending and entrepreneurship opportunities; minority lending; job training programs; and improved public and regional transportation.

### **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data, as well as community contact information, indicates the need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families, high median family housing value, and relatively high rental rates within the assessment area. The high median age of housing stock in the assessment area, at 37 years, also indicates a potential need for home improvement or renovation loans.

Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or fewer employees and the significant majority of businesses reporting gross annual revenues of \$1 million or less in the assessment area. With so many small businesses operating in the assessment area, funding for their operations is a need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GREENVILLE ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Greenville Assessment Area reflects adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration in low- and moderate-income census tracts, and the borrower profile reflects adequate penetration among individuals with different incomes and businesses of different sizes. In addition, the bank has a relatively high level of community development loans and makes use of flexible and innovative lending practices in order to serve assessment area credit needs.

## **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout this assessment area.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The bank's performance in low-income census tracts was below both aggregate and demographic data. Given limited lending opportunities in low-income geographies, as evidenced by the low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition, the bank's penetration is adequate. The bank's performance in moderate-income census tracts was below aggregate and demographic data, but adequate given strong competition.

### *Small Business Loans*

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank's performance in low- and moderate-income census tracts exceeded aggregate and demographic data.

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels. The bank's lending to low-income borrowers was below aggregate data and significantly below demographics data. Limited lending opportunities to low-income borrowers, as evidenced by a high percentage of families living below the poverty level and strong competition likely influenced the bank's performance. The bank's lending to moderate-income borrowers was slightly below aggregate and demographic data. However, examiners noted a positive trend as lending to moderate-income borrowers increased in 2019 and exceeded demographic data.

### *Small Business Loans*

The distribution of small business loans reflects adequate penetration among businesses of different sizes. In 2018, lending to businesses with gross annual revenues of \$1 million or less exceeded aggregate data, but was significantly below demographic data. However, strong competition within the assessment area and the introduction of Business Express and United Minute Lender loans influenced small business lending opportunities.

## **Community Development Loans**

United Community Bank made a relatively high level of community development loans in the Greenville Assessment Area. The bank originated six community development loans totaling \$17.2, compared to four loans totaling \$5.0 million at the previous evaluation. This performance represents 42.9 percent by number and 45.7 percent by dollar volume of community development loans in South Carolina. Below are examples of the bank's community development loans originated in the Greenville Assessment Area during the evaluation period:

- One loan totaling \$8,385,510 to an entity to acquire and redevelop an existing building for a mixed-use commercial project that will feature retail, educational, and creative office spaces. The project is located in a low-income geography in Greenville County, South Carolina. The loan promotes revitalization and stabilization of a low-income geography by attracting businesses that benefit the community and employ low- and moderate-income individuals.
- One loan totaling \$2,293,000 to an entity to payoff existing debt used to fund the up-fit of the interior and exterior façade of a commercial building with retail spaces, and to fund improvements to the parking lot. The building is located in a low-income census tract in Greenville County, South Carolina. The loan promotes revitalization and stabilization of the geography by attracting businesses that benefit the community and employ low- and moderate-income individuals.
- One PPP loan totaling \$1,439,500 to an entity in support of job retention. The entity, headquartered in downtown Greenville, South Carolina, provides managed care coordination and compliance programs for doctors, clinics, and health care systems. The organization focuses on preventive care, particularly for low- and moderate-income individuals, and Medicaid patients. The loan revitalizes and stabilizes a geography designated as a disaster area due to the COVID-19 pandemic.

## **INVESTMENT TEST**

United Community Bank has a significant level of qualified investments and donations in the Greenville Assessment Area. Qualified investment and donation performance in this assessment area was comparable to the state.

### **Investment and Grant Activity**

The bank has a significant level of qualified community development investments and grants. The bank retained two prior period investments totaling \$7.3 million and provided \$28,000 in new grants and donations. This performance represents a decline from the \$9.9 million in investments at the previous evaluation. However, as noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the Greenville Assessment Area. Please refer to the statewide analysis for details. Below are notable examples of the bank's qualified investments directly benefitting the assessment area.

- During the prior period, the bank invested \$7.3 million in MBS secured by loans to low- and moderate-income individuals.
- In 2020, the bank donated \$2,000 to a non-profit organization that raised funds to provide meals to low- and moderate-income seniors.

## **SERVICE TEST**

United Community Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provides an adequate level of community development services.

### **Community Development Services**

United Community Bank has provided an adequate level of community development services in the Greenville Assessment Area. During the evaluation period, bank records reflect employees were involved in some community development organizations and activities, providing 12 qualifying services. This performance represents 34.3 percent of all activities in the state, which is below the assessment area's share of branches at 42.9 percent. This performance represents a decline from the 18 services noted at the previous evaluation. The following are some examples of community development services provided in this assessment area during the evaluation period.

- In conjunction with a local United Way, an employee used financial experience to help develop and teach student financial programs geared to break the cycle of poverty, such as how to budget money and about the use of credit. The United Way is located in a moderate-income census tract.
- An employee uses financial expertise as a Board member to approve loans for a local development corporation. The organization is a technical assistance and lending partner, that in conjunction with the SBA and the USDA, provides funding to small businesses in the community. Some loan programs offered include the SBA 504 Loan Program and the ALF Loan Fund, which assists businesses, whose projects will result in the creation of permanent full-time jobs.
- Some employees provided financial literacy classes at various schools in the Greenville Assessment Area. A majority of students at these schools receive free or reduced meals, and some schools are located in a moderate-income census tract.

## CHARLESTON ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON ASSESSMENT AREA

The Charleston Assessment Area consists of Charleston, Dorchester, and Berkeley Counties, which comprise the Charleston-North Charleston, South Carolina MSA in its entirety. The following table provides a summary of the assessment area, including the number of census tracts and branches by county.

Description of Assessment Area			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Charleston Assessment Area	Charleston	86	2
	Dorchester	25	1
	Berkeley	45	0
<b>Total</b>	<b>3</b>	<b>156</b>	<b>3</b>

*Source: 2015 ACS Data and Bank Records*

United Community Bank operates three branches in the assessment area representing 8.6 percent of statewide branches. Non-deposit taking ATMs are available at each of the branch locations. In addition, the bank operates a combined LPO and MPO, and a second MPO, at separate locations in the assessment area. The assessment area accounts for 16.8 percent of rated area loans by number and 9.5 percent of rated area deposits by dollar volume.

#### **Economic and Demographic Data**

Lending opportunities are more widely available throughout moderate-, middle-, and upper-income geographies based on the disbursement of the population, housing units, and businesses. Limited lending opportunities exist in low-income geographies that represent 9.0 percent of the total geographies. In addition, low-income families represent 22.6 percent of total families, and 50.4 percent of low-income families live below poverty levels. This further limits lending opportunities as families living below poverty levels may have difficulty qualifying for credit. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B.

<b>Demographic Information of the Charleston Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	156	9.0	22.4	37.8	28.2	2.6
Population by Geography	712,232	6.7	21.4	41.9	29.2	0.8
Housing Units by Geography	309,113	6.7	21.2	40.2	31.1	0.8
Owner-Occupied Units by Geography	173,999	3.3	19.1	42.4	34.9	0.3
Occupied Rental Units by Geography	94,905	12.5	24.4	40.5	21.3	1.4
Vacant Units by Geography	40,209	8.1	22.9	29.9	37.5	1.7
Businesses by Geography	47,597	7.6	19.4	34.0	37.3	1.6
Farms by Geography	1,151	3.1	19.8	45.5	31.1	0.4
Family Distribution by Income Level	173,525	22.6	16.7	19.9	40.8	0.0
Household Distribution by Income Level	268,904	24.5	15.7	17.6	42.2	0.0
Median Family Income: Charleston-North Charleston, SC MSA		\$65,558	Median Housing Value Median Gross Rent Families Below Poverty Level			\$241,873 \$1,021 11.4%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Charleston-North Charleston, South Carolina MSA</b>				
<b>Median Family Income</b>				
2018 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400

*Source: FFIEC*

According to 2018 D&B data, there were 47,597 non-farm businesses operating within the Charleston Assessment Area. Gross annual revenues for these businesses are:

- 83.0 percent have \$1 million or less,
- 5.4 percent have more than \$1 million, and
- 11.6 percent have unknown revenues.

According to the Bureau of Labor Statistics, the unemployment rate for each county in the assessment area has declined to below the state and national averages. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Berkeley County	3.8	3.1	2.5
Charleston County	3.5	2.8	2.3
Dorchester County	3.9	3.1	2.5
South Carolina	4.3	3.5	2.9
National Average	4.3	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to 2018 D&B data, were services at 41.0 percent, non-classifiable establishments at 14.5 percent, retail trade at 14.0 percent, and finance, insurance, and real estate at 8.2 percent. Of the total businesses operating in the assessment area, 62.5 percent have four or fewer employees and 87.8 percent operate from a single location. The top five employers, according to Moody’s Analytics, for the Charleston-North Charleston, South Carolina MSA include the Joint Base Charleston, Medical University of South Carolina, Boeing Company, Roper Saint Francis, and Naval Information Warfare Centers Atlantic.

**Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 33 FDIC-insured financial institutions operated 189 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 14<sup>th</sup> with a 1.1 percent deposit market share. Wells Fargo Bank, N.A. was the market share leader with a 23.1 percent market share followed by Bank of America, N.A. at 15.6, and South State Bank at 12.8 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 540 lenders reported 32,040 residential mortgage loans, totaling \$9.0 billion. United Community Bank ranked 48<sup>th</sup> with a market share of 0.5 percent by number of loans. The top five home mortgage lenders accounted for 21.8 percent of total market share by number of loans.

With regard to the competition for small business loans, aggregate data for 2018 indicated 60 lenders reported 2,137 small business loans, totaling \$77.6 million in the assessment area, also demonstrating a high level of competition. United Community Bank ranked 30<sup>th</sup> with a 0.3 percent market share by number of loans. The top five small business lenders accounted for 55.1 percent of total market share by number of loans.

**Credit and Community Development Needs and Opportunities**

A review of demographic and economic data indicates the need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families, high median family housing value, and relatively high rental rate within the assessment area. The high median age of housing stock in the assessment area, at 34 years, also indicates a potential need for home improvement or renovation loans.

Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or few employees and a significant majority of businesses reporting gross annual revenues of \$1 million or less. With so many small businesses operating in the assessment area, funding for their operations is a need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN CHARLESTON ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Charleston Assessment Area reflects adequate responsiveness to assessment area credit needs. The geographic distribution reflects good responsiveness in low- and moderate-income census tracts, and borrower profile reflects adequate penetration among individuals of different incomes and businesses of different sizes. In addition, the bank made an adequate level of community development loans and makes extensive use of flexible and innovative loan programs in order to serve assessment area credit needs. Please refer to the HMDA and CRA lending performance tables in Appendix E for details about lending activity in the Charleston Assessment Area.

#### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout this assessment area.

##### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. The bank's performance in low-income census tracts exceeded aggregate data, but was below demographic data. Although lending opportunities are limited in the low-income geographies, as evidenced by the low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition, the bank's penetration is good. The bank's performance in moderate-income census tracts exceeded aggregate, but was below demographic data, and was likely influenced by the strong competition in the assessment area.

##### *Small Business Loans*

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank's performance in low-income census tracts exceeded aggregate and demographic data. The bank's performance in moderate-income census tracts exceeded aggregate data and demographic data.

#### **Borrower Profile**

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels. Lending to low-income borrowers was below aggregate data and significantly below demographic data. Limited lending opportunities to low-income borrowers, as evidenced by nominal aggregate lending, a high percentage of families living below the poverty level, and strong competition, likely influenced the bank's performance. Lending to moderate-income borrowers was below aggregate and demographic data. However, year-over-year, the bank's performance improved, and in 2019, lending to moderate-income borrowers increased by 6.9 percent, which exceeded demographic data.

### *Small Business Loans*

The distribution of small business loans reflects adequate penetration among businesses of different sizes. In 2018, lending to businesses with gross annual revenues of \$1 million or less exceeded aggregate data, but was significantly below demographic data. In addition, lending to small businesses in 2019 declined significantly compared to the previous year. However, strong competition within the assessment area and the introduction of Business Express and United Minute Lender loans impacted small business lending performance.

### **Community Development Loans**

United Community Bank originated an adequate level of community development loans in the Charleston Assessment Area. The bank originated three community development loans totaling \$7.1 million, compared to two loans totaling \$17.2 million during the previous evaluation. This performance represents 21.4 percent by number and 19.0 percent by dollar volume of community development loans in South Carolina. Below is a summary of the bank's community development loans originated in the Charleston Assessment Area during the evaluation period:

- One construction loan totaling \$542,915 to an entity to acquire and renovate an existing building for a mixed-use commercial project that will feature a restaurant, retail space, and office space. The project is located in a moderate-income geography in Charleston County, South Carolina. The loan promotes revitalization and stabilization of the geography by attracting new business tenants and retaining existing business tenants that employ low- and moderate-income individuals.
- One loan totaling \$1,365,000 to an entity to acquire and renovate an existing building for a mixed-use commercial project that will feature a restaurant, retail space, and office space. The project is located in a moderate-income geography in Charleston County, South Carolina. The loan promotes revitalization and stabilization of the geography by attracting new business tenants that will employ low- and moderate-income individuals.
- One loan totaling \$5,228,100 to a medical care organization located in a moderate-income geography in Charleston County, South Carolina. The organization provides medical care to all residents in the county, including low- and moderate-income individuals. This PPP loan revitalizes and stabilizes a geography designated a disaster due to the COVID-19 pandemic.

## **INVESTMENT TEST**

United Community Bank has a significant level of qualified investments and donations in the Charleston Assessment Area relative to bank operations. Qualified investment and donation performance in this assessment area was comparable to the state. Refer to the institution-wide analysis for more information regarding investments.

### **Investment and Grant Activity**

United Community Bank has a significant level of qualified community development investments and grants. Qualified investments directly benefitting the Charleston Assessment Area consisted of \$6.5 million in affordable housing investments and \$4,000 in grants and donations. Additionally, as noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the Charleston Assessment Area. Please refer to the statewide analysis for details. Below are notable examples of the bank's qualified investments throughout directly benefitting the assessment area.

- In 2020, United Community Bank invested \$6.5 million in a multifamily apartment complex that provides affordable housing.
- In 2018, United Community Bank donated \$2,500 to an organization that promotes economic development.

## **SERVICE TEST**

United Community Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area, and the opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provides an adequate level of community development services.

### **Changes in Branch Locations**

The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank did not open any branches and closed one branch in an upper-income census tract.

### **Community Development Services**

United Community Bank has provided an adequate level of community development services in the Charleston Assessment Area. During the evaluation period, bank records reflect employees were involved in a few community development organizations and activities, providing six qualifying services. This performance represents 17.1 percent of all activities in the state, which is above the

assessment area’s share of branches at 8.6 percent. The following are two examples of community development services provided in this assessment area during the evaluation period.

- An employee provides financial services while serving on the Audit/Finance Committee of the Coast Community Foundation. The organization helps the community by providing resources to address community needs such as programs for affordable housing, education to help adults attain job-related skills, and a food pantry. The organization also helps after major storms, such as Hurricane Florence. Coast Community Foundation is located in a low-income census tract within the assessment area.
- An employee serves as the Treasurer of Engaging Creative Minds, located in a low-income census tract within the assessment area. The organization provides learning experiences for students throughout the school year as well as summer camps for students in three local school districts. A majority of students at these schools are eligible to receive reduced cost or free lunches.

## **SPARTANBURG ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SPARTANBURG ASSESSMENT AREA**

The Spartanburg Assessment Area consists of Spartanburg County, which comprises the Spartanburg, South Carolina MSA in its entirety. The following table provides a summary of the bank’s assessment area, including the number of census tracts and branches in the county.

<b>Description of Assessment Area</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branches</b>
Spartanburg Assessment Area	Spartanburg	69	4
<b>Total</b>	<b>1</b>	<b>69</b>	<b>4</b>
<i>Source: 2015 ACS Data and Bank Records</i>			

United Community Bank operates four branches in the assessment area representing 11.4 percent of statewide branches. ATMs, one of which is deposit taking, are available at each of the four branch locations. The assessment area accounts for 15.8 percent of rated area loans by number and 11.1 percent of rated area deposits by dollar volume.

### **Economic and Demographic Data**

Lending opportunities are more widely available throughout moderate-, middle-, and upper-income geographies based on the disbursement of the population, housing units, and businesses. Limited lending opportunities exist in low-income geographies that represent 8.7 percent of the total geographies. With 13.5 percent of families living below the poverty level, lending opportunities are further limited as families living below the poverty level may have difficulty qualifying for credit. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B.

Demographic Information of the Spartanburg Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	69	8.7	24.6	40.6	26.1	0.0
Population by Geography	291,240	4.8	20.8	43.6	30.8	0.0
Housing Units by Geography	123,931	5.3	21.5	43.8	29.4	0.0
Owner-Occupied Units by Geography	75,378	2.3	15.6	47.1	35.1	0.0
Occupied Rental Units by Geography	34,514	10.7	31.1	38.8	19.5	0.0
Vacant Units by Geography	14,039	8.7	29.8	38.3	23.2	0.0
Businesses by Geography	15,558	2.5	21.9	40.7	34.9	0.0
Farms by Geography	434	1.2	17.3	47.7	33.9	0.0
Family Distribution by Income Level	76,454	21.0	17.4	18.9	42.7	0.0
Household Distribution by Income Level	109,892	23.6	15.6	17.3	43.5	0.0
Median Family Income: Spartanburg, SC MSA		\$52,792	Median Housing Value Median Gross Rent Families Below Poverty Level			\$122,515 \$695 13.5%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Spartanburg, South Carolina MSA Median Family Income</b>				
2018 (\$59,700)	<\$29,850	\$29,850 to <\$47,760	\$47,760 to <\$71,640	≥\$71,640

*Source: FFIEC*

According to 2018 D&B data, there were 15,558 non-farm businesses operating within the Spartanburg Assessment Area. Gross annual revenues for these businesses are:

- 79.6 percent have \$1 million or less,
- 6.9 percent have more than \$1 million, and
- 13.5 percent have unknown revenues.

According to the Bureau of Labor Statistics, the unemployment rate for Spartanburg County continues to decline and remains below the state and national averages. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

Unemployment Rates			
Area	2017	2018	2019
	%	%	%
Spartanburg County	4.0	3.2	2.6
South Carolina	4.3	3.5	2.9
National Average	4.3	3.9	3.7

*Source: Bureau of Labor Statistics*

The top industries in the assessment area, according to 2018 D&B data, were services at 38.8 percent, retail trade at 15.3 percent, non-classifiable establishments at 11.9 percent, finance, insurance, and real estate at 7.8 percent, and construction at 7.7 percent. Of the total businesses operating in the assessment area, 62.3 percent have four or fewer employees and 85.7 percent operate from a single location. The top five employers, according to Moody's Analytics, in the Spartanburg, South Carolina MSA include the BMW Manufacturing Corporation, Spartanburg Regional Health Services, Michelin North America, Greenville Health System, and Adidas.

### **Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 19 FDIC-insured financial institutions operated 65 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 8<sup>th</sup> with a 3.6 percent deposit market share. SunTrust Bank was the market share leader with a 19.9 percent market share, followed by Branch Banking and Trust Company at 14.7 percent, and First-Citizens Bank & Trust Company at 12.0 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 342 lenders reported 10,278 residential mortgage loans, totaling \$1.7 billion. United Community Bank ranked 17<sup>th</sup> with a market share of 1.7 percent by number of loans. The top five home mortgage lenders accounted for 23.9 percent of total market share by number of loans.

With regard to the competition for small business loans, aggregate data for 2018 indicates 78 lenders reported 4,686 small business loans, totaling \$197.6 million in the assessment area, also demonstrating a high level of competition. United Community Bank ranked 13<sup>th</sup> with a 1.7 percent market share by number of loans. The top five small business lenders accounted for 54.2 percent of total market share by number of loans.

### **Community Contacts**

Examiners referenced a previously completed community contact serving Spartanburg County that provides economic development services. The contact noted that the economic conditions in Spartanburg County and the City of Spartanburg continue to improve. However, the contact stated that Spartanburg County has pockets of poverty, most of which are in the City of Spartanburg. The contact noted that access to capital, small business financing, and qualified applicants for available jobs are limitations the county faces. While the contact stated that financial institutions are helping to meet community needs, affordable housing and small business lending are major credit needs.

### **Credit and Community Development Needs and Opportunities**

A review of demographic and economic data, as well as community contact information, indicates the need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families, high median family housing value, and modest rental rates within the assessment area. The high

median age of housing stock in the assessment area at 37 years also indicates a potential need for home improvement or renovation loans.

Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less. With so many small businesses operating in the assessment area, funding for their operations is a need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SPARTANBURG ASSESSMENT AREA**

### **LENDING TEST**

Lending Test performance in the Spartanburg Assessment Area reflects adequate responsiveness to assessment area credit needs, similar to the bank's overall South Carolina performance. The geographic distribution reflects adequate penetration of low- and moderate-income census tracts, and borrower profile reflects adequate penetration among borrowers of different incomes and businesses of different sizes. The bank has made a low level of community development loans; however, the bank makes use of flexible and innovative lending programs in order to serve assessment area credit needs.

### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout this assessment area.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The bank did not originate any loans in low-income census tracts in 2017 and 2018. However, 2019 lending in low-income geographies improved, but lending was still below demographic data. Limited lending opportunities in the low-income geographies, as evidenced by a low percentage of owner-occupied housing units, nominal aggregate lending, and strong competition influenced the bank's performance. The bank's performance in moderate-income census tracts was below aggregate and demographic data, but adequate given strong competition.

#### *Small Business Loans*

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The bank's performance in low-income census tracts was below aggregate and demographic data. The bank's performance in moderate-income census tracts exceeded aggregate data, but was below demographic data. Strong competition within the assessment area influenced small business lending opportunities.

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels. Lending to low-income borrowers was below aggregate and demographic data. Examiners noted limited lending opportunities when considering the percent of families living below the poverty level. Lending to moderate-income borrowers exceeded aggregate and demographic data. However, lending to moderate-income borrowers declined in 2019 and was below demographic data.

### *Small Business Loans*

The distribution of small business loans reflects poor penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1 million or less was below aggregate and demographic data. However, strong competition within the assessment area and the introduction of Business Express and United Minute Lender loans impacted small business lending performance.

## **Community Development Loans**

United Community Bank made a low level of community development loans in the assessment area; however, this represents an increase from the previous evaluation. The bank originated one community development loan totaling \$2.0 million, compared to no originations at the previous evaluation. This performance represents 7.1 percent by number and 5.3 percent by dollar volume of community development loans in South Carolina. The assessment area also benefitted from a statewide community development loan. Refer to the South Carolina statewide Community Development Loans section for details of this loan. Below is a summary of the bank's community development loan originated in the Spartanburg Assessment Area during the evaluation period.

- One loan totaling \$2.0 million to an entity to refinance debt and make renovations to a strip center that features a new restaurant, a grocery store, and other retail spaces, and is located in a moderate-income geography in Spartanburg County, South Carolina. The loan promotes revitalization and stabilization by attracting or retaining new businesses and residents to the area, as well as jobs for low- and moderate-income individuals.

## **INVESTMENT TEST**

United Community Bank has a significant level of qualified investments and donations in the Spartanburg Assessment Area relative to bank operations. Qualified investment and donation performance in this assessment area was comparable to the state. Refer to the institution-wide analysis for more information regarding investments.

## **Investment and Grant Activity**

The bank has a significant level of qualified community development investments and grants. Qualified investments directly benefitting the Spartanburg Assessment Area consisted of \$8.3 million in affordable housing investments and \$2,000 in grants and donations. Additionally, as noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the Spartanburg Assessment Area. Please refer to the statewide analysis for details. Below are notable examples of the bank's qualified investments throughout the assessment area.

- In 2020, United Community Bank invested \$8.3 million in a multifamily apartment complex that provides affordable housing.
- In 2018, the bank donated \$1,500 to an organization that provides services to low- and moderate-income families.

## **SERVICE TEST**

United Community Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area, and the opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provides an adequate level of community development services.

## **Changes in Branch Locations**

The institution's opening and closing of branches has generally not adversely affected the accessibility of the bank's delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank opened one branch in an upper-income census tract and closed two branches; one in a moderate-income census tract and one in an upper-income census tract. A branch office is located in close proximity to the closed branches, minimizing concerns regarding accessibility to banking services.

## **Community Development Services**

United Community Bank has provided an adequate level of community development services in the Spartanburg Assessment Area. During the evaluation period, bank records reflect employees were involved in some community development organizations and activities, providing 10 qualifying services. This performance represents 28.6 percent of all activities in the state, which is above the assessment area's share of branches at 11.4 percent. The following are notable examples of community development services provided in this assessment area during the evaluation.

- Through collaboration with the Spartanburg Chamber of Commerce and Small Business Development Center, an employee provided financial expertise when participating in the Lender Matchmaker event. This event served to match small businesses in the Spartanburg

community with lenders who provided guidance and information about how to grow their business and obtain bank funding.

- An employee provided financial expertise, while serving as Co-Chairman of Auction for a Cause sponsored by Uptown Sertoma Club of Spartanburg. The women’s organization assists charitable groups to give back to the community and is located in a moderate-income census tract. Examples of charitable groups assisted include Safe Homes/Rape Crisis, The Haven, Bethlehem Center, Upstate Family Resource Center, and Camp Sertoma. Many of these organizations are supportive of low- and moderate-income individuals and families.

### **OTHER ASSESSMENT AREAS – Limited-Scope Review**

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SOUTH CAROLINA LIMITED-SCOPE ASSESSMENT AREAS**

The following table summarizes the conclusions for the South Carolina assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Myrtle Beach Assessment Area	Consistent	Consistent	Consistent
South Carolina NMSA Assessment Area	Consistent	Below	Consistent
Hilton Head Assessment Area	Consistent	Below	Consistent

A summary of United Community Bank’s operations and activities for each limited-scope assessment area follows, with additional information in the CRA Tables in Appendix E.

#### **MYRTLE BEACH ASSESSMENT AREA**

#### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MYRTLE BEACH ASSESSMENT AREA**

United Community Bank delineated Horry County, which comprises the Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina MSA in its entirety, as the Myrtle Beach Assessment Area.

United Community Bank operates nine branches in the assessment area, representing 25.7 percent of statewide branches. Of the nine branches, one is in a low-, two are in moderate-, five are in middle-, and one is in an upper-income census tracts. Non-deposit taking ATMs are available at each of the nine branch locations. During the evaluation, no branches were opened in the assessment area; however, the bank closed one branch, which was located in a moderate-income census tract. The branch distribution and alternative delivery systems are consistent with the institution overall. The assessment area accounts for 13.6 percent of rated area loans by number and 19.1 percent of rated area deposits by dollar volume.

The following table presents select demographic information from the 2015 ACS Census and 2018 D&B for the assessment area.

<b>Demographic Information of the Myrtle Beach Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	72	2.8	18.1	61.1	13.9	4.2
Population by Geography	290,730	2.1	17.8	68.0	11.7	0.3
Housing Units by Geography	191,102	2.1	11.8	66.0	19.8	0.2
Owner-Occupied Units by Geography	81,966	0.6	14.8	70.3	14.0	0.3
Occupied Rental Units by Geography	36,772	4.7	18.9	65.1	11.0	0.3
Vacant Units by Geography	72,364	2.5	4.9	61.6	30.9	0.1
Businesses by Geography	19,724	5.9	14.2	62.3	16.8	0.7
Farms by Geography	630	1.6	22.5	65.4	9.8	0.6
Family Distribution by Income Level	76,523	20.8	18.9	21.7	38.7	0.0
Household Distribution by Income Level	118,738	23.6	16.7	19.5	40.2	0.0
Median Family Income: Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA		\$53,695	Median Housing Value Median Gross Rent Families Below Poverty Level			\$179,611 \$854 13.1%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to FDIC Deposit Market Share data as of June 30, 2019, 20 FDIC-insured financial institutions operate 110 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 10<sup>th</sup> with a 4.8 percent deposit market share. Branch Banking and Trust Company was the market share leader at 13.8 percent of the market, followed by The Conway National Bank at 13.3 percent, and Wells Fargo Bank, N.A. at 10.1 percent.

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MYRTLE BEACH ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	327	55,502
Small Business Loans	287	57,471
Community Development Loans	-	-
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	2	1
Community Development Services	3	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

As noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the Myrtle Beach Assessment Area. Please refer to the statewide analysis for details.

**Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

**SOUTH CAROLINA NMSA ASSESSMENT AREA**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SOUTH CAROLINA NMSA ASSESSMENT AREA**

United Community Bank delineated Abbeville, Cherokee, Greenwood, and Oconee Counties, part of the South Carolina NMSA, as the South Carolina NMSA Assessment Area.

United Community Bank operates three branches in this assessment area, representing 8.6 percent of statewide branches. Of the three branches, one is located in a middle-income distressed and/or underserved census tract, and two are located in upper-income census tracts. During the evaluation, no branches were opened; however, two branches were closed, including one located in a middle-income census tract and one located in an upper-income census tract. Non-deposit taking ATMs are available at each branch. The branch distribution and alternative delivery systems are consistent with the institution overall. The assessment area contains 11.2 percent of rated area loans by number and 10.1 percent of rated area deposits by dollar volume.

The following table presents select demographic information from the 2015 ACS Census and 2018 D&B for the assessment area.

<b>Demographic Information of the SC NMSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	48	2.1	14.6	52.1	31.3	0.0
Population by Geography	225,580	2.2	15.7	50.5	31.6	0.0
Housing Units by Geography	106,124	2.5	13.7	51.3	32.5	0.0
Owner-Occupied Units by Geography	61,593	0.9	11.9	52.5	34.6	0.0
Occupied Rental Units by Geography	25,768	5.2	20.7	48.8	25.4	0.0
Vacant Units by Geography	18,763	3.8	10.3	50.9	35.1	0.0
Businesses by Geography	10,251	1.9	12.0	46.8	39.2	0.0
Farms by Geography	414	0.2	9.4	62.3	28.0	0.0
Family Distribution by Income Level	58,840	20.4	16.4	17.7	45.5	0.0
Household Distribution by Income Level	87,361	22.2	15.6	16.5	45.8	0.0
Median Family Income: South Carolina NMSA		\$44,547	Median Housing Value Median Gross Rent Families Below Poverty Level			\$119,440 \$634 16.9%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

FFIEC has designated certain NMSA middle-income census tracts as distressed and/or underserved. The distressed designation is based on high unemployment rates, poverty rates, and/or population losses. The underserved designation is based on areas being rural and remote. As of June 15, 2018, 13, or 52.0 percent, of the 25 middle-income census tracts in the South Carolina NMSA Assessment Area were designated as distressed based on poverty, unemployment, and/or population loss.

According to FDIC Deposit Market Share data as of June 30, 2019, 18 FDIC-insured financial institutions operate 53 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 8<sup>th</sup> with a 5.8 percent deposit market share. Wells Fargo Bank, N.A. was the market leader at 16.2 percent of the deposit market share, followed by South State Bank at 11.7 percent, and Oconee Federal Savings and Loan Association at 10.2 percent.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SOUTH CAROLINA NMSA ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	328	49,328
Small Business Loans	178	27,460
Community Development Loans	2	7,634
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	1	-
<i>Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.</i>		

As noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the South Carolina NMSA Assessment Area. Please refer to the statewide analysis for details.

**Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

**HILTON HEAD ASSESSMENT AREA**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE HILTON HEAD ASSESSMENT AREA**

The Hilton Head Assessment Area consists of Beaufort County, which is part of the Hilton Head, South Carolina MSA. United Community Bank operates one branch in the assessment area, which is located in a middle-income census tract and represents 2.9 percent of statewide branches. During the evaluation period, no branches were opened or closed in this assessment area. A non-deposit taking ATM is available at the one branch location. The assessment area contains 3.9 percent of rated area loans by number and 1.9 percent of rated area deposits by dollar volume. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B for the assessment area.

