



## **PUBLIC DISCLOSURE**

May 24, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Citizens National Bank  
Charter Number: 5263

200-206 West Court Street  
Dyersburg, TN 38025

Office of the Comptroller of the Currency  
Little Rock Field Office  
Victory Building  
1401 West Capitol Avenue  
Suite 350  
Little Rock, AR 72201-2915

**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, and should not 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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated Satisfactory.

The following table indicates the performance level of **First Citizens National Bank (FCNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	FCNBs National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	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 major factors that support this rating include:

- The Lending Test rating is based on the bank's good volume of lending activity, excellent level of community development (CD) lending, and good distribution of loans to borrowers of different income levels. The bank also originated a substantial volume of loans within its assessment areas (AAs).
- The Investment Test rating is based on the excellent volume of investments and responsiveness to the AAs' community development needs. Statewide investments and investments in minority owned institutions also had a positive impact on the overall performance.
- The Service Test rating is based on the accessibility of the bank's branch offices to borrowers and geographies of different income levels and the relatively high level of CD services completed during the evaluation period.

### Lending in Assessment Areas

A substantial majority of the bank's loans are in its AAs.

The bank originated 84 percent of its total loans by number and 78 percent by dollar volume inside its AAs during the evaluation period. This analysis is performed at the bank-wide level, rather than at the respective AA levels.

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	2,512	81.3	579	18.7	3,091	445,703	76.6	136,436	23.4	582,139
Small Business	3,046	85.9	501	14.1	3,547	300,911	80.7	71,781	19.3	372,692
Small Farm	712	83.6	140	16.4	852	66,399	81.3	15,251	18.7	81,650
Total	6,270	83.7	1,220	16.3	7,490	813,013	78.4	223,468	21.6	1,036,481

*Source: Bank Data*  
*Due to rounding, totals may not equal 100.0%*

## Description of Institution

FCNB is an intrastate bank headquartered in Dyersburg, Tennessee (TN). The bank was originally chartered in 1889. Dyersburg is the county seat of Dyer County, TN, with a population of about 16,314 according to U.S. Census data on July 1, 2019 and is approximately 70 miles north of Memphis, TN. First Citizens Bancshares, Inc., a one bank financial holding company with assets of \$2 billion, owns 100 percent of FCNB. FCNB had total assets of \$2 billion and tier one capital of \$187.6 million at year-end 2020. The bank has two insurance subsidiaries. One subsidiary is White & Associates/First Citizens Insurance, LLC., a full-service insurance agency operating in numerous locations throughout western TN. FCNB is a majority owner in the second subsidiary, First Citizens National Bank Insurance, a full-service online insurance agency available on the bank's website. Activities of these subsidiaries were not evaluated as part of this CRA Performance Evaluation.

FCNB has 26 locations within its six AAs, all within the state of TN. The bank has 29 automated teller machines (ATMs) with one onsite at each location, and all ATMs have deposit taking capabilities. In addition, FCNB has 10 off-site, stand-alone ATMs, five of which are also deposit taking. FCNB is the 19<sup>th</sup> largest deposit holder in the state of TN, with total deposits of about \$1.6 billion, according to the Federal Deposit Insurance Corporation's (FDIC) deposit reports as of June 30, 2020 (June 2020).

The bank's six AAs include a consolidated four county TN – Non-Metropolitan Statistical Area (MSA) AA and portions of the Chattanooga, Cleveland, Jackson, Memphis, and Nashville MSAs. The bank's largest market in terms of deposits and loans is the TN – Non-MSA AA, with about 47 percent of total bank deposits and 38 percent of loan originations during the evaluation period. This non-MSA AA includes the bank's headquarters in Dyer County, where FCNB has a significant 62 percent share of the county deposits. FCNB ranks as the largest depository institution in the TN-Non-MSA AA with about 28.6 percent of deposit market share.

The Memphis AA is the bank's second largest market in terms of deposits, with about 28 percent of FCNB deposits. Competition in the Memphis AA is strong, and bank deposits in this AA represent only 1.32 percent of the deposit market share among FDIC insured financial institutions. According to FDIC reports, FCNB ranked 15<sup>th</sup> in the Memphis AA deposit market share. This AA is the bank's third largest in terms of loan volume (by number) and fourth largest by dollar volume.

The Cleveland AA is the bank's third largest AA in terms of deposits with about 16 percent of total deposits. This AA is the second largest in terms of loan volume by number and dollar volume. FCNB ranks fifth in the Cleveland deposit market with about 13.7 percent of the market share.

The Nashville AA is the bank's next largest deposit market with about 7 percent of total deposits. This AA is the bank's smallest in terms of loan volume by number and dollar volume. Per the June 2020 FDIC deposit reports, FCNB's deposit market share in Nashville was only 1.06 percent with a rank of 14<sup>th</sup>.

The next largest deposit market is the Jackson AA, with about 1.2 percent of total bank deposits. Per the June 2020 FDIC deposit market share reports, FCNB ranked 11<sup>th</sup> in this AA with 0.82 percent of the market share. Loan volume in this AA is slightly higher than the Nashville AA.

The bank's Chattanooga AA is the newest and smallest AA in terms of deposits with 1.0 percent of total deposits. By loan volume, this AA is the bank's third largest AA. FDIC deposit market share reports rank FCNB 15<sup>th</sup> in this market with 0.16 percent of the deposit market share. FCNB opened its first branch in this market in November 2017.

During the evaluation period, FCNB opened two new branches - one in the Chattanooga AA in September 2018 and one in the Nashville AA in October 2019. FCNB did not complete any mergers or acquisitions during the evaluation period and did not close any branches. The most recent acquisition occurred in September 2016 when FCNB acquired Southern Heritage Bank. This transaction added three branches in the Cleveland AA. Prior to this, the bank acquired The Munford Union Bank in June 2002, which expanded the bank's branch network in the Memphis AA.

The bank offers a wide variety of loan and deposit products, including low cost deposit and youth savings accounts. Consumer loan products include small dollar unsecured loans, automobile, and recreational vehicle loans. Mortgage loan products include home equity lines of credit, as well as longer term fixed and variable rate products, such as those offered through government guaranteed mortgage programs. The bank offers mortgage programs for first-time home buyers and veterans and programs for rural area residents.

FCNB also offers a variety of small business and agricultural loan products, including business credit cards, and business checking accounts with additional online business banking features, such as ACH origination, payroll services, and remote deposit capture. Commercial loan programs include those guaranteed by the U.S. Small Business Administration (SBA), the U.S. Department of Agriculture (USDA), and the Farm Service Agency (FSA). Along with deposit and lending services, FCNB offers trust and wealth management services, insurance products through its subsidiaries, and investment products through a joint marketing agreement with LPL Financial, LLC, which operates in three locations, Dyersburg, Collierville, and Cleveland, TN.

All of the bank's locations have drive-through services and extended hours on Fridays. The bank also offers a variety of alternative delivery channels, such as online deposit account opening, online consumer and mortgage loan applications, and internet and mobile banking services. FCNB's mobile banking application supports person-to-person transfers. In addition, the bank offers online financial education to everyone through its website.

