



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **PUBLIC DISCLOSURE**

**March 26, 2004**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Futurus Bank, National Association  
Charter Number 23989**

**5225 Windward Parkway  
Alpharetta, GA 30004**

**Comptroller of the Currency  
Georgia Field Office  
1117 Perimeter Center West Suite W401  
Atlanta, GA 30338**

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

## **INSTITUTION'S CRA RATING**

### **This institution is rated Satisfactory.**

Futurus Bank, National Association's (NA) performance rating is supported by the following information:

- The bank's loan-to-deposit ratio is reasonable.
- A majority of the bank's loans were originated within their assessment area.
- The distribution of lending to businesses of different sizes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area.

## **DESCRIPTION OF INSTITUTION**

Futurus Bank, NA (Futurus) is an independent local community bank that was chartered in May 2001. It is wholly owned by Futurus Financial Services, which is a one-bank holding company. The main office is located at 5225 Windward Parkway in Alpharetta, Georgia. This office includes an automated teller machine (ATM) for customer convenience. Futurus also operates a loan production office at 7720 Suite A Hampton Place, Loganville, Georgia. The holding company does not have any other subsidiaries or affiliates.

Total assets of \$67 million, total loans of \$58 million, total deposits of \$61 million, and capital accounts aggregating \$5.6 million characterize the bank's financial position as of December 31, 2003.

Futurus offers traditional products and services such as commercial and commercial real estate loans, construction loans, home equity loans, consumer loans, and various deposit products. As of December 31, 2003, Futurus' loan portfolio was comprised of 41 percent commercial and commercial real estate loans, 29 percent construction and land development loans, 22 percent home equity loans, and 8 percent consumer-related loans. No known legal or financial impediments restrain Futurus from meeting the credit needs of its assessment area (AA).

This public evaluation is the first evaluation of the Futurus' CRA performance since opening in May 2001.

## **DESCRIPTION OF ASSESSMENT AREA**

Futurus' AA meets the technical requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. Management identified an AA with 144 census tracts. The AA covers Cherokee, Forsyth, Cobb, and Gwinnett Counties and part of north Fulton County. All census tracts making up the bank's AA are located in the Atlanta metropolitan statistical area (MSA). According to the 1990 U.S. Census Bureau, the designated area contains two low-income tracts, eight moderate-income tracts, sixty-nine middle-income tracts, sixty-four upper-income tracts, and one undesignated tract.

The bank is headquartered in a market with high growth and competition. As of June 30, 2003, the market included 59 banks with 481 branches. These banks held \$21 billion in deposits. The population of the AA in 1990 was 1,065,914. According to the Department of Housing and Urban Development, the 2002 median family income for the Atlanta MSA was \$71,200. In the AA, 9 percent of the households are retired, 5 percent are below the poverty level, and 2 percent receive public assistance.

**ATLANTA MSA** - The Atlanta Metropolitan Statistical Area (MSA) is internationally recognized as the transportation, communication, industrial, and cultural center of the Southeastern U.S. The MSA is a 20-county area surrounding the city of Atlanta including 504 census tracts. Atlanta's location and extensive transportation network allowed the MSA to become a major distribution center for the Southeast and a major provider of technological and financial support services. Close to 90 percent of Fortune 500 companies maintain regional offices in the Atlanta area. Foreign trade played a significant role in area growth over the last two decades. More than 200 foreign firms established U.S. headquarters in Atlanta. According to the U. S. Census Bureau, the MSA's 2002 average annual unemployment rate was 5.3 percent. The unemployment rate for Georgia was 5.1 percent. All of the unemployment rates in this report are 2002 average annual rates.

**FULTON COUNTY** - Fulton County is in the center of the Atlanta MSA and home to the Georgia capitol. According to U.S. Census Bureau data, the county's population grew 26 percent from 1990 to 2000. The growth is most significant in the northern part of the county. The bank's AA includes 18 of the 150 census tracts in Fulton County. Growth is expected to continue in the north Fulton County area as businesses are drawn to the major transportation avenues. Commercial, light industrial, retail, and residential segments are expected to expand in north Fulton County, especially in Alpharetta and Roswell. The unemployment rate for the county was 6.4 percent.