<b>Demographic Information of the Hilton Head Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	41	0.0	26.8	39.0	31.7	2.4
Population by Geography	171,420	0.0	26.6	50.3	23.1	0.0
Housing Units by Geography	93,858	0.0	21.6	45.2	33.2	0.0
Owner-Occupied Units by Geography	46,204	0.0	16.9	51.4	31.6	0.0
Occupied Rental Units by Geography	19,771	0.0	34.4	49.0	16.6	0.0
Vacant Units by Geography	27,883	0.0	20.2	32.1	47.6	0.0
Businesses by Geography	12,410	0.0	16.8	54.7	28.5	0.0
Farms by Geography	349	0.0	24.4	56.4	19.2	0.0
Family Distribution by Income Level	44,911	17.7	18.2	21.2	42.9	0.0
Household Distribution by Income Level	65,975	20.6	16.5	18.3	44.5	0.0
Median Family Income: Hilton Head Island-Bluffton, SC MSA		\$63,345	Median Housing Value Median Gross Rent Families Below Poverty Level			\$312,936 \$1,054 8.7%
<i>Source: 2015 ACS Data, 2018 D&amp;B Data, and FFIEC Median Family Income. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.</i>						

According to FDIC Deposit Market Share data as of June 30, 2019, 19 FDIC-insured financial institutions operated 57 banking offices within the assessment area, indicating high competition. Of these institutions, United Community Bank ranked 17<sup>th</sup> with a 0.7 percent deposit market share. Wells Fargo Bank, N.A. is the market share leader at 17.0 percent of the market, followed by Bank of America, N.A. at 14.2 percent, and South State Bank at 11.6 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HILTON HEAD ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	112	35,906
Small Business Loans	66	17,183
Community Development Loans	-	-
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	-	-
Community Development Services	3	-
<i>Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.</i>		

As noted in the statewide Investment Test analysis for South Carolina, this assessment area benefitted from investments made in a regional area that included the Hilton Head Assessment Area. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

## TENNESSEE

### CRA RATING FOR TENNESSEE: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN TENNESSEE

The evaluation of the bank’s performance in Tennessee considered the operations of United Community Bank in the Cleveland, Knoxville, and Tennessee NMSA Assessment Areas. The bank operates eight (5.6 percent) of its 142 offices in Tennessee. Tennessee accounts for 7.4 percent of the bank-wide dollar volume of loans and 5.0 percent of deposits. Overall, United Community Bank ranks 9<sup>th</sup> in deposit market share at 2.7 percent in the statewide assessment areas. The leading institutions are First Tennessee Bank, N.A.; SunTrust Bank; and, Regions Bank with a collective deposit market share of 40.7 percent.

### SCOPE OF EVALUATION IN TENNESSEE

Examiners conducted a full-scope review for the Knoxville Assessment Area, as this area contains the majority of the bank’s operations within the state. The Cleveland and NMSA Assessment Areas were reviewed using limited-scope procedures due to limited branch structure and significantly less lending and deposit activities. When drawing overall state conclusions, the Knoxville Assessment Area received the most weight based on the relatively high percentages of statewide loans, deposits, and branches. Refer to the following table for the distribution of lending, deposits, and branches in each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches Statewide								
Assessment Area	Loans*				Deposits		Branches	
	#	%	\$(000)	%	\$(000s)	%	#	%
Knoxville	1,313	62.0	223,779	64.8	453,322	85.5	6	75.0
Tennessee NMSA	139	6.6	26,132	7.6	16,124	3.0	1	12.5
Cleveland	664	31.4	95,365	27.6	60,831	11.5	1	12.5
<b>Total</b>	<b>2,116</b>	<b>100.0</b>	<b>345,306</b>	<b>100.0</b>	<b>530,277</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>

Source: Bank Records and FDIC Summary of Deposits (06/30/2019).  
\*Includes 2017, 2018, and 2019 home mortgage and small business loans.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN TENNESSEE

#### LENDING TEST

The Lending Test rating for Tennessee is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas’ credit needs. Overall, performance varied across the assessment areas. The geographic distribution reflects good penetration to low- and moderate-income tracts, and borrower profile reflects good lending to borrowers of different incomes and businesses of different sizes. In

addition, the bank made extensive use of innovative and/or flexible lending programs to expand lending and made a relatively high level of community development loans. Refer to the institution-wide analysis for information on the bank’s innovative and/or flexible lending programs.

**Geographic Distribution**

Overall, the geographic distribution of loans reflects good penetration throughout the assessment areas. The geographic distribution of home mortgage loans reflects good penetration in the Knoxville Assessment Area, excellent performance in the Cleveland Assessment Area, and adequate performance in the Tennessee NMSA Assessment Area. The geographic distribution of small business loans reflects good penetration throughout the assessment areas.

**Borrower Profile**

Overall, the distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes. The distribution of home mortgage loans reflects good penetration among borrowers of different income levels in all assessment areas except the Tennessee NMSA Assessment Area, where performance was adequate. The distribution of small business loans reflects adequate penetration among businesses of different sizes in the Knoxville Assessment Area, good penetration in the Cleveland Assessment Area, and poor penetration in the Tennessee NMSA Assessment Area.

**Community Development Loans**

United Community Bank made an adequate level of community development loans in Tennessee. During this evaluation period, the bank originated three community development loans totaling \$23.8 million. This performance represents 6.1 percent by number and 16.7 percent by dollar volume of bank-wide community development loans.

Performance varied throughout the assessment areas in Tennessee with the majority of the loans originating in the Tennessee NMSA Assessment Area. Discussion of community development loans is included in the analysis of the Tennessee assessment area reviewed using full-scope procedures. The following tables detail community development lending activity by assessment area, year, and purpose.

<b>Community Development Lending in Tennessee by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2017 (Partial)	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	1	8,662	-	-	1	8,662
2019	-	-	-	-	-	-	-	-	-	-
YTD 2020	-	-	-	-	-	-	2	15,094	2	15,094
<b>Totals</b>	-	-	-	-	1	8,662	2	15,094	3	23,756
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>										

<b>Community Development Lending in Tennessee by Assessment Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals*</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Knoxville	-	-	-	-	1	8,662	-	-	1	8,662
Cleveland	-	-	-	-	-	-	1	1,882	1	1,882
Tennessee NMSA	-	-	-	-	-	-	1	13,212	1	13,212
<b>Total</b>	-	-	-	-	1	8,662	2	15,094	3	23,756

*Source: August 8, 2017 through June 30, 2020 Bank Records*

## **INVESTMENT TEST**

The Investment Test rating for Tennessee is High Satisfactory. The bank has a significant level of qualified investments and grants, which reflect good responsiveness to community development needs and occasionally included innovative and complex characteristics. Performance was varied throughout the Tennessee assessment areas.

### **Investment and Grant Activity**

United Community Bank has a significant level of qualified investments and grants. The bank made or retained 47 investments totaling \$21.3 million, representing 11.5 percent of its qualified investments. Qualified investments consist of \$21.3 million in affordable housing investments and \$27,000 in grants and donations. Prior period investments total \$665,000. The number and volume of qualified investments increased significantly from \$4.8 million at the previous evaluation. Regional activities include investments that benefitted multiple areas, including the bank's assessment areas. Additionally, one municipal bond investment benefitted an area located outside the assessment areas, but in a broader statewide area. Because the bank has been responsive to community development needs and opportunities inside its assessment areas, examiners gave consideration for broader regional and statewide investments. The analysis for each full-scope Tennessee assessment area includes a discussion of qualified investments that directly benefitted those assessment areas. The following tables reflect the qualified investments and donations benefitting the state of Tennessee by purpose, assessment area, and year.

<b>Qualified Investments by Assessment Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Knoxville	1	1	17	8	10	9	-	-	28	18
Cleveland	-	-	10	3	2	3	1	2	13	8
Tennessee NMSA	-	-	1	1	-	-	-	-	1	1
Regional Activities	4	7,892	-	-	-	-	-	-	4	7,892
Statewide Activities	1	13,428	-	-	-	-	-	-	1	13,428
<b>Totals</b>	<b>6</b>	<b>21,321</b>	<b>28</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>1</b>	<b>2</b>	<b>47</b>	<b>21,347</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	665	-	-	-	-	-	-	1	665
2017 (Partial)	-	-	-	-	-	-	-	-	-	-
2018	3	7,227	-	-	-	-	-	-	3	7,227
2019	1	13,428	-	-	-	-	-	-	1	13,428
YTD 2020	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>5</b>	<b>21,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>21,320</b>
Qualified Grants & Donations	1	1	28	12	12	12	1	2	42	27
<b>Totals</b>	<b>6</b>	<b>21,321</b>	<b>28</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>1</b>	<b>2</b>	<b>47</b>	<b>21,347</b>
<i>Source: August 8, 2017 through June 30, 2020 Bank Records</i>										

Below are notable examples of United Community Bank’s Tennessee statewide-qualified investments.

- The bank invested in three MBS totaling \$7.2 million. These investments promote affordable housing to low- and moderate individuals residing in multiple counties in Tennessee, including the Knoxville, Cleveland, and Tennessee NMSA Assessment Areas.
- The bank invested \$13.4 million in a municipal bond to a public housing agency that provides affordable housing to low- and moderate-income individuals throughout the state of Tennessee. This bond was for the development of apartments in a moderate-income census tract in Chattanooga, Tennessee.

## SERVICE TEST

The Service Test rating for this institution is High Satisfactory in Tennessee. United Community Bank’s delivery systems are accessible to essentially all portions of the assessment areas. The opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank provided a relatively high level of community development services. Overall, performance was consistent across the assessment areas, with the exception of community development services, which were primarily within the Knoxville Assessment Area.

## Changes in Branch Locations

The opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the evaluation period, the bank closed three branches; however, these branches were located in middle-income census tracts not designated as distressed and/or underserved. The bank did not open any branches in Tennessee during the evaluation period.

**Community Development Services**

United Community Bank provided a relatively high level of community development services in Tennessee. Bank employees and directors provided 29 community development services throughout the Tennessee assessment areas. This performance represents 10.0 percent of the institution-wide community development services. In addition, this performance reflects substantial improvement since the previous evaluation when 3 community development services were provided. The following tables detail community development services by assessment area, year, and purpose.