FCNB's primary loan products are commercial and residential real estate loans. Agricultural lending is a primary loan product for the TN – Non-MSA AA counties. At year-end 2020, FCNB's loan portfolio composition was approximately 52 percent commercial real estate loans, 27 percent residential real estate loans, 11 percent commercial loans, 8 percent agricultural loans, and 2 percent consumer loans.

There are no financial, legal, or other factors impeding FCNB's ability to meet the credit needs of its community. The bank received a "Satisfactory" rating in the June 11, 2018, CRA performance evaluation.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This evaluation period is January 1, 2018, through December 31, 2020, and includes an assessment of the bank's performance under the Lending, Investment, and Service Tests. We evaluated the bank's home mortgage loans as reported pursuant to the Home Mortgage Disclosure Act (HMDA), loans to small businesses, and CD loans as reported under the CRA. We also evaluated farm loans in the TN-Non MSA AA, but the volume of loans was not sufficient for a meaningful analysis in any of the other AAs. We also evaluated the bank's CD investments, including donations, retail delivery services, and CD service activities.

We used the 2015 American Community Survey (ACS) Census data, and the most current available aggregate HMDA and CRA loan data when evaluating and comparing the bank's performance in the geographic and borrower distribution analyses. Updated census boundaries by the Office of Management and Budget (OMB) did not have an impact on the bank's AAs this evaluation period.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

FCNB has six AAs. We selected three of these AAs for a full-scope review: the TN-Non-MSA AA, the Cleveland AA, and the Memphis AA. The remaining three AAs: Chattanooga, Jackson, and Nashville were evaluated as limited scope AAs. Refer to the "Scope" section under the State Rating section for details regarding how full-scope AAs were selected. Also, refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is based on the State of Tennessee. The state rating is based on performance in all of the bank's AAs with the most weight placed on the full-scope AAs. The Lending Test received the most weight when arriving at an overall rating. We based our evaluation of lending performance on the primary loan products, including residential mortgage loans, loans to small businesses, and small farm loans originated during the evaluation period. For the geographic and borrower distribution of loans under the Lending Test, we placed the most weight on small business lending in consideration of the bank's strategic focus. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Tennessee

**CRA rating for the State of Tennessee:** Satisfactory

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

**The Investment Test is rated:** Outstanding

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

The major factors that support this rating include:

- The volume of lending activity is good and reflects responsiveness to AA credit needs.
- The bank originates a high percentage of its loans within designated AAs.
- The bank's loan distributions reflect an adequate distribution within AA geographies.
- The bank's loan distributions reflect a good distribution among borrowers of different income levels, businesses, and farms of different sizes.
- The bank is a leader in CD lending in its largest AA. CD loans in most areas had a significantly positive impact on lending performance and demonstrated responsiveness to AA needs.
- The bank demonstrated good flexibility with lending programs to address AA needs during the COVID-19 pandemic.
- The bank has an excellent level of qualified investments, occasionally complex and not routinely provided to private investors.
- Retail service delivery systems are accessible to geographies and individuals of different income levels within the bank's AAs.
- The bank provides a relatively high level of CD services.

## Description of Institution's Operations in Tennessee

FCNB operates 26 banking offices, 29 onsite ATMs, and 10 offsite ATMs within six AAs of the State of TN. The AAs are summarized below and further described in the "Description of the Institution" section of this PE. Appendix A also includes a list of the bank's AAs. The bank's AAs meet the legal requirements of CRA and do not arbitrarily exclude any low- or moderate-income areas.

- TN-Non-MSA AA – includes nine offices in Dyer, Lauderdale, Obion, and Weakley Counties. These non-MSA counties are contiguous. The bank's head office, a branch, and two limited service drive-through facilities are located in Dyersburg, Dyer County. Additional branches in this AA are located in the cities of Newbern, Ripley, Troy, Union City, and Martin. Four of the off-site ATMs are also located in this AA. This AA was selected for a full-scope review and is further described below.
- Chattanooga AA – includes two offices in Hamilton County. This AA includes all of Hamilton County, which is part of the entire multi-state Chattanooga, TN-GA MSA. The bank's branches in this AA are located only in TN in the city of Chattanooga. This AA was selected for a limited scope review.
- Cleveland AA – includes three offices in Bradley County, which is part of the Cleveland MSA. The bank's branches are located in the city of Cleveland, and they have one one-offsite ATM in the city of Ocoee, which is in Polk County and also part of the Cleveland MSA. This AA was selected for a full scope review and is further described below.
- Jackson AA – includes one branch in Jackson, Madison County. FCNB also has four off-site ATMs in this AA in Walgreens Stores. The bank's AA includes part of Madison County (21 CTs), which represents part of the entire Jackson MSA. This AA was selected for a limited scope review.
- Memphis AA – includes seven offices, one in Fayette County, four in Shelby County, and two in Tipton County. Fayette, Tipton, and Shelby counties are contiguous. This AA is part of the multi-state Memphis, TN-MS-AR MSA. FCNB branches are located in the state of TN, and the cities of Arlington, Atoka, Bartlett, Collierville, Millington, Munford, and Oakland. This AA was selected for a full scope review and is further described below.
- Nashville AA – includes four offices in Williamson County. The bank's AA includes all of Williamson County, which is part of the Nashville-Davidson-Murfreesboro-Franklin TN MSA. The bank's branches are located in the cities of Franklin, Nolensville, and Spring Hill. This AA was selected for a limited scope review.

Community credit needs in the full-scope AAs were determined by reviewing demographic information, recent economic data, housing information, community plans, and CRA PEs from other banks operating in the bank's AAs. We also reviewed community contact information from other regulatory agencies and had discussions with two community organizations that provide services in the bank's AAs. Additional information on identified needs and opportunities in the bank's AAs is further discussed in the full scope narratives below.

## TN-Non MSA AA

The bank's head office is located in the TN-Non MSA AA along with six full-service branches and two limited service drive-through locations. The AA includes four counties in Northwest TN including: Dyer, Lauderdale, Obion, and Weakley. The AA has a total population of about 131 thousand and is mostly rural. FCNB offers a full range of loan and deposit products in this AA. This AA is the bank's largest in terms of small farm, agricultural lending.

The majority of bank branches in this AA are located in Dyer County, four in Dyersburg and one in Newbern. FCNB has two offices in Obion County, one each in Troy and Union City. The bank's one branch in Lauderdale County is in Ripley, and the remaining office in Weakley County is in Martin. The bank has deposit taking ATMs at each location. FCNB also has five off-site ATMs in this AA, all of which accept deposits.