**GWINNETT COUNTY** - Gwinnett County is one of the fastest growing counties in Georgia. According to U.S. Census Bureau data, the county's population grew 67 percent from 1990 to 2000. Growth in Gwinnett County is expected to continue, with expansion concentrating in the north. The Mall of Georgia in Buford, GA increased growth in retail, residential, commercial, and light industrial segments in north Gwinnett County. Computer and high technology industries continue to dominant the Norcross area. The unemployment rate for the county was 4.6 percent.

**FORSYTH COUNTY** - Forsyth County is one of the top five fastest growing counties in the

nation. According to U.S. Census Bureau data, the county's population grew 123 percent from 1990 to 2000. The area's population growth caused a housing boom for the past several years. Residential real estate development expanded into Forsyth County from other Atlanta MSA counties for advantageous land costs and property taxes. Several commercial and light industrial developments also moved into Forsyth County for similar reasons. Retail trade and service organizations are the primary industries in the county. Manufacturing companies are the largest employers of local residents. The unemployment rate in the county was 4 percent.

**COBB COUNTY** - Cobb County is growing slightly ahead of overall state growth. According to U.S. Census Bureau data, the county's population grew 36 percent from 1990 to 2000. Growth is countywide with more concentrated growth in the north. Cobb County is home to Lockheed Martin Aeronautics Company that employs over 7,800 people. Home Depot is also headquartered here with over 6,600 employees. The top industries by number of businesses and employees are construction, wholesale trade, retail trade, and professional/scientific/technical services. The unemployment rate in the county was 4.7 percent.

**CHEROKEE COUNTY** - Cherokee County is one of the fastest growing counties in Georgia. According to US Census Bureau data, the county's population grew 57 percent from 1990 to 2000. Cherokee is experiencing strong commercial and light industrial growth with several large business and industrial parks. Several technology companies established locations in Cherokee County. The county is easily accessible by I-575, which flows into I-75, a major artery through the southeast. Land is abundant and property taxes are lower than other metro counties. Residential and retail growth is also trending up. The unemployment rate in the county was 4.1 percent.

*Table 1* details demographic and economic factors for the bank's AA.

<b>Demographic and Economic Characteristics of Assessment Area</b>	
<b>Population</b>	
Number of Families	292,566
Number of Households	398,487
<b>Geographies</b>	
Number of Census Tracts	144
% Low Income Census Tracts (2)	1%
% Moderate Income Census Tracts (8)	6%
% Middle Income Census Tracts (69)	48%
% Upper Income Census Tracts (64)	44%
% Undesignated (1)	1%
<b>Median Family Income (MFI)</b>	
1990 MFI for AA	\$41,047
2002 HUD Adjusted MFI	\$71,200
<b>Economic Indicators</b>	
Unemployment Rate	2%
1990 Median Housing Value	\$106,363
% of Households Below Poverty Level	5%

*Table 1* Source: 1990 U.S. Census.

## Community Contact

During our examination, we obtained information from community leaders about local economic conditions and community credit needs. Through this information, we found the primary credit need in the community is small business lending. Banks in the area provide a wide variety of lending products, including mortgages to low- and moderate-income individuals.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

Futurus' loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, assessment area credit needs, and competition from other lending sources. Since the bank opened on May 11, 2001, Futurus' quarterly average LTD ratio has been 69 percent. Comparatively, seven similarly situated community banks, headquartered in the bank's assessment area, have an average LTD ratio of 79 percent. Futurus' quarterly LTD ratio ranges from low of 56 percent in March 2002 to a high of 96 percent in June 2001. Futurus is a new bank and is still building relationships in a competitive market. New banks like Futurus are often restricted to a lower maximum loan size to one borrower. Both of these factors caused the LTD ratio to fluctuate and vary from peer average.