<b>Community Development Services in Tennessee by Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2017	1	4	-	-	<b>5</b>
2018	1	4	-	-	<b>5</b>
2019	1	11	2	-	<b>14</b>
2020	1	4	-	-	<b>5</b>
<b>Totals</b>	<b>4</b>	<b>23</b>	<b>2</b>	<b>-</b>	<b>29</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

<b>Community Development Services in Tennessee by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Knoxville	4	19	-	-	<b>23</b>
Cleveland	-	3	1	-	<b>4</b>
Tennessee NMSA	-	1	1	-	<b>2</b>
<b>Totals</b>	<b>4</b>	<b>23</b>	<b>2</b>	<b>-</b>	<b>29</b>

*Source: August 8, 2017 through June 30, 2020 Bank Records*

**KNOXVILLE ASSESSMENT AREA – Full Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KNOXVILLE ASSESSMENT AREA**

United Community Bank delineated Blount, Knox, Loudon, and Roane Counties as the Knoxville Assessment Area. The Knoxville, TN MSA includes eight counties; however, the bank only delineated four of the counties as the assessment area. United Community Bank operates six branches in this assessment area representing 75.0 percent of statewide branches. ATMs, three of which are deposit taking, are available at each of location. The assessment area accounts for 64.8 percent of rated area loans by dollar volume and 62.0 percent by number as well as 85.5 percent of rated area deposits by dollar volume.

**Economic and Demographic Data**

Lending opportunities are more widely available through middle- and upper-income geographies based on the disbursement of the population, housing units, and businesses. Lending opportunities in the moderate-income tracts are significantly less but still exist while opportunities in low-income geographies are limited. Lending opportunities are further limited as low-income families, especially those living below the poverty level, may have difficulty qualifying for conventional mortgage loans given the median housing value of \$164,882 and the income level of approximately \$32,000. The following table presents select demographic information from the 2015 ACS Census and 2018 D&B.

<b>Demographic Information of the Knoxville Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	161	6.8	16.1	46.0	28.0	3.1
Population by Geography	672,927	5.4	14.7	49.7	29.3	0.8
Housing Units by Geography	301,611	5.9	16.3	50.2	27.6	0.1
Owner-Occupied Units by Geography	183,027	2.9	10.8	53.2	33.1	0.0
Occupied Rental Units by Geography	88,631	11.6	25.9	43.7	18.7	0.1
Vacant Units by Geography	29,953	7.0	21.5	50.9	20.3	0.3
Businesses by Geography	39,649	4.9	13.5	44.0	36.9	0.6
Farms by Geography	1,141	2.0	11.7	54.9	30.9	0.5
Family Distribution by Income Level	173,629	20.6	16.1	20.0	43.3	0.0
Household Distribution by Income Level	271,658	23.2	15.9	16.3	44.6	0.0
Median Family Income: Knoxville, TN MSA		\$59,210	Median Housing Value Median Gross Rent Families Below Poverty Level			\$164,882 \$775 11.0%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the assessment area based on the median family income for the Knoxville, TN MSA.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$64,100)	<\$32,050	\$32,050 to <\$51,280	\$51,280 to <\$76,920	≥\$76,920

*Source: FFIEC*

According to 2018 D&B data, there were 39,649 non-farm businesses operating within the Knoxville Assessment Area. Gross annual revenues for these businesses are:

- 80.1 percent with \$1 million or less,
- 6.7 percent with more than \$1 million, and
- 13.2 percent with unknown revenues.

According to the Bureau of Labor Statistics, assessment area, state, and national unemployment rates trended lower year-over-year. The assessment area county rates were lower than the state and national averages for all counties except Roane. The following table reflects the unemployment rates and trends for this assessment area, the state, and the national average.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Blount County	3.6	3.3	3.2
Knox County	3.2	3.0	2.9
Loudon County	3.7	3.4	3.4
Roane County	4.4	4.2	4.0
Tennessee	3.8	3.5	3.4
National Averages	4.3	3.9	3.7
<i>Source: Bureau of Labor Statistics</i>			

The top industries in the assessment area, according to D&B data, were services at 42.8 percent, retail trade at 14.2 percent, construction at 7.7 percent, and wholesale trade at 4.2 percent. Of the total businesses, 62.2 percent have four or fewer employees, and 85.5 percent operate from a single location. The top five employers for the Knoxville MSA include Covenant Health, University of Tennessee, Walmart, Inc., University Health System, and Oak Ridge National Laboratory.

### **Competition**

According to FDIC Deposit Market Share data as of June 30, 2019, 36 FDIC-insured institutions operated 203 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 10<sup>th</sup> with a 2.9 percent deposit market share. First Tennessee Bank, N.A. was the market share leader with 20.2 percent of area deposits, followed by SunTrust Bank at 12.7 percent, and Regions Bank at 11.3 percent.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2018 indicates 517 lenders reported 37,416 residential mortgage loans totaling \$6.9 billion. United Community Bank ranked 17<sup>th</sup> with a market share of a 1.5 percent market share. The top five home mortgage lenders accounted for 28.1 percent of total market share by number of loans.

With regard to the competition for small business loans, aggregate data for 2018 indicated 116 lenders reported 11,695 small business loans totaling \$654 million in the assessment area, which also indicates a high level of competition. United Community Bank ranked 17<sup>th</sup> with a 1.1 percent market share by number of loans. The top five small business lenders accounted for 49.3 percent of total market share by number of loans.

## **Community Contacts**

Examiners contacted a representative of a non-profit organization in the assessment area. The contact indicated opportunities exist for affordable home construction. While the housing stock in the area is currently sufficient, it is not affordable to low- and moderate-income individuals. Attracting builders for affordable housing projects has been an issue. In addition, the contact stated that prior to the COVID-19 pandemic, unemployment overall was relatively low; however, it was significantly higher for minority communities. In addition, more financial literacy training and building business relationships with minority-owned small businesses are opportunities that would benefit this area.

## **Credit and Community Development Needs and Opportunities**

Review of demographic and economic data, as well as community contact information, indicate a credit need for home mortgage and small business loans. Examiners determined the need for affordable home mortgage loans based on the percentage of low- and moderate-income families, high median family housing value, and relatively high rental rates within the assessment area. The high median age of housing stock in the assessment area at 37 years also indicates a potential need for home improvement or renovation loans.

Further, examiners determined the need for small business loans based on the high percentage of small businesses with four or few employees and the significant majority of businesses reporting gross annual revenues of \$1 million or less in the assessment area. Finally, opportunities in the assessment area also include financial literacy training and better small business relationships with minority-owned businesses

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE KNOXVILLE ASSESSMENT AREA**

## **LENDING TEST**

Lending Test performance in the Knoxville Assessment Area reflects good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration to low- and moderate-income tracts, and borrower profile reflects good lending to borrowers of different incomes and businesses of different sizes. In addition, the bank made extensive use of innovative and/or flexible lending programs to expand lending and made an adequate level of community development loans.

## **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout this assessment area.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Lending in low-income census tracts was reasonable comparable to demographic

data and aggregate performance. Performance in moderate-income census tracts was comparable to aggregate performance but below demographic data.

#### *Small Business Loans*

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. There were no loans in low-income census tracts. Lending in moderate-income census tracts is comparable to demographic data and aggregate performance.

#### **Borrower Profile**

The distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes.

#### *Home Mortgage Loans*

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Lending to low-income borrowers was above aggregate performance but significantly below demographics. Lending to moderate-income borrowers was comparable to demographic data and aggregate performance.

#### *Small Business Loans*

The distribution of small business loans reflects adequate penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1 million or less was significantly below demographic data and was below aggregate performance.

#### **Community Development Loans**

United Community Bank made an adequate level of community development loans. The bank originated one community development loan totaling \$8.7 million, compared to one loan totaling \$18.0 million at the previous evaluation. This performance represents 33.3 percent by number and 36.6 percent by dollar volume of community development loans in Tennessee. The community development loan is discussed below.

- One loan totaling \$8.7 million made to a Knoxville based CDFI that lends to start-up and small businesses and provides advisory services to promote economic development in underserved areas of Southeast Tennessee.

#### **INVESTMENT TEST**

United Community Bank has a significant level of qualified investments and donations in the Knoxville Assessment Area that exhibit good responsiveness to the credit and community development needs. The bank occasionally uses innovative and/or complex investments to support community development initiatives.

## **Investment and Grant Activity**

United Community Bank has a significant level of qualified investments and grants in the Knoxville Assessment Area. The bank made 18 donations totaling \$18,000. Qualified investments consist of donations to organizations that support affordable housing, provide community services, and promote economic development.

Additional investments benefitting the Knoxville Assessment Area are included in the statewide Investment Test analysis for Tennessee. Please refer to the statewide analysis for details. Below are examples of the qualified investments directly benefitting this assessment area.

- From 2017 through 2019, the bank donated \$6,000 to an organization that promotes economic development.

In 2019, the bank donated \$2,500 to an organization that provides community services to children and adults with disabilities. The agency serves primarily low- and moderate-income individuals

## **SERVICE TEST**

United Community Bank's delivery systems are accessible to essentially all portions of the assessment area, and the opening and closing of branches has generally not adversely affected accessibility of the delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provided a relatively high level of community development services.

## **Changes in Branch Locations**

The opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank did not open any branches; however, the bank closed two branches located in middle-income census tracts.

## **Community Development Services**

United Community Bank provided a relatively high level of community development services. During the evaluation period, employees provided 23 community development services. This performance represents 79.3 percent of all activities in the state, which is above the assessment area's share of branches at 75.0 percent. The following are examples of community development services provided.

- An employee serves on the Board of an organization that provides affordable housing assistance to low- and moderate-income individuals and families.
- Several employees provided financial expertise for non-profit organizations that provide needed community services for low- and moderate-income individuals and families. In

addition, some of these organizations are located in low- or moderate-income geographies. Many of the employees serve on the Boards of these organizations.

- An employee serves on the Board and is on the Finance Committee of an organization whose mission is to reduce the effects of poverty. The organization provides affordable housing and financial education for low-income families and offers a critical home repair program, which provides needed repairs for elderly or disabled homeowners so that they can stay in their homes.

**OTHER ASSESSMENT AREAS – Limited-Scope Review**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TENNESSEE LIMITED-SCOPE ASSESSMENT AREAS**

The following table summarizes the conclusions for the North Carolina assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Cleveland Assessment Area	Consistent	Below	Consistent
Tennessee NMSA Assessment Area	Below	Below	Consistent

A summary of United Community Bank’s operations and activities for each limited-scope assessment area follows with additional information in the CRA Tables in Appendix E.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CLEVELAND ASSESSMENT AREA**

The Cleveland Assessment Area consists of Bradley and Polk Counties, which comprise the entirety of the Cleveland, TN MSA. The bank operates one branch in the assessment area. The assessment area contains 31.4 percent of statewide loans by number and 27.6 percent by dollar volume as well as 11.5 percent of statewide deposits and 12.5 percent of branches. A deposit-taking ATM is available at the branch. Demographic data for the assessment area follows.

