Excellence in CRA Management

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Central State Bank
Calera, AL

Your Business. Your Family. Your Community. We are YOUR Bank.

CENTRAL STATE BANK

Bank History/Background

- Small Community Bank located in Calera, Alabama
- Established in 1916/Family Owned and Operated since 1947
- Asset Size = $156 million
- 5 Loan Officers
- 3 Full Service Branches and 1 Drive Through Branch /Central State Mortgage Production Office
- Outstanding CRA Rating (Last Exam May 4, 2009)

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Description of Assessment Area

- Lending area for Central State Bank is loosely defined as a ten mile radius around the bank
- Composed of 22 selected contiguous census tracts in 3 counties located in the Birmingham MSA
- 1 Moderate, 9 Middle, and 12 Upper Income Tracts
- Population of assessment area is 97,603 persons (according to the 2000 census)

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Small Institution Examination Criteria
(Assets of less than $1.098 billion effective 1/1/10)

- Loan to Deposit Ratio
  - Lending Activity
- Assessment Area Concentration
  - Majority of loans made in assessment areas
- Borrower Distribution
  - Loans made to borrowers with different income levels and businesses of different sizes
- Geographic Distribution
  - Dispersion of loans made throughout the assessment areas
- Resolution of Complaints
  - Responsiveness to complaints about meeting credit needs in assessment areas

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Tracking & Analysis

- Loan Operations geocodes address and census information for each loan and enters into our platform system (Metavante/FIS) when the loan is booked
- System generates reports by Personal Loans, Credit Lines, Business Loans, and Real Estate Loans the last day of each quarter
- Reports compare/track lending by dollar amount and number of loans inside versus outside of assessment area to ensure the majority of the bank's loans were extended in the assessment area
- Reports also show geographic distribution of loans throughout the assessment areas

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Quarterly report goes to Board of Directors outlining:

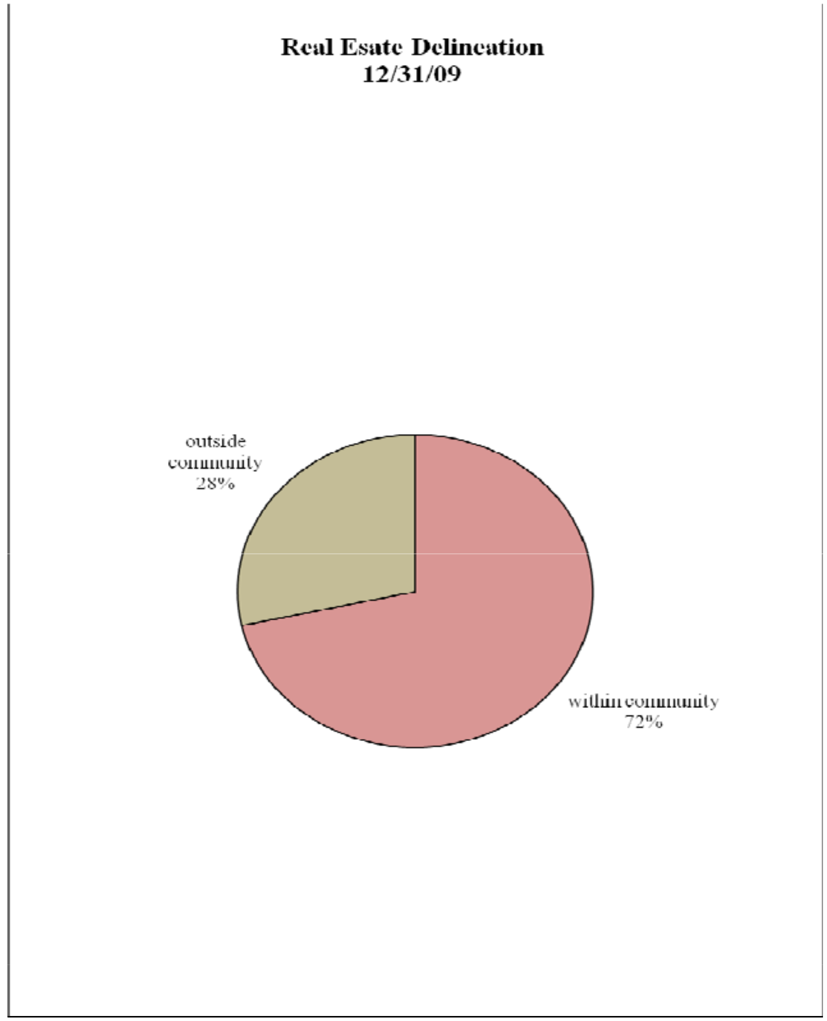
- For each type of loan (Personal, Business, Credit Line, and Real Estate):
  - Current percentage of the number of loans within assessment area compared to last quarters numbers, including the percentage change
  - Current percentage of the dollar amount of loans within the assessment area compared to last quarters numbers, including the percentage change
- Top 5 census tracts by dollar amount
- Bottom 3 census tracts by dollar amount located within the assessment area
- Top 3 census tracts by dollar amount <u>not</u> located within the assessment area
- Reviewed to ensure we are addressing all census tracts in area and look for any spikes in other areas that need to be addressed