### Lending in Assessment Area

Futurus' loan portfolio consists primarily of construction and land development loans, commercial real estate loans, and home equity loans (HELOC). The construction and land development loans are products offered through the bank's loan production office outside of its AA. Additionally, the HELOCs are offered through third-party referrals and many are extended outside of the AA. The remaining primary loan products for Futurus are commercial and commercial real estate business loans. Therefore, these business loans provide the primary loan type for our analysis.

*Table 2* data is based on outstanding loan balances from the December 31, 2003 Call Report.

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Construction/Land Development	\$20,935	36.23%
Commercial Real Estate Loans	\$14,307	24.76%
HELOC	\$11,823	20.46%
Commercial Loans	\$5,566	9.64%
Consumer Loans	\$5,146	8.91%
<b>Total</b>	<b>\$57,777</b>	<b>100.0%</b>

*Table 2*

Lending levels reflect a satisfactory responsiveness to community credit needs. A sample of 20 business loans made during the period from May 11, 2001 through December 10, 2003 disclosed that a majority of these loans were made in the AA. Our analysis is based upon the number of loans originating in the AA. The results of this analysis are highlighted in *Table 3*.

Assessment Area Lending (Evaluation Period – May 11, 2001 through December 31, 2003)								
	In Assessment Area				Out of Assessment Area			
Loan Type	#	%	\$000's	%	#	%	\$000's	%
Commercial and Commercial Real Estate Loans	15	75%	2,186	43%	5	25%	2,898	57%

Table 3

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

Futurus demonstrates a reasonable record of lending to businesses of different sizes. The bank does not compile business revenue data in the normal course of business. Therefore, we used loan size as a proxy for business size. According to Call Report instructions, all business loans originating under \$1 million are considered small business loans. Our analysis is based on the original amount of each loan. A loan sample of 20 business loans that originated within the AA indicates all of the loans are to small businesses. Further, over half of the loans originated for less than \$100,000. *Table 4* details our findings.

Borrower Distribution of Loans to Businesses by Loan Size				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
<\$100,000	11	55%	\$348	11%
\$100,001 - \$250,000	4	20%	\$621	19%
\$250,001 - \$500,000	4	20%	\$1,672	52%
\$500,001 - \$1,000,000	1	5%	\$560	18%
>\$1,000,000	0	0%	\$0	0%

Table 4

### Geographic Distribution of Loans

Based on Futurus' overall performance context, its geographic distribution of business loans is reasonable. We considered loan distribution, office location, competition, market conditions, and bank age to reach this conclusion. None of the loans in our sample were extended to businesses in low- to moderate-income census tracts in the bank's AA. We sampled ten additional business loans and the results did not change. To determine unexplained conspicuous gaps, we used reports and maps to compare the geographies where business loans were made to the geographies in the AA. As previously noted, Futurus selected a large AA. The moderate-income census tracts in Cherokee and Gwinnett Counties are far from the bank's office. The remaining moderate- and the two low-income census tracts are in central Cobb County. These census tracts are also distant from the bank's office. In addition, Cobb County has 49 banks with 153 branches, indicating a well-banked market. Futurus also did not lend in a majority of the middle- and upper-income census tracts in its AA.

Table 5 reflects the results of our 20-business loan sample.

<b>Geographic Analysis of Business Loans Originating between May 11, 2001 to December 31, 2003</b>								
<b>Census Tract Income Level</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
<b>Number and % of Businesses in AA</b>	478 <1%		10,059 11%		37,805 42%		42,197 47%	
<b>Loan Type</b>	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Business</b>	0%	0%	0%	0%	65%	66%	35%	34%

Table 5

### **Responses to Complaints**

Futurus has not received any CRA-related complaints since the bank opened.

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

We found no evidence of illegal discrimination or other illegal credit practices.