<b>Demographic Information of the Cleveland Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	24	12.5	16.7	50.0	20.8	0.0
Population by Geography	118,749	9.3	9.8	47.9	33.0	0.0
Housing Units by Geography	50,529	9.1	10.2	49.1	31.5	0.0
Owner-Occupied Units by Geography	30,377	3.9	8.1	49.6	38.4	0.0
Occupied Rental Units by Geography	14,834	19.2	12.1	47.6	21.1	0.0
Vacant Units by Geography	5,318	10.3	16.8	51.0	21.9	0.0
Businesses by Geography	6,218	7.7	14.3	50.1	27.8	0.0
Farms by Geography	241	1.2	6.6	49.4	42.7	0.0
Family Distribution by Income Level	31,204	22.4	17.3	18.7	41.5	0.0
Household Distribution by Income Level	45,211	24.6	16.0	16.8	42.5	0.0
Median Family Income: Cleveland, TN MSA		\$52,007	Median Housing Value Median Gross Rent Families Below Poverty Level			\$137,954 \$699 14.8%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to the FDIC Market Share data as of June 30, 2019, 15 FDIC-insured financial institutions operate 30 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 10<sup>th</sup> with a 3.1 percent deposit market share. First Tennessee Bank, N.A. was the market share leader at 15.6 percent of the market, followed by First Citizens National Bank at 12.2 percent, and Regions Bank at 12.1 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CLEVELAND ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage Loans	594	87,658
Small Business Loans	70	7,707
Community Development Loans	1	1,882
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	13	8
Community Development Services	4	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

In addition, statewide investments benefitting the Cleveland Assessment Area are included in the statewide Investment Test analysis for Tennessee. Please refer to the statewide analysis for details.

### **Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TENNESSEE NMSA ASSESSMENT AREA**

The Cleveland Assessment Area consists of McMinn and Monroe Counties. The bank operates one branch in the assessment area. The assessment area contains 6.6 percent of statewide loans by number and 7.6 percent by dollar volume as well as 3.0 percent of statewide deposits and 12.5 percent of branches. A non-deposit taking ATM is available at the branch. Demographic data for the assessment area follows.

<b>Demographic Information of the Tennessee NMSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	17	0.0	5.9	88.2	5.9	0.0
Population by Geography	97,799	0.0	6.2	88.0	5.7	0.0
Housing Units by Geography	44,098	0.0	6.6	88.0	5.4	0.0
Owner-Occupied Units by Geography	27,724	0.0	3.6	90.2	6.2	0.0
Occupied Rental Units by Geography	9,447	0.0	14.8	79.9	5.3	0.0
Vacant Units by Geography	6,927	0.0	7.4	90.4	2.2	0.0
Businesses by Geography	4,434	0.0	14.0	80.2	5.8	0.0
Farms by Geography	224	0.0	3.6	92.9	3.6	0.0
Family Distribution by Income Level	26,091	20.9	18.4	19.6	41.1	0.0
Household Distribution by Income Level	37,171	24.1	16.5	16.5	43.0	0.0
Median Family Income: Tennessee NMSA		\$46,254	Median Housing Value Median Gross Rent Families Below Poverty Level			\$116,428 \$618 14.9%

*Source: 2015 ACS Data, 2018 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to the FDIC Market Share data as of June 30, 2019, 11 FDIC-insured financial institutions operated 33 banking offices within the assessment area, indicating strong competition. Of these institutions, United Community Bank ranked 10<sup>th</sup> with a 1.0 percent deposit market share. Simmons Bank was the market share leader at 22.7 percent of the market, followed by CapStar Bank at 21.7 percent, and Branch Banking and Trust at 10.9 percent.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TENNESSEE NMSA ASSESSMENT AREA**

The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$</b>
Home Mortgage Loans	110	20,291
Small Business Loans	29	5,841
Community Development Loans	1	13,212
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	1	1
CD Services	2	-

*Source: 2017, 2018, and 2019 HMDA, and CRA Data. Community development loans, qualified investments/donations, and services are from the previous evaluation through June 30, 2020.*

In addition, statewide investments benefitting the Tennessee NMSA Assessment Area are included in the statewide Investment Test analysis for Tennessee. Please refer to the statewide analysis for details.

**Geographic Distribution and Borrower Profile**

Refer to the tables in Appendix E for detailed information.

## APPENDICES

### APPENDIX A – LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's assessment area(s);
  - ii. The dispersion of lending in the bank's assessment areas(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

#### **Investment Test**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## **Service Test**

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, LPOs, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

## APPENDIX B – SCOPE OF EVALUATION TABLES

<b>United Community Bank</b>	
<p><b>Scope of Examination:</b>            Full scope reviews were performed on following assessment areas within the noted rate areas:</p> <ul style="list-style-type: none"> <li>State of Georgia               <ul style="list-style-type: none"> <li>Georgia NMSA Assessment Area</li> <li>Atlanta Assessment Area</li> </ul> </li>   <li>State of North Carolina               <ul style="list-style-type: none"> <li>Raleigh Assessment Area</li> <li>North Carolina NMSA Assessment Area</li> </ul> </li>   <li>State of South Carolina               <ul style="list-style-type: none"> <li>Charleston Assessment Area</li> <li>Greenville Assessment Area</li> <li>Spartanburg Assessment Area</li> </ul> </li>   <li>State of Tennessee               <ul style="list-style-type: none"> <li>Knoxville Assessment Area</li> </ul> </li> </ul>	
<b>Time Period Reviewed:</b>	08/08/17 to 06/30/20
<p><b>Products Reviewed:</b>            Home Mortgage: 01/01/17 – 12/31/19            Small Business: 01/01/17 – 12/31/19            Community Development Loans, Investments, and Services: 08/08/2017 – 06/30/2020</p>	

<b>List of Assessment Areas and Type of Evaluation</b>			
<b>Rated Area/ Assessment Area</b>	<b>Type of Evaluation</b>	<b>Branches Visited</b>	<b>Other Information</b>
Georgia:			
Atlanta AA	Full-scope	None	None
Athens AA	Limited-scope	None	None
Brunswick AA	Limited-scope	None	None
Gainesville AA	Limited-scope	None	None
GA NMSA AA	Full-scope	None	None
Rome AA	Limited scope	None	None
Savannah AA	Limited-scope	None	None
North Carolina:			
Asheville AA	Limited-scope	None	None
Fayetteville AA	Limited-scope	None	None
NC NMSA AA	Full-scope	None	None
Raleigh AA	Full-scope	None	None
South Carolina:			
Charleston AA	Full-scope	None	None
Greenville AA	Full-scope	None	None
Hilton Head AA	Limited-scope	None	None
Myrtle Beach AA	Limited-scope	None	None
SC NMSA AA	Limited-scope	None	None
Spartanburg AA	Full-scope	None	None
Tennessee:			
Cleveland AA	Limited-scope	None	None
Knoxville AA	Full-scope	None	None
TN NMSA AA	Limited-scope	None	None

## APPENDIX C – SUMMARY OF RATINGS FOR RATED AREAS

<b>Rated Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>	<b>Ratings</b>
Georgia	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
North Carolina	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
South Carolina	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Tennessee	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

## APPENDIX D – 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.

**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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 (for example, 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.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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.

## APPENDIX E – LENDING PERFORMANCE TABLES

<b>GEORGIA</b>																			<b>2018</b>
<b>Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
(LS) Athens	14	2,432	0.4	5,531	7.2	0.0	6.7	14.9	50.0	10.8	35.6	21.4	35.9	42.4	28.6	46.7	0.0	0.0	0.0
(FS) Atlanta	1,464	265,492	20.1	207,211	3.3	1.1	3.0	19.1	18.2	18.3	36.7	46.3	36.9	41.0	34.4	41.8	0.0	0.0	0.0
(LS) Brunswick	120	27,016	1.7	2,895	2.0	0.8	0.8	20.0	10.0	9.8	31.1	18.3	27.9	46.9	70.8	61.5	0.0	0.0	0.0
(LS) Gainesville	201	39,632	2.8	6,768	1.2	0.0	0.5	12.4	7.5	13.4	44.6	53.2	42.4	41.8	39.3	43.7	0.0	0.0	0.0
(FS) GA NMSA	1,521	219,912	20.9	13,090	0.7	0.0	0.1	4.5	2.0	2.1	60.4	66.7	54.9	34.4	31.3	42.9	0.0	0.0	0.0
(LS) Rome	175	23,940	2.4	2,379	1.4	1.7	1.6	19.4	12.6	18.2	44.0	52.0	46.6	35.2	33.7	33.7	0.0	0.0	0.0
(LS) Savannah	146	40,106	2.0	9,107	5.6	2.7	2.6	21.2	19.2	16.2	33.5	26.7	32.5	39.8	51.4	48.6	0.0	0.0	0.0
<b>Total</b>	<b>3,641</b>	<b>618,530</b>	<b>50.1</b>	<b>246,981</b>	<b>3.2</b>	<b>0.7</b>	<b>2.8</b>	<b>18.0</b>	<b>10.4</b>	<b>17.0</b>	<b>38.3</b>	<b>53.7</b>	<b>37.8</b>	<b>40.5</b>	<b>35.2</b>	<b>42.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0 percent.  
 FS - Full Scope; LS - Limited Scope*

GEORGIA																			2018		
Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																					
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
(LS) Athens	14	2,432	0.4	5,531	25.4	0.0	3.5	14.7	7.1	11.8	17.5	14.3	18.4	42.3	78.6	49.8	0.0	0.0	16.4		
(FS) Atlanta	1,464	265,492	20.1	207,211	22.7	8.7	6.8	16.6	17.8	16.7	18.1	24.2	20.2	42.7	46.4	38.7	0.0	2.9	17.6		
(LS) Brunswick	120	27,016	1.7	2,895	21.2	5.8	2.7	15.3	7.5	7.1	19.6	13.3	14.1	43.9	66.7	57.5	0.0	6.7	18.6		
(LS) Gainesville	201	39,632	2.8	6,768	20.6	5.0	5.2	18.0	16.9	15.6	20.3	16.4	20.5	41.0	56.2	40.4	0.0	5.5	18.2		
(FS) GA NON-MSA	1,521	219,912	20.9	13,090	17.9	5.7	3.0	16.5	11.2	9.5	19.8	16.4	17.4	45.8	62.9	52.6	0.0	3.6	17.6		
(LS) Rome	175	23,940	2.4	2,379	22.3	5.7	5.2	17.5	11.4	16.0	18.9	17.1	20.3	41.3	58.9	37.7	0.0	6.9	20.8		
(LS) Savannah	146	40,106	2.0	9,107	25.1	3.4	4.4	16.6	13.0	13.8	20.2	19.9	19.4	38.2	56.2	39.6	0.0	7.5	22.7		
<b>Total</b>	<b>3,641</b>	<b>618,530</b>	<b>50.1</b>	<b>246,981</b>	<b>22.5</b>	<b>6.8</b>	<b>6.3</b>	<b>16.6</b>	<b>14.1</b>	<b>15.9</b>	<b>18.4</b>	<b>19.6</b>	<b>19.9</b>	<b>42.6</b>	<b>55.6</b>	<b>40.0</b>	<b>0.0</b>	<b>3.8</b>	<b>17.9</b>		

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS - Full Scope; LS - Limited Scope

GEORGIA																			2018		
Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																					
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
(LS) Athens	9	1,023	0.7	3,475	11.8	0.0	10.2	10.1	88.9	12.0	32.4	0.0	31.0	44.1	11.1	46.6	1.5	0.0	0.2		
(FS) Atlanta	496	91,783	20.3	152,409	5.6	3.4	4.6	21.6	19.2	19.8	30.8	45.8	29.1	41.4	31.7	46.1	0.6	0.0	0.4		
(LS) Brunswick	68	7,917	2.8	2,012	7.3	4.4	5.3	29.9	35.3	25.1	19.8	14.7	19.2	43.0	45.6	50.4	0.0	0.0	0.0		
(LS) Gainesville	73	13,593	3.0	4,401	9.6	16.4	9.2	16.9	19.2	14.8	41.1	39.7	44.4	32.4	24.7	31.6	0.0	0.0	0.0		
(FS) GA NON-MSA	410	41,551	16.8	6,065	1.2	0.5	0.7	5.0	2.9	3.8	62.2	70.0	59.3	31.6	26.6	36.3	0.0	0.0	0.0		
(LS) Rome	74	10,341	3.0	1,249	3.0	4.1	3.0	44.6	40.5	40.4	31.8	29.7	34.2	20.6	25.7	22.4	0.0	0.0	0.0		
(LS) Savannah	98	19,746	4.0	6,329	9.0	25.5	10.5	23.3	20.4	21.3	33.8	26.5	34.0	33.5	27.6	34.1	0.4	0.0	0.2		
<b>Total</b>	<b>1,228</b>	<b>185,954</b>	<b>50.2</b>	<b>175,940</b>	<b>5.8</b>	<b>5.0</b>	<b>4.9</b>	<b>21.0</b>	<b>16.5</b>	<b>19.2</b>	<b>32.3</b>	<b>48.9</b>	<b>30.7</b>	<b>40.4</b>	<b>29.5</b>	<b>44.8</b>	<b>0.6</b>	<b>0.0</b>	<b>0.3</b>		

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0 percent.

FS - Full Scope; LS - Limited Scope

**GEORGIA**

**2018**

**Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
(LS) Athens	9	1,023	0.7	3,475	83.0	44.4	46.6	4.6	35.7	8.4	20.0
(FS) Atlanta	496	91,783	20.3	152,409	87.5	40.9	46.9	4.6	44.8	7.9	14.3
(LS) Brunswick	68	7,917	2.8	2,012	83.0	63.2	44.5	5.0	23.5	11.9	13.2
(LS) Gainesville	73	13,593	3.0	4,401	85.1	38.4	44.8	5.9	39.7	9.0	21.9
(FS) GA NON-MSA	410	41,551	16.8	6,065	86.0	49.0	47.6	3.7	19.8	10.4	31.2
(LS) Rome	74	10,341	3.0	1,249	81.5	43.2	44.0	5.3	36.5	13.2	20.3
(LS) Savannah	98	19,746	4.0	6,329	81.6	36.7	43.0	5.8	57.1	12.6	6.1
<b>Total</b>	<b>1,228</b>	<b>185,954</b>	<b>50.2</b>	<b>175,940</b>	<b>86.9</b>	<b>44.4</b>	<b>46.6</b>	<b>4.6</b>	<b>35.7</b>	<b>8.4</b>	<b>20.0</b>

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0 percent.

FS - Full Scope; LS - Limited Scope

GEORGIA												
Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	121	10.5	470,378	7.3	3	4.5	3	4.0	1	25.0	0	0.0
Moderate	277	24.1	1,519,097	23.7	18	26.9	22	28.9	0	0.0	0	0.0
Middle	362	31.5	2,278,335	35.5	32	47.8	36	47.4	2	50.0	1	50.0
Upper	375	32.7	2,128,933	33.2	14	20.9	15	19.7	1	25.0	1	50.0
NA	13	1.1	23,686	0.4	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>1,148</b>	<b>100.0</b>	<b>6,420,429</b>	<b>100.0</b>	<b>67</b>	<b>100.0</b>	<b>76</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>

Source: 2015 ACS Census & Bank Data  
Due to rounding, totals may not equal 100.0 percent.

NORTH CAROLINA																			2018
Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
(FS) NC NMSA	762	110,333	59.0	14,010	0.0	0.0	0.0	11.2	5.4	4.7	69.3	78.2	62.1	19.5	16.4	33.2	0.0	0.0	0.0
(FS) Raleigh	237	49,972	18.3	52,487	2.2	3.4	2.1	25.4	49.8	22.1	34.9	34.6	37.4	37.5	12.2	38.4	0.0	0.0	0.0
(LS) Asheville	293	66,756	22.7	15,671	1.4	1.4	1.3	10.9	13.0	10.7	64.1	57.0	63.4	23.6	28.7	24.6	0.0	0.0	0.0
<b>Total</b>	<b>1,292</b>	<b>227,061</b>	<b>100.0</b>	<b>82,168</b>	<b>1.4</b>	<b>0.9</b>	<b>1.6</b>	<b>18.6</b>	<b>15.2</b>	<b>17.0</b>	<b>50.2</b>	<b>65.4</b>	<b>46.6</b>	<b>29.8</b>	<b>18.4</b>	<b>34.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS – Full Scope; LS – Limited Scope

NORTH CAROLINA																				2018
Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
(FS) NC NMSA	762	110,333	59.0	14,010	19.9	6.0	3.6	17.7	13.4	11.3	20.0	21.5	20.1	42.4	57.3	50.1	0.0	1.7	14.8	
(FS) Raleigh	237	49,972	18.3	52,487	21.5	11.8	6.8	17.1	13.5	16.9	19.1	21.1	22.0	42.3	34.2	41.3	0.0	19.0	13.0	
(LS) Asheville	293	66,756	22.7	15,671	20.1	3.1	5.3	18.3	11.3	15.0	20.5	24.9	23.2	41.1	59.4	46.3	0.0	1.4	10.2	
<b>Total</b>	<b>1,292</b>	<b>227,061</b>	<b>100.0</b>	<b>82,168</b>	<b>20.8</b>	<b>6.4</b>	<b>6.0</b>	<b>17.5</b>	<b>12.9</b>	<b>15.6</b>	<b>19.6</b>	<b>22.2</b>	<b>21.9</b>	<b>42.1</b>	<b>53.6</b>	<b>43.8</b>	<b>0.0</b>	<b>4.8</b>	<b>12.8</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS – Full Scope; LS – Limited Scope

NORTH CAROLINA																				2018
Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
(FS) NC NMSA	196	16,876	38.6	8,012	0.0	0.0	0.0	9.5	8.7	10.1	68.8	80.1	66.7	21.7	11.2	23.1	0.0	0.0	0.0	
(FS) Raleigh	278	43,141	54.7	30,546	3.9	14.7	4.2	23.1	58.6	21.3	32.7	20.1	32.8	40.1	6.5	41.6	0.2	0.0	0.1	
(LS) Asheville	34	4,296	6.7	9,856	3.0	2.9	2.8	15.1	11.8	16.1	53.3	58.8	53.0	28.6	26.5	28.1	0.0	0.0	0.0	
<b>Total</b>	<b>508</b>	<b>64,313</b>	<b>100.0</b>	<b>48,414</b>	<b>3.0</b>	<b>8.3</b>	<b>3.2</b>	<b>19.1</b>	<b>36.2</b>	<b>18.4</b>	<b>43.3</b>	<b>45.9</b>	<b>42.6</b>	<b>34.5</b>	<b>9.6</b>	<b>35.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS – Full Scope; LS – Limited Scope

NORTH CAROLINA												2018
Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
(FS) NC NMSA	196	16,876	38.6	8,012	83.6	53.1	51.7	4.6	16.3	11.8	30.6	
(FS) NC Raleigh	278	43,141	54.7	30,546	85.3	32.4	47.7	4.6	59.4	10.1	8.3	
(LS) Asheville	34	4,296	6.7	9,856	86.9	44.1	49.3	4.4	35.3	8.7	20.6	
<b>Total</b>	<b>508</b>	<b>64,313</b>	<b>100.0</b>	<b>48,414</b>	<b>85.3</b>	<b>41.1</b>	<b>48.7</b>	<b>4.6</b>	<b>41.1</b>	<b>10.1</b>	<b>17.7</b>	

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS – Full Scope; LS – Limited Scope

NORTH CAROLINA												
Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	16	3.7	74,496	3.6	1	3.1	0	0.0	1	7.7	0	0.0
Moderate	80	18.6	448,551	21.5	10	31.3	10	33.3	5	38.5	0	0.0
Middle	201	46.6	988,089	47.5	18	56.2	17	56.7	6	46.1	0	0.0
Upper	128	29.7	567,207	27.2	3	9.4	3	10.0	1	7.7	0	0.0
NA	6	1.4	4,439	0.2	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>431</b>	<b>100.0</b>	<b>2,082,782</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

Source: 2015 ACS Census & Bank Data  
Due to rounding, totals may not equal 100.0 percent.

**SOUTH CAROLINA**

**2018**

**Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
(FS) Charleston	168	84,195	15.9	32,040	3.3	3.0	2.4	19.1	12.5	11.9	42.4	32.7	45.6	34.9	51.2	39.7	0.3	0.6	0.4
(FS) Greenville	440	67,066	41.6	29,013	3.1	0.9	2.4	20.9	11.1	15.6	43.6	41.4	42.0	32.4	46.6	40.1	0.0	0.0	0.0
(LS) Hilton Head	59	18,418	5.6	9,045	0.0	0.0	0.0	16.9	5.1	10.4	51.4	64.4	59.3	31.6	30.5	30.3	0.0	0.0	0.0
(LS) Myrtle Beach	99	22,113	9.4	15,709	0.6	0.0	1.0	14.8	15.2	9.8	70.4	68.7	70.9	14.0	15.2	18.1	0.3	1.0	0.3
(LS) SC NMSA	117	17,578	11.1	4,939	0.9	0.0	0.2	11.9	4.3	8.8	52.6	47.0	43.4	34.6	48.7	47.6	0.0	0.0	0.0
(FS) Spartanburg	175	23,494	16.5	10,278	2.3	0.0	1.1	15.6	8.6	10.1	47.1	46.9	46.0	35.1	44.6	42.7	0.0	0.0	0.0
<b>Total</b>	<b>1,058</b>	<b>232,863</b>	<b>100.0</b>	<b>101,024</b>	<b>2.3</b>	<b>0.9</b>	<b>1.7</b>	<b>17.9</b>	<b>10.2</b>	<b>12.2</b>	<b>48.4</b>	<b>45.4</b>	<b>49.6</b>	<b>31.2</b>	<b>43.4</b>	<b>36.3</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0 percent.

FS - Full Scope; LS - Limited Scope

**SOUTH CAROLINA**

**2018**

**Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
(FS) Charleston	168	84,195	15.9	32,040	22.6	3.6	6.1	16.7	13.1	17.9	19.9	14.9	21.8	40.8	52.4	39.3	0.0	16.1	14.8
(FS) Greenville	440	67,066	41.6	29,013	22.9	6.6	7.0	17.1	15.5	18.6	18.8	22.7	22.0	41.2	51.1	37.9	0.0	4.1	14.5
(LS) Hilton Head	59	18,418	5.6	9,045	17.7	3.4	3.7	18.2	16.9	12.3	21.2	10.2	18.3	42.9	69.5	53.4	0.0	0.0	12.4
(LS) Myrtle Beach	99	22,113	9.4	15,709	20.8	6.1	5.8	18.9	13.1	17.2	21.7	20.2	21.9	38.7	47.5	43.0	0.0	13.1	12.0
(LS) SC NMSA	117	17,578	11.1	4,939	20.4	4.3	3.8	16.4	9.4	12.2	17.7	15.4	18.5	45.5	65.8	48.5	0.0	5.1	16.9
(FS) Spartanburg	175	23,494	16.5	10,278	21.0	5.7	5.9	17.4	25.7	20.9	18.9	20.0	24.6	42.7	47.4	33.5	0.0	1.1	15.2
<b>Total</b>	<b>1,058</b>	<b>232,863</b>	<b>100.0</b>	<b>101,024</b>	<b>21.8</b>	<b>5.5</b>	<b>6.0</b>	<b>17.2</b>	<b>16.0</b>	<b>17.5</b>	<b>19.5</b>	<b>19.3</b>	<b>21.7</b>	<b>41.5</b>	<b>53.0</b>	<b>40.6</b>	<b>0.0</b>	<b>6.2</b>	<b>14.2</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.*

*Due to rounding, totals may not equal 100.0 percent.*

*FS - Full Scope; LS - Limited Scope*

**SOUTH CAROLINA**

**2018**

**Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
(FS) Charleston	72	20,046	16.1	16,841	7.6	8.3	7.2	19.4	20.8	16.7	34.0	37.5	31.1	37.3	30.6	43.2	1.6	2.8	1.8
(FS) Greenville	137	31,956	30.7	16,236	6.0	6.6	5.4	18.9	23.4	15.6	39.8	34.3	39.3	35.4	35.8	39.6	0.0	0.0	0.0
(LS) Hilton Head	11	2,551	2.5	4,523	0.0	0.0	0.0	16.8	18.2	13.9	54.7	63.6	53.2	28.5	18.2	32.9	0.0	0.0	0.0
(LS) Myrtle Beach	92	15,906	20.6	8,241	5.9	4.3	5.5	14.2	18.5	13.8	62.3	62.0	63.1	16.8	15.2	17.1	0.7	0.0	0.4
(LS) SC NMSA	56	10,593	12.6	2,552	1.9	3.6	1.8	12.0	19.6	9.4	46.8	35.7	43.9	39.2	41.1	44.9	0.0	0.0	0.0
(FS) Spartanburg	78	14,519	17.5	4,583	2.5	1.3	1.5	21.9	19.2	18.4	40.7	50.0	41.9	34.9	29.5	38.1	0.0	0.0	0.0
<b>Total</b>	<b>446</b>	<b>95,571</b>	<b>100.0</b>	<b>52,976</b>	<b>5.4</b>	<b>4.9</b>	<b>5.0</b>	<b>18.1</b>	<b>20.6</b>	<b>15.5</b>	<b>42.7</b>	<b>44.2</b>	<b>42.0</b>	<b>33.3</b>	<b>29.8</b>	<b>36.8</b>	<b>0.6</b>	<b>0.4</b>	<b>0.6</b>

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0 percent.

FS - Full Scope; LS - Limited Scope

<b>SOUTH CAROLINA</b>												<b>2018</b>
<b>Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
(FS) Charleston	72	20,046	16.1	16,841	83.0	52.8	44.5	5.4	47.2	11.6	0.0	
(FS) Greenville	137	31,956	30.7	16,236	80.9	53.3	46.8	6.2	35.0	12.9	11.7	
(LS) Hilton Head	11	2,551	2.5	4,523	85.3	54.5	47.0	5.2	45.5	9.5	0.0	
(LS) Myrtle Beach	92	15,906	20.6	8,241	83.3	56.5	53.2	5.1	29.3	11.7	14.1	
(LS) SC NMSA	56	10,593	12.6	2,552	79.7	51.8	46.1	5.3	37.5	15.0	10.7	
(FS) Spartanburg	78	14,519	17.5	4,583	79.6	37.2	46.3	6.9	37.2	13.5	25.6	
<b>Total</b>	<b>446</b>	<b>95,571</b>	<b>100.0</b>	<b>52,976</b>	<b>82.0</b>	<b>50.9</b>	<b>47.0</b>	<b>5.8</b>	<b>36.8</b>	<b>12.3</b>	<b>12.3</b>	

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS - Full Scope; LS - Limited Scope

<b>SOUTH CAROLINA</b>												
<b>Branch and ATM Distribution by Geography Income Level</b>												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	38	6.5	117,916	4.6	2	5.7	2	5.3	0	0.0	0	0.0
Moderate	136	23.4	547,347	21.5	5	14.3	6	15.8	0	0.0	2	33.3
Middle	251	43.2	1,179,043	46.3	19	54.3	20	52.6	0	0.0	1	16.7
Upper	148	25.5	692,815	27.2	9	25.7	10	26.3	0	0.0	3	50.0
NA	8	1.4	6,712	0.3	0	0.0	0	0.0	1	100.0	0	0.0
<b>Totals</b>	<b>581</b>	<b>100.0</b>	<b>2,543,833</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

Source: 2015 ACS Census & Bank Data  
Due to rounding, totals may not equal 100.0 percent.

TENNESSEE																				2018
Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
(LS) Cleveland	212	28,596	34.7	3,633	3.9	5.7	4.1	8.1	14.6	6.6	49.6	43.9	49.4	38.4	35.8	39.9	0.0	0.0	0.0	
(FS) Knoxville	361	62,045	59.1	25,740	2.9	1.1	2.1	10.8	9.1	9.6	53.2	46.0	51.0	33.1	43.8	37.3	0.0	0.0	0.0	
(LS) TN NMSA	38	5,897	6.2	2,428	0.0	0.0	0.0	3.6	0.0	4.7	90.2	94.7	87.5	6.2	5.3	7.8	0.0	0.0	0.0	
<b>Total</b>	<b>611</b>	<b>96,537</b>	<b>100.0</b>	<b>31,801</b>	<b>2.7</b>	<b>2.6</b>	<b>2.2</b>	<b>9.6</b>	<b>10.5</b>	<b>8.9</b>	<b>57.0</b>	<b>48.3</b>	<b>53.6</b>	<b>30.7</b>	<b>38.6</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS - Full Scope; LS - Limited Scope

TENNESSEE																				2018
Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
(LS) Cleveland	212	28,596	34.7	3,633	22.4	7.1	6.9	17.3	21.7	17.9	18.7	23.1	21.9	41.5	44.3	33.9	0.0	3.8	19.5	
(FS) Knoxville	361	62,045	59.1	25,740	20.6	8.6	6.9	16.1	16.6	16.4	20.0	23.0	18.7	43.3	49.6	37.7	0.0	1.9	20.2	
(LS) TN NMSA	38	5,897	6.2	2,428	20.9	2.6	5.6	18.4	13.2	15.7	19.6	18.4	23.4	41.1	63.2	37.5	0.0	2.6	17.8	
<b>Total</b>	<b>611</b>	<b>96,537</b>	<b>100.0</b>	<b>31,801</b>	<b>20.9</b>	<b>7.7</b>	<b>6.8</b>	<b>16.5</b>	<b>18.2</b>	<b>16.6</b>	<b>19.8</b>	<b>22.8</b>	<b>19.4</b>	<b>42.8</b>	<b>48.6</b>	<b>37.3</b>	<b>0.0</b>	<b>2.6</b>	<b>19.9</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent.  
FS - Full Scope; LS - Limited Scope

**TENNESSEE**

**2018**

**Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
(LS) Cleveland	26	3,561	15.5	1,485	7.7	7.7	7.1	14.3	19.2	12.7	50.1	26.9	44.4	27.8	46.2	35.7	0.0	0.0	0.0
(FS) Knoxville	132	20,897	78.6	11,508	4.9	0.0	4.1	13.5	10.6	11.6	44.0	64.4	42.4	36.9	25.0	41.7	0.6	0.0	0.2
(LS) TN NMSA	10	2,170	6.0	983	0.0	0.0	0.0	14.0	10.0	10.4	80.2	90.0	81.8	5.8	0.0	7.8	0.0	0.0	0.0
<b>Total</b>	<b>168</b>	<b>26,628</b>	<b>100.0</b>	<b>13,976</b>	<b>4.8</b>	<b>1.2</b>	<b>4.1</b>	<b>13.7</b>	<b>11.9</b>	<b>11.6</b>	<b>48.0</b>	<b>60.1</b>	<b>45.4</b>	<b>33.0</b>	<b>26.8</b>	<b>38.7</b>	<b>0.5</b>	<b>0.0</b>	<b>0.2</b>

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0 percent.  
 FS - Full Scope; LS - Limited Scope

**TENNESSEE**

**2018**

**Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
(LS) Cleveland	26	3,561	15.5	1,485	81.2	61.5	49.8	5.7	15.4	13.1	23.1
(FS) Knoxville	132	20,897	78.6	11,508	80.1	37.1	46.8	6.7	55.3	13.2	7.6
(LS) TN NMSA	10	2,170	6.0	983	79.0	10.0	50.8	5.0	90.0	16.0	0.0
<b>Total</b>	<b>168</b>	<b>26,628</b>	<b>100.0</b>	<b>13,976</b>	<b>80.2</b>	<b>39.3</b>	<b>47.4</b>	<b>6.4</b>	<b>51.2</b>	<b>13.4</b>	<b>9.5</b>

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0 percent.  
 FS - Full Scope; LS - Limited Scope

**TENNESSEE**  
**Branch and ATM Distribution by Geography Income Level**

Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	14	6.9	47,410	5.3	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	31	15.3	116,774	13.1	0	0.0	0	0.0	0	0.0	0	0.0
Middle	101	50.0	477,517	53.7	6	75.0	6	75.0	0	100.0	3	0.0
Upper	51	25.2	242,085	27.2	2	25.0	2	25.0	0	0.0	0	0.0
NA	5	2.5	5,689	0.6	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	202	<b>100.0</b>	889,475	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>3</b>	<b>0.0</b>

*Source: 2015 ACS Census & Bank Data  
Due to rounding, totals may not equal 100.0 percent.*