The bank's non-MSA AA consists of whole counties and does not arbitrarily exclude any areas, particularly low-or moderate-income areas. Data from the 2015 ACS, shows that the TN-Non MSA AA consists of 38 census tracts (CTs), one of which is a low-income CT (2.6 percent). The remaining CTs consist of two moderate-income CTs (5.3 percent); 26 middle-income CTs (68 percent); eight upper-income CTs (21 percent); and one CT with no available income information. A summary of the AA demographics is included in the table below.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: TN Non-MSA 2020</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)	38	2.6	5.3	68.4	21.1	2.6
Population by Geography	131,025	2.7	5.4	69.7	20.2	2.0
Housing Units by Geography	58,182	3.2	5.6	70.2	20.4	0.7
Owner-Occupied Units by Geography	33,423	1.2	3.7	71.5	23.6	0.0
Occupied Rental Units by Geography	17,651	6.3	9.1	67.7	15.3	1.6
Vacant Units by Geography	7,108	4.3	5.7	70.1	18.1	1.8
Businesses by Geography	6,330	2.6	5.8	66.3	23.9	1.4
Farms by Geography	452	1.8	1.5	65.5	31.0	0.2
Family Distribution by Income Level	35,037	21.2	16.6	18.6	43.6	0.0
Household Distribution by Income Level	51,074	24.4	15.5	16.8	43.3	0.0
Median Family Income Non-MSAs - TN		\$46,066	Median Housing Value			\$93,718
			Median Gross Rent			\$593
			Families Below Poverty Level			15.7%

*Source: 2015 ACS and 2020 D&B Data*  
*Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

FCNB's deposit market share is strong in the TN-Non MSA AA. According to the FDIC's June 2020 deposit market share report, FCNB deposits in this AA totaled \$752 million, or 28.6 percent of the total deposit market share. FCNB ranked first out of 18 other competing financial institutions in this AA. This

market is the bank's largest in terms of loans and deposits. Bank deposits in this AA represent about 47 percent of total bank deposits, while loans represent about 39 percent (by dollar volume). The bank faces strong competition in this AA from financial institutions such as Simmons Bank, Bank of Ripley, and Security Bank and Trust Company. Simmons Bank, with 23 percent of the deposit market share, is the only other competitor with more than 10 percent of the market share.

The major AA employer industries include manufacturing, automotive parts producers, and companies in the food industry. The largest AA employers include ERMCO (transformers distribution), Tyson Foods, Hillshire Brands, Williams Sausage (food industry companies), NSK (automotive components), Nordyne (heating, ventilation and air conditioning), SRG Global Coatings, Inc. (automotive), and MTD Products, Inc. (manufacturer of lawn care equipment). Wal-Mart, the West TN Healthcare system, local city governments, school districts, and secondary education, including Dyersburg State Community College and the University of Tennessee in Martin, (Weakley County) are also major AA employers.

During the evaluation period, the AA faced challenges associated with flooding and the COVID-19 pandemic. In 2019, three of the AA counties - Dyer, Lauderdale, and Obion- were declared disaster areas by the Federal Emergency Management Association (FEMA) due to flooding. Floods also affected Dyer, Obion, and Weakley counties in 2020. Public entities impacted by flooding were eligible for FEMA's public assistance programs. In 2020, the entire state was declared a disaster area due to the on-going COVID-19 pandemic. In addition, all of the AA counties had distressed middle-income areas throughout portions of the CRA evaluation period due to high poverty rates. In 2018, all middle-income areas in each of the four AA counties were considered distressed. These same areas were also distressed in 2019, with the exception of Dyer county. In 2020, only portions of Lauderdale County were considered distressed. The table above reflects the family poverty level for the combined AA of 15.7 percent. In Lauderdale County, however, the reported family poverty level was much higher at 23.4 percent. The family poverty level was also higher in Obion County at 16.6 percent.

Unemployment rates during the evaluation period varied in each of the AA counties. According to data from the U.S. Bureau of Labor Statistics (BLS), unemployment rates in this AA ranged from a low of 3.3 percent in April 2018 in Obion County to a high of 15.1 percent in April 2020 in Dyer County. All of the AA counties experienced very high unemployment rates beginning in March – April 2020 due to the COVID-19 pandemic. During this period, unemployment rates in the AA counties ranged from 9 to 15 percent. The AA unemployment trends in 2020 generally followed state and national trends. At year-end 2020, unemployment levels had improved in all of the AA counties. The highest level of unemployment at year-end 2020 was 7.4 percent in Lauderdale County, and the lowest was in Weakley County at 5.1 percent. The state of TN unemployment rate was 5.6 percent at year-end 2020, which was lower than the nationwide unemployment rate of 6.7 percent.

The AA median family income was \$46,066, and the median home value for the AA was \$93,700. Information provided by management reflects that low- and moderate-income individuals and families in the AA often need subsidies to help with down payments and closing costs to purchase AA homes. The increasing cost of taxes, insurance, and government guaranteed loan programs presents challenges to home ownership by low-and moderate-income individuals in the AA. Furthermore, investors often purchase available homes, which reduces the availability of affordable homes.

Our review of other public evaluations and contacts with two community organizations involved with economic development in this AA reflects that the AA credit needs include a variety of loan products

including small business and farm credits. Other AA needs identified by community contacts include affordable home improvement loans, affordable housing options, home ownership counseling and workforce development programs. There are also opportunities in the AA for the bank to participate in various charitable organizations as well as those focused on affordable housing and economic development. The AA includes designated opportunity zones that may provide financial institution's with CD lending opportunities. In addition, contacts in other CRA public evaluations mentioned potential opportunities in this AA for funding projects with new market tax credits and low-income housing tax credits.

## **Cleveland AA**

The bank's Cleveland AA includes all of Bradley County, which represents part of the Cleveland MSA. FCNB has three branch offices in Cleveland, all in Bradley County. The bank has one ATM location in Polk County, which is also part of the Cleveland MSA. FCNB first entered this market through an acquisition of Southern Heritage Bank in 2016. The bank offers a full range of loan and deposit products in this AA.

The bank's defined AA has a total population of about 102 thousand. Data from the 2015 ACS shows that the AA consists of 19 CTs, three of which are low-income CTs (15.8 percent), two are moderate-income CTs (10.5 percent), nine are middle-income CTs (47.4 percent); and five are upper-income CTs (26.3 percent). The AA does not arbitrarily exclude any areas, particularly low-or moderate-income areas. A summary of the AA demographics is included in the table below.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Cleveland MSA 2020</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)	19	15.8	10.5	47.4	26.3	0.0
Population by Geography	102,062	10.8	6.4	44.4	38.4	0.0
Housing Units by Geography	42,258	10.9	5.9	45.5	37.7	0.0
Owner-Occupied Units by Geography	25,108	4.7	3.2	45.6	46.4	0.0
Occupied Rental Units by Geography	13,358	21.4	10.1	45.1	23.4	0.0
Vacant Units by Geography	3,792	14.5	9.4	45.4	30.7	0.0
Businesses by Geography	7,069	7.7	11.0	48.5	32.9	0.0
Farms by Geography	240	0.8	2.9	46.7	49.6	0.0
Family Distribution by Income Level	26,469	22.2	16.8	18.4	42.6	0.0
Household Distribution by Income Level	38,466	24.2	16.1	16.2	43.4	0.0
Median Family Income MSA - 17420 Cleveland, TN MSA		\$52,007	Median Housing Value			\$143,104
			Median Gross Rent			\$707
			Families Below Poverty Level			15.1%

Source: 2015 ACS and 2020 D&B Data

Due to rounding, totals may not equal 100.0%

(\* ) The NA category consists of geographies that have not been assigned an income classification.

The bank has a good share of the deposit market in this AA. According to the FDIC's June 2020 deposit market share report, FCNB ranked fifth out of 11 financial institutions in this market with \$262 million in deposits, or 13.7 percent of the deposit market share. FCNB deposits in this AA represent about 16 percent of total bank deposits, and loans represent about 24 percent (by dollar volume). Major competitors in this market include First Horizon Bank with 18 percent of the deposit market and Truist Bank with 16 percent. The Bank of Cleveland and Regions Bank both have about 14 percent of the deposit market, just slightly more than FCNB.

The major AA employers include manufacturing firms, and companies in textiles, cooking equipment, food, pharmaceuticals, automotive parts, furniture, and chemical industries. Educational, health, and social services also contribute to the local economy. According to the local Chamber of Commerce the largest AA employers include companies such as Whirlpool Corporation (cooking appliance manufacturing and call center), Tennova (healthcare), Jackson Furniture, Peyton's Southeastern (grocery stores), Walmart, Amazon, Wacker Polysilicon (chemical manufacturing), Mars Chocolate North America, the local school district, Lee University, and the City of Cleveland.

During the evaluation period, several local companies announced or began expansion plans. During the latter part of 2020, Cleveland's Whirlpool plant announced plans to fill 400 remote customer service jobs in response to needs created during the pandemic. The Duracell battery plant also completed a \$36 million expansion of their Cleveland plant adding 66 new jobs. The Mars and Wacker plants also expanded and created new jobs during the evaluation period. In May 2020, FEMA declared Bradley County a disaster area due to severe storms, tornados, straight line winds, and flooding. Individual and public assistance was available to residents and local governments through FEMA programs as a result.

Unemployment rates in the AA were very low prior to the pandemic. According to data from the BLS, unemployment rates in this AA ranged from a low of 2.9 percent in April 2019 to a high of 13.8 percent in April 2020, which was during the early stages of the COVID-19 pandemic. Unemployment rates in the AA improved throughout the remainder of 2020, although not reaching pre-pandemic levels. In December 2020, the AA unemployment rate was 5.5 percent, which was near the state unemployment rate of 5.6 percent and lower than nationwide unemployment rate of 6.7 percent. As reflected in the table above, 2015 ACS data reports the AA median family income at \$52,007 and the median home value at \$143,000.

To identify AA needs and opportunities for financial institutions in the AA, we reviewed the city's 2014-2019 Consolidated Plan, other CRA public evaluations in the AA, and a community contact representing a public, non-profit, multi-county planning and development agency that serves local governments in the bank's AA and south east TN. Affordable housing was an identified AA need due in part to the older housing stock for low- and moderate-income populations. ACS data reported the AA's median housing age at 28 years; however, in some of the low- and moderate-income CTs, the median housing age was 40 - 62 years. The community contact also identified opportunities in the AA for investments in opportunity zones, small business training, and small business financing. The community contact included needs and opportunities for minority and micro-enterprise lending and participation in revolving loan funds of economic development organizations as AA needs.

## Memphis AA

The bank's Memphis AA includes three TN counties that are part of the multi-state Memphis TN-MS-AR MSA. The bank's AA consists of Fayette and Tipton Counties and portions of Shelby County. The AA does not include the city of Memphis due to the distance from the bank's branches. FCNB has seven branches in the AA with four branches in Shelby County. Three of the four branches in Shelby County were acquired in 2003, and the fourth branch was established in 2005. These branches are located in the cities of Millington, Arlington, Collierville, and Bartlett, which are bedroom communities or suburbs of Memphis. The bank's two branches in Tipton County were acquired in 2003, in the cities of Atoka and Munford, which are about 25 miles from Memphis. FCNB has one branch in Fayette County, in the city of Oakland, which was established in 2004 and is about 36 miles from Memphis. The bank has deposit taking ATMs in each branch location and offers a full range of loan and deposit products in this AA.

The bank's defined AA has a total population of about 512 thousand. Data from the 2015 ACS shows the AA consists of 96 CTs including nine low-income CTs (9.4 percent), 12 moderate-income CTs (12.5 percent), 28 middle-income CTs (29.2 percent), and 47 upper-income CTs (49.0 percent). The AA does not arbitrarily exclude any areas, particularly low- or moderate-income areas. A summary of the AA demographics is included in the table below.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Memphis AA 2020</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)	96	9.4	12.5	29.2	49.0	0.0
Population by Geography	512,069	7.4	11.6	23.9	57.1	0.0
Housing Units by Geography	199,863	8.5	12.6	24.0	55.0	0.0
Owner-Occupied Units by Geography	125,499	3.9	8.6	24.1	63.4	0.0
Occupied Rental Units by Geography	56,713	14.9	18.6	24.1	42.5	0.0
Vacant Units by Geography	17,651	19.8	21.6	23.6	35.1	0.0
Businesses by Geography	33,227	4.2	7.9	23.8	64.1	0.0
Farms by Geography	1,054	2.4	6.9	35.6	55.1	0.0
Family Distribution by Income Level	132,864	17.3	13.2	17.2	52.3	0.0
Household Distribution by Income Level	182,212	18.2	12.9	15.5	53.4	0.0
Median Family Income MSA - 32820 Memphis, TN-MS-AR MSA		\$58,214	Median Housing Value			\$161,674
			Median Gross Rent			\$939
			Families Below Poverty Level			10.6%

*Source: 2015 ACS and 2020 D&B Data*  
*Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

Competition for financial services in the Memphis AA is intense and includes several branches of regional banks, large banks with a nationwide presence, community banks, credit unions, and other non-bank financial service providers. According to the FDIC's June 2020 deposit market share report, FCNB ranked 15<sup>th</sup> out of 36 financial institutions in this market with \$443 million in deposits, or 1.32 percent of the

deposit market share. FCNB deposits in this AA represent about 28 percent of total bank deposits, while loans represent about 13 percent (by dollar volume). Major competitors in this market include First Horizon Bank with 42 percent of the deposit market and Regions Bank with 13 percent. These banks are followed by Truist Bank, Bank of America, National Association, and Pinnacle Bank. These top five banks collectively have about 70 percent of the deposit market share.

Major AA employers include FedEx Corp, The Kroger Co. Walmart, Nike, Inc., Panasonic Automotive Systems, Eaton Lighting Solutions, healthcare, local school districts, the University of Memphis, and the University of Tennessee Health Science Center, as well as state, local, and the U.S. governments. During the evaluation period, several companies announced expansion plans and the creation of new jobs in the AA including Hyosung Heavy Industries, Engineered Medical Systems, Mimeo, Surface Dynamic and Prospero Health. The Electrolux plant in Memphis also announced plans to cease operations in 2019 eliminating 530 jobs. Data from Moody's analytics in December 2020 reported that the large healthcare industry in the Memphis MSA would face challenges due to the pandemic. Once the pandemic is over, healthcare facilities are expected to expand operations and hiring activities will keep pace with nationwide trends.

Unemployment rates in the defined Memphis AA were low prior to the pandemic. According to BLS data, unemployment rates in the AA ranged from a low of 3.7 percent in April 2018 to a high of 13.0 percent in April 2020, which was during the early stages of the COVID-19 pandemic. Unemployment rates improved throughout the remainder of 2020, although not to pre-pandemic levels. In December 2020, the AA unemployment rate was 6.9 percent, which was higher than state and national levels. As reflected in the table above, 2015 ACS data reported the AA median family income at \$58,214 and the median home value at \$162,000.

To identify AA needs and opportunities for financial institutions in the AA, we performed a community contact with a non-profit Community Development Financial Institution (CDFI) supporting affordable housing needs in Shelby County and the surrounding MSA counties. We also reviewed information from a community contact in this AA performed by another regulatory agency and other CRA public evaluations of banks operating in this AA.

Community contacts identified significant affordable housing needs in the Memphis area as well as opportunities for developing or improving blighted residential and commercial properties. Small business support and financing was also identified as a need. Area residents commute to surrounding counties and the larger metropolitan area for shopping and employment. Contacts also identified needs and opportunities for investing in opportunity zones and workforce development programs to help address the AA's higher poverty and unemployment rates. One of the public evaluations for a larger institution also identified the need and opportunities for financial institution participation with community service organizations and small business development organizations within the AA. Small business contacts identified AA needs for low cost small dollar loan programs, small business lines of credit, and financial education training. There are also opportunities in this AA for financial institution participation with CDFI boards and various committees.

## **Scope of Evaluation in Tennessee**

We selected the bank's non-MSA, Cleveland, and Memphis AAs for full scope review. These AAs were selected for review because they have the largest concentration of deposits and branches. The non-MSA

AA and Cleveland AA also have the largest concentrations of loans. The Cleveland AA was selected for full scope review as it has not been evaluated previously under full scope procedures. We placed the most weight on the bank's performance in its largest AA – the TN Non-MSA AA.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the full-scope AAs is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs for home mortgages, small business loans, and farm loans in the non-MSA AA.

During the early part of the evaluation period, the bank's economic conditions were generally good and improving from prior recessionary periods; however, the COVID-19 pandemic, which began in March 2020, created new challenges for the bank, consumers, and businesses in the bank's communities and throughout the world. The bank also faced strong competition in most of its markets from banks, credit unions, mortgage companies, and non-bank lenders. Despite these challenges, the bank's mortgage and small business loan portfolios have grown. Since the previous examination, the bank's total dollar volume of loan originations increased by about 31 percent and 9 percent by number of loans. The lower interest rate environment and the bank's participation in the SBA's Paycheck Protection Program (PPP) contributed to loan growth during this evaluation period. The tables below include the facts and data used to evaluate the bank's lending activity in each of the AAs.

<b>Number of Loans*</b>							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
<b>Full Scope Review</b>							
TN-Non MSA	977	1,715	672	5	3,369	53.6	46.7
Cleveland	810	319	12	2	1,143	18.2	16.3
Memphis	301	460	19	4	784	12.5	27.5
<b>Limited Scope Review</b>							
Chattanooga	310	271	2	2	585	9.3	1.0
Jackson	66	161	6	1	234	3.7	1.16
Nashville	48	120	1	0	169	2.8	7.4
<b>Total</b>	<b>2,512</b>	<b>3,046</b>	<b>712</b>	<b>14</b>	<b>6,284</b>	<b>100.0</b>	<b>100.0</b>

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

<b>Dollar Volume of Loans* (\$000's)</b>							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% of State* Loans	% of State Deposits
<b>Full Scope Review</b>							
TN-Non MSA	124,143	134,698	62,588	13,710	335,139	39.3	46.68
Cleveland	146,611	45,194	889	13,490	206,184	24.2	16.3
Memphis	60,038	43,292	2,018	5,740	111,088	13.0	27.5
<b>Limited Scope Review</b>							
Chattanooga	84,433	37,679	139	5,200	127,451	14.9	1.0
Jackson	13,848	25,053	265	2,400	41,566	4.9	1.16
Nashville	16,630	14,995	500	0	32,125	3.8	7.4
<b>Total</b>	<b>445,703</b>	<b>300,911</b>	<b>66,399</b>	<b>40,540</b>	<b>853,553</b>	<b>100.0</b>	<b>100.0</b>

*\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.*

### TN Non-MSA AA

FCNB's lending activity in the TN Non-MSA AA is excellent in relationship to AA deposits and local economic conditions. The FDIC's Deposit Market Share Report in June 2020 shows that FCNB had a deposit market share of 28.56 percent and ranked first among the 18 financial institutions reporting deposits in this AA. Simmons Bank ranked second with a deposit market share of 23.14 percent, and Bank of Ripley ranked third with a deposit market share of 6.43 percent.

The most current mortgage peer lender data available, for the years 2018 and 2019, reflects that FCNB is one of the top mortgage lenders in this AA. The bank's share of the mortgage lending market was about 10 percent by number of loans originated and 12 percent by dollar volume. FCNB's mortgage market share is below its deposit market share, but FCNB ranked second in the AA mortgage market in 2018 and 2019. This level of performance is excellent, especially when considering the level of competition from over 200 mortgage lenders in this market, many of which are much larger than FCNB and offer a broader range of mortgage lending options. Only Simmons Bank ranked higher with a slightly higher number of loan originations, and FCNB had a higher percentage of originations by dollar volume in both 2018 and 2019.

Lending activity for reportable business loans is also excellent. The most recently available aggregate lender data from 2018 and 2019 shows that FCNB was the market leader for small business lending in this AA. FCNB ranked first out of 58 lenders in 2018 and 63 lenders in 2019. The bank's market share of small loans to businesses by dollar volume was about 44 percent, which is higher than the bank's deposit market share. FCNB's market share of small loans to businesses by number was 34 percent in 2018 and 27 percent in 2019, which is lower than the percentage by dollar volume. FCNB is by far the market leader in the number of loan originations. Simmons Bank ranked a distant second with 14 percent by number and 28 percent by dollar volume of loan originations. American Express National Bank ranked third with 12 percent by number and only 2 percent by dollar volume.

The bank's lending activity for reportable small farm loans is also excellent. According to aggregate lending data in 2019, FCNB was the leader in farm lending in this AA with 50 percent of the market share by dollar volume and 43 percent by number of loans. FCNB reported the largest share of loans to small farms with revenues less than \$1 million. The bank ranked first in market share out of 17 competitors. This deposit rank equals the bank's ranking by deposit market share. Simmons Bank ranked

a distant second with 18 percent of the market by number, followed by John Deer Financial FSB, Commercial Bank and Trust Company, and Bancorp South with market shares of 13, 9 and 4 percent, respectively.

### Cleveland AA

FCNB lending activity in the Cleveland AA is excellent in relationship to the volume of AA deposits and the limited number of AA branches. FCNB lending activity in this AA closely approximates the level of AA deposits. In the FDIC's June 2020 deposit market share report, FCNB reported deposits of \$262 million in the Cleveland AA, which results in a deposit market share of about 13.7 percent. The bank ranked fifth among the 11 financial institutions reporting deposits in this AA. First Horizon Bank ranked first with a deposit market share of 17.7 percent. Truist Bank ranked second with a market share of 15.8 percent followed closely by the local Bank of Cleveland, and Regions Bank, which both reported deposit market shares of 14.3 percent.

The most current mortgage peer aggregate lender data available, for the years 2018 and 2019, shows that FCNB is one of the top mortgage lenders in this AA. The bank's share of the mortgage lending market was about 6 percent by number of loans and dollar volume in both 2018 and 2019. FCNB's mortgage market share is below its deposit market share. The bank ranked second place for mortgage lending both years, which is a higher rank than its deposit share rank. This level of performance is excellent, especially when considering the level of competition from about 275 mortgage lenders in this market, many of which are much larger than FCNB and offer a broader range of mortgage lending options. Only the Bank of Cleveland ranked higher with a slightly higher number and dollar volume of loan originations. The Bank of Cleveland reported a market share of about 7 percent in 2018 and 6 percent in 2019.

Lending activity for reportable business loans is also excellent. The most recently available aggregate small lender data from 2018 and 2019 reported FCNB as one of the top five lenders in this AA each year. The bank ranked fifth in 2018 and sixth in 2019. This small business ranking approximates the bank's deposit share rank in this AA. FCNB's share of the market by number of loans ranged from 6 percent in 2018 to 5 percent in 2019. FCNB's dollar volume market share was higher and ranged from 17 percent in 2018 to 18 percent in 2019. We placed the most weight on the bank's market share by dollar volume as most of the top lenders in this market offer credit cards and small business lines of credit. Top lenders in this market, such as American Express National Bank, JP Morgan Chase Bank, NA, Synchrony Bank, and Capital One Bank (USA), have a larger number of originations with smaller average loan sizes ranging from \$4,000 to \$13,000. FCNB's average loan size was \$129,000 in 2018 and \$194,000 in 2019.

Small farm lending was not a primary product for this AA. The bank did not originate a sufficient volume of small farm loans in this AA for a meaningful analysis.

### Memphis AA

FCNB's lending activity in the Memphis AA is adequate in relationship to the bank's deposit market share, number of AA branches, local economic conditions, and strong competition in this AA. FDIC's June 2020 deposit data shows that FCNB had a deposit market share of about 1.3 percent and was ranked 15<sup>th</sup> among 36 financial institutions reporting deposits in this AA. First Horizon Bank reported the largest share of market deposits at 42 percent, followed by Regions Bank with 13 percent, and Truist Bank with 6.5 percent. These top three banks also have the largest number of branches and a combined dominant deposit market share of 61.5 percent.

The most current available aggregate mortgage lending data from 2018 and 2019 shows that FCNB has only a small percentage of the mortgage market with less than one percent by number and dollar volume of loans. In 2019, FCNB's mortgage market share ranked 69<sup>th</sup>, which is a lower ranking than the bank's deposit market share. The bank's overall performance is considered adequate given the strong level of competition in this AA. The 2019 mortgage peer data shows 565 competitors in this AA. Many of these competitors are larger than FCNB and offer a broader selection of mortgage lending products. The top three mortgage lenders in this market were Wells Fargo Bank, NA, Regions Bank, and Quicken Loans with a combined lender market share of 16 percent.

The bank's volume of small loans to businesses in the Memphis AA is adequate in consideration of performance context. The bank's market share of small loans to businesses by number and dollar volume is significantly below its deposit market share and rank. The most current available 2018 and 2019 aggregate small business lender data shows the bank's share of the small business market was less than one percent each year. The bank's market share by dollar volume was slightly higher, ranging from 2.0 percent in 2018 to 2.36 percent in 2019. The bank ranked 21<sup>st</sup> in 2018 out of 119 competitors and 23<sup>rd</sup> in 2019 out of 127 competitors. In this AA, we placed more weight on the bank's loan market share by dollar volume because credit card lenders dominate this market and make numerous business loans in smaller dollar amounts. The top five reporters of small loans to businesses have a combined market share of 46 percent by number of loans but only 14 percent based on dollar volume. The top five competitors in this market in 2019 included American Express National Bank, JP Morgan Chase Bank, NA, Citibank, NA, Bank of America, and Capital One Bank (USA) NA. The average loan size for these top lenders ranged from \$6,000 to \$20,000. FCNB's average loan size was \$129,000.

Small farm lending was not a primary product for this AA. The bank did not originate a sufficient volume of small farm loans in this AA for a meaningful analysis.

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of loans within the bank's AAs is adequate.

### TN-Non MSA AA

#### ***Home Mortgage Loans***

The geographic distribution of mortgage loans in the TN-Non MSA AA is adequate. Refer to table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The percentage of bank loans in the one low-income geography of this AA is below the percentage of owner-occupied housing units in this area and below loan distributions by aggregate lenders. The bank's distribution of loans in moderate-income geographies of this AA is somewhat below both the percentage of owner-occupied housing units and aggregate lending in moderate-income geographies. The majority of the bank's mortgage loans were in middle-income geographies, 85 percent of which were in the AA's distressed middle-income geographies. The bank's mortgage lending performance in middle-income areas was below the percentage of owner-occupied housing units and just slightly below aggregate lender performance.

***Small Loans to Businesses***

The geographic distribution of business loans in this AA is good. Refer to table Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

The bank's small business lending in the AA's one low-income geography was slightly below the percentage of businesses in the area and very near performance by aggregate lenders. The bank's small business lending in moderate-income geographies was near the percentage of businesses in the area and performance by aggregate lenders. The majority of the bank's small business loans were in middle-income geographies, 79 percent of which were in the AA's distressed middle-income geographies. Small business lending performance in middle-income areas was slightly below the percentage of businesses and aggregate lender performance.

***Small Loans to Farms***

The geographic distribution of the bank's small loans to farms is good. The bank did not have any small farm loans in the one low-income geography, and lending activity in the moderate-income geographies was similar to the percentage of AA farms and performance by aggregate lenders. The majority of the bank's farm loans were in the middle-income geographies, 74 percent of which were in distressed geographies during the evaluation period. The bank's loan distributions in the middle-income geographies were slightly below the percentage of farms and aggregate lender performance in these areas.

**Cleveland AA*****Home Mortgage Loans***

The geographic distribution of mortgage loans in the Cleveland AA is excellent. Refer to table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The percentage of bank loans in low-income geographies of this AA was similar to the percentage of owner-occupied housing units. The bank's percentage of mortgage loans in low-income areas exceeded the percentages by aggregate lenders. The bank's distribution of mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing units in these areas and was similar to performance by aggregate lenders.

***Small Loans to Businesses***

The geographic distribution of business loans in this AA is adequate. Refer to table Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's percentage of small loans to businesses in low-income geographies of this AA was near the percentage of businesses in low-income areas, and the percentage of loan originations in low-income areas was slightly below performance by aggregate lenders. Small business lending in moderate-income geographies was significantly below both the percentage of businesses in the area and performance by aggregate lenders.

Memphis AA***Home Mortgage Loans***

The geographic distribution of mortgage loans in the Memphis AA is adequate. Refer to table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's percentage of loans in low-income geographies of this AA is slightly below the percentage of owner-occupied housing units, and the bank's performance is the same as aggregate lenders. However, the percentage of bank mortgage loans in moderate-income geographies is significantly below both the percentage of owner-occupied housing units and performance by aggregate lenders. Strong competition in this AA as well as the availability of affordable housing affected the bank's performance in this AA.

***Small Loans to Businesses***

The geographic distribution of business loans in this AA is adequate. Refer to table Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's percentage of small loans to businesses in low-income geographies of this AA is slightly below the percentage of businesses in low-income areas, and the bank's loan distributions are slightly higher than performance by aggregate lenders. Small business lending in moderate-income geographies is below both the percentage of businesses in the area and performance by aggregate lenders.

***Lending Gap Analysis***

We evaluated loan distributions in the full scope AAs to determine if there any unexplained conspicuous gaps. No unexplained, conspicuous gaps in lending were identified.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

***Home Mortgage Loans***

Refer to table P in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of mortgage loans to borrowers of different income levels is good in all of the full scope AAs. We placed the most weight on the bank's home mortgage distributions among moderate-income borrowers in each of the AAs as a number of factors contributed to the bank's performance among low-income borrowers. These factors include the lack of affordable housing inventory, increased median home values, and high poverty levels in some of the AAs. The bank offered special programs for down payment and closing cost assistance, and the need for subsidies remains high among both low-and

moderate-income borrowers. High property taxes, increasing homeowner's insurance premiums, and increased costs for the Federal Housing Authority (FHA) loan products make it challenging for low- and many moderate-income borrowers to qualify for a mortgage loan. Also, in some of the bank's AAs, many lower priced homes are purchased quickly by investors, further limiting the number of affordable homes available to low- and moderate-income buyers. Notably, the demand for refinance loans by low-income families is generally very limited. Many times, low-income families have taken advantage of various subsidy programs and special mortgage products with lower interest rates that are not feasible for refinancing. Furthermore, some special programs do not allow for refinancing.

### TN-Non MSA AA

The distribution of home mortgage loans by borrower income level in the TN-Non MSA AA is good when considering the bank's performance context.

During the 2018-2020 evaluation period, the bank's loan distribution among low-income borrowers was significantly below the percentage of low-income families in the AA, and the bank's performance was near performance by aggregate lenders. The bank's loan distribution among moderate-income borrowers was just slightly below the percentage of moderate-income families in the AA, and near performance by aggregate lenders. An important consideration is that all of the four counties in this AA were distressed at certain times during the evaluation period due to high poverty levels. Census data from 2015 showed that family poverty levels for the combined AA was 15.7 percent, which was higher than the state level of 13.2 percent and national level of 11.7 percent. In some of the AA's counties, poverty levels were as high as 23 and 16 percent .

In this AA, FCNB offered the more flexible FHA loan program with lower down payment requirements and longer amortization terms than traditional home loans. Management noted that the government guaranty premium cost for this loan product increased and impacted the program's affordability. FCNB originated one FHA loan to a low-income borrower totaling \$104,000 and 10 FHA loans to moderate-income borrowers totaling \$959,000. The bank did not report any denied FHA loan applications in this AA.

### Cleveland AA

The distribution of home mortgage loans by borrower income level in the Cleveland AA is also good when considering the bank's performance context.

During the 2018-2020 evaluation period, the bank's loan distribution among low-income borrowers was significantly below the percentage of low-income families in the AA, and the bank's performance slightly exceeded performance by aggregate lenders. The bank's loan distribution among moderate-income borrowers significantly exceeded the percentage of moderate-income families in the AA and performance by aggregate lenders.

FCNB originated 14 FHA loans in this AA to low-income borrowers totaling \$1.5 million and 74 FHA loans to moderate-income borrowers totaling \$8.8 million. The bank did not report any denied FHA loan applications in this AA.

Memphis AA

The distribution of home mortgage loans by borrower income level in the Memphis AA is also good when considering the AA's strong competition and performance context.

During the 2018-2020 evaluation period, the bank's loan distribution among low-income borrowers was significantly below the percentage of low-income families in the AA, and the bank's performance exceeded performance by aggregate lenders. FCNB's loan distribution among moderate-income borrowers exceeded the percentage of moderate-income families in the AA and significantly exceeded performance by aggregate lenders.

FCNB did not originate any FHA loans to low-income borrowers in the Memphis AA, and the bank originated four FHA loans totaling \$513 thousand to moderate-income borrowers. The bank did not report any denied FHA loan applications in this AA.

***Small Loans to Businesses***

Refer to table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The overall distribution of small loans to businesses of different income levels is good in all of the full scope AAs.

TN-Non MSA AA

The distribution of small loans to businesses in the TN-Non MSA AA is excellent.

During the 2018-2020 evaluation period, the percentage of FCNB's small loans to businesses with revenues less than \$1 million exceeded the percentage of AA businesses with this same level of revenue. The bank's lending performance also significantly exceeded performance by aggregate lenders in the AA.

Cleveland AA

The distribution of small loans to businesses in the Cleveland AA is good. The percentage of bank loans to businesses with revenues less than \$1 million was below the percentage of businesses with revenues of this level, and the bank's loan distributions significantly exceeded performance by aggregate lenders.

Memphis AA

The distribution of small loans to businesses in the Memphis AA is good. The percentage of bank loans to businesses with revenues less than \$1 million was slightly below the percentage of businesses with revenues of this level, and the bank's loan distributions significantly exceeded performance by aggregate lenders.

### ***Small Loans to Farms***

Refer to table T in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

#### TN-Non MSA AA

The distribution of small loans to farms in the TN-Non MSA AA is excellent.

During the 2018-2020 evaluation period, the percentage of FCNB's small loans to farms with revenues less than \$1 million was near the percentage of AA farms with this same level of revenue. The bank's lending performance in this AA significantly exceeded performance by aggregate lenders.

### **Community Development Lending**

The institution has an excellent level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. During the evaluation period, the bank originated 14 CD loans totaling \$40.5 million.

#### TN Non-MSA AA

The bank's CD lending in the TN Non-MSA AA had a significantly positive impact on lending performance during the evaluation period. The bank originated five CD loans totaling \$13.7 million in this AA. Three of the loans, totaling \$9.05 million, supported economic development within the AA. One of these loans, totaling \$2.52 million, provided permanent financing for the revitalization and stabilization of a distressed middle-income CT. One loan totaling \$2.1 million funded a medical clinic within a distressed portion of the AA. The bank's CD loans in this AA approximated 16 percent of the bank's allocated tier 1 capital. Some of the noteworthy examples are:

- A \$2.5 million loan that supported the purchase of a local pharmacy in a distressed portion of the AA. The pharmacy was located in close proximity to a large multi-family housing complex, which provides affordable housing for low-and moderate-income tenants.
- A \$3 million tax increment financing loan (TIF) to fund the initial costs for the development of a new retail center within the bank's AA. The estimated 15-year economic impact is expected to exceed \$742 million; provide a significant economic benefit to the AA; and generate significant employment opportunities for low- and moderate-income residents of the AA.
- A \$1.2 million loan under the SBA PPP that helped a local company retain jobs during the COVID-19 pandemic. This company operates in a distressed middle-income area.

#### Cleveland AA

CD lending in the Cleveland AA had a positive impact on the bank's lending performance. The bank originated two CD loans in this AA totaling \$13.5 million. These loans represented 44 percent of the AA's

allocated tier 1 capital. One of the loans totaled \$11.7 million and was originated to construct an assisted living facility in Cleveland. This property is located in a moderate-income CT and will serve residents of the AA, including low-and moderate-income individuals. The other CD loan totaled \$1.8 million and originated under the SBA PPP, allowing the borrowing entity to retain jobs during the COVID-19 pandemic. The employees are primarily low- and moderate-income individuals.

### Memphis AA

CD lending in the Memphis AA also had a positive impact on the bank's lending performance during the evaluation period. The bank originated four CD loans totaling \$5.74 million in this AA, which represented about 11 percent of tier 1 Capital. Three of the four CD loans totaled \$4.26 million and supported economic development in the AA. Two of the four loans originated under the SBA PPP and allowed the companies to retain workers during the COVID-19 pandemic. One loan, totaling \$1.5 million, allowed the company to continue providing medical services to low-and moderate-income individuals in the AA.

## **Product Innovation and Flexibility**

The institution makes extensive use of flexible lending practices in order to serve AA credit needs.

The bank offers a standard mix of government-guaranteed loan programs such as those sponsored by the FHA, the Tennessee Housing Development Agency (THDA), the USDA Rural Development program, and the Federal Home Loan Bank (FHLB)'s "Welcome Home" grant program. Furthermore, the bank offers government guaranteed small business loans through the SBA and farm and agriculture related loans through the FSA. In response to the COVID-19 pandemic, the bank participated in three rounds of funding under the SBA's PPP. This program helped businesses to retain employees during a challenging economic environment. The bank also provided payment deferral programs to COVID-19 affected consumers and businesses and allowed payment extensions of 60 to 120 days for approved customers.

### *Small Business and Farm Loan Products*

As noted above, during the evaluation period FCNB made extensive use of the SBA's specialized loan program to meet the needs of AA small businesses. During the first two rounds of PPP funding in 2020, the bank originated 833 loans totaling \$53 million. The bank participated in the third round of PPP loans in 2021, and these loans will be evaluated during the next CRA evaluation period. The bank originated a good number of loans under the USDA's Rural Development Program, which allows loan proceeds to be used to purchase equipment, land, or buildings or to fund working capital. During this evaluation period, the bank originated 321 loans totaling \$40 million under this program. Applicants must demonstrate the ability to repay the loan and focus on creating new jobs or expanding employment opportunities. The loan products typically have lower interest rates, with fixed and variable rate options, longer terms (up to 30 years), and lower down payment requirements.

FCNB also originated a good number of agricultural loans under the FSA program, which provides operating lines of credit and equipment finance loans to local farmers. During the 2018-2020 evaluation period, the bank originated 75 loans totaling \$33 million to AA borrowers under this program.

### *Mortgage Loan Products*

During the evaluation period, FCNB originated 77 mortgage loans totaling approximately \$9.6 million under the FHA program. FHA loan products offer fixed interest rates with lower down payment requirements than a conventional home mortgage. The amortization periods range from 15 to 30 years. The bank also originated five loans totaling \$535 thousand to low-income borrowers in rural areas through THDA programs.

In addition, the bank provided 64 grants totaling \$311 thousand for down payment assistance and closing costs through the FHLB's Welcome Home program. These grants assisted low-and moderate-income borrowers in obtaining loans, which totaled \$6.2 million over the evaluation period.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Chattanooga and Jackson AAs is consistent with the bank's overall performance under the Lending Test in the full-scope areas. The bank's performance in the Nashville AA is weaker than performance in the full-scope AAs due to lower lending volumes and no community development lending activity.

Refer to tables O through V in appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in the State of Tennessee is rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the TN Non-MSA AA and the Memphis AA is excellent. Performance in the Cleveland AA is good.

The institution has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors. The bank occasionally takes a leadership position in investing activities. FCNB's investment activities exhibit an excellent response to community economic development needs. The institution occasionally uses complex investments to support CD initiatives. The table below includes a summary of the bank's investment activities in each AA.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Full Scope</b>										
TN Non-MSA	3	1,975	13	5,855	16	25.0	7,830	25.1	0	0
Cleveland	1	100	1	4,920	2	3.1	5,020	16.1	0	0
Memphis	7	4,341	11	1,639	18	28.1	5,980	19.1	0	0
<b>Limited Scope</b>										
Chattanooga	0	0	5	3,096	5	7.8	3,096	9.9	0	0
Jackson	0	0	10	3,280	10	15.6	3,280	10.5	0	0
Nashville	0	0	3	1,842	3	4.7	1,842	5.9	0	0
Statewide	0	0	4	2,470	4	6.3	2,470	7.9	0	0
Other	0	0	6	1,725	6	9.4	1,725	5.5	0	0
<b>Totals</b>	<b>11</b>	<b>6,416</b>	<b>53</b>	<b>24,827</b>	<b>64</b>	<b>100.0</b>	<b>31,243</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

\* *Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.*

\*\* *Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.*

### TN Non-MSA AA

Investment performance in the TN-Non-MSA AA is excellent when considering the available opportunities and the responsiveness of current and prior period investments.

During the evaluation period, FCNB originated two new investments in the AA totaling \$5.7 million. These investments supported AA needs for affordable housing. The bank also made 11 CRA qualified donations in the AA totaling approximately \$68 thousand. These donations benefitted a variety of non-profit organizations that provide CD services for low- and moderate-income individuals and families in the AA. Donation recipients include the United Way, local churches, senior crime prevention service centers, and school educational programs.

Prior period investments totaling approximately \$1.9 million continue to provide ongoing benefit to the AA. Two of the prior period bonds provided funding (\$1.47 million) for schools within the city of Dyersburg. The bond proceeds were used for the acquisition of land for schools and the construction, improvement, renovation, and equipping of schools. At the time of purchase, 72 percent of students in the school district participated in the subsidized, free, and reduced lunch programs, and the county's middle-income CTs were distressed due to high poverty rates. Bond proceeds funded renovations to a school in a moderate-income CT.

An additional prior period investment of \$500,000 in a qualified CRA investment fund with Community Capital Management continues to help fund affordable housing in the bank's AA. The investment fund ear-marked Fannie Mae pools with four loans to low-and moderate-income borrowers in three of the bank's AA counties. The fund also ear-marked a portion of the bank's investment into a THDA bond. The THDA bond proceeds were used to finance the agency's affordable housing loan programs that are available to residents in all of the AA's counties. Total current and prior period investments represent 9

percent of the AA's allocated tier 1 capital. Some of the more noteworthy investments and donations are summarized below:

- One of the bank's current period investments provided funding for a multi-family housing property in a distressed area of Lauderdale County. These funds provided 64 affordable housing units for low- and moderate-income individuals and families.
- Another current period investment provided funding for an additional multi-family property in a distressed area of Weakley County. These funds provided 96 affordable housing units for low- and moderate-income individuals and families