Central State Bank Community Involvement

- Community development activities can enhance rating
- Community Banks are typically involved in the community they serve
  - Central State Bank employees are encouraged to seek and accept positions with various civic endeavors.
  - Examples of activities our board of directors are currently associated with include:
    - City of Calera Industrial Development Board, Calera Housing Authority Board, Calera Community Education Advisory Board, Calera Pride Committee, Calera Library Board, City of Calera Board of Zoning and Adjustment, Calera Parks and Recreation Board, City of Calera Historical Society Board, the Advisory Board for Shelby Baptist Hospital, Greater Shelby County Chamber and the Calera Chamber of Commerce
  - Involvement with the community allows us to be responsive to small businesses and low income areas/borrowers
- Log of community service

Sample Tracking Report

Area	$ Loans	% of $	# Loans	% of #	w/in Delin. Comm.
Alabaster		0.000000		0.000000	
tract 0306.03	$ -	0.000000	0	0.000000	YES
tract 0306.07	$ 370,471.62	0.004613	3	0.004249	YES
tract 0303.06	$ 750,545.45	0.009345	8	0.011331	YES
tract 0303.19	$ 2,171,809.49	0.027040	8	0.011331	YES
Brierfield (Bibb Co)		0.000000		0.000000	
tract 0102.00	$ 863,724.70	0.010754	18	0.025496	YES
Calera		0.000000		0.000000	
tract 0305.00	$ 14,042,408.92	0.174833	157	0.222380	YES
Chelsea		0.000000		0.000000	
tract 0302.02	$ 744,670.07	0.009271	7	0.009915	NO
Childersburg		0.000000		0.000000	
tract 0113.00	$ -	0.000000	0	0.000000	NO
Clanton		0.000000		0.000000	
tract 0601.01	$ 123,319.32	0.001535	3	0.004249	NO
tract 0601.02	$ 363,469.87	0.004525	4	0.005666	NO
tract 0606.00	$ 39,016.55	0.000486	2	0.002833	NO
Columbiana/Shelby		0.000000		0.000000	
tract 0307.01	$ 787,585.44	0.009806	7	0.009915	YES
tract 0307.02	$ 3,201,093.94	0.039855	53	0.075071	YES



Sample Board Report

Type of Loan	% of # Loans within Community as of 9/30/09	% of # Loans within Community as of 12/31/09	% Change
Personal	85.1	85.6	0.5%
Business	73.3	73.8	0.5%
Credit Line	77.6	74.2	-3.4%
Real Estate	78.7	78.6	-0.1%

Type of Loan	% of $ Loans within Community as of 9/30/09	% of $ Loans within Community as of 12/31/09	% Change
Personal	76.0	80.6	4.6%
Business	71.6	74.4	2.8%
Credit Line	54.4	53.8	-0.6%
Real Estate	72.8	71.5	-1.3%

City	Census Tract	Percentage of $$
Top 5 Census Tracts by $		
Calera	0305.00	18.52%
Pelham	0303.15	8.76%
Montevallo	0304.04	7.14%
Saginaw	0306.08	4.87%
Saginaw	0306.09	4.72%
Bottom 3 Census Tracts by $ (*located within* the defined community assessment area)		
Alabaster	0306.07	0.44%
Pelham	0303.16	0.56%
Helena	0303.18	0.81%
Top 3 Census Tracts by $ (*not located within* the defined community assessment area)		
Chelsea	0302.02	1.03%
Pelham	0303.05	0.96%
Wilsonville	0308.00	0.87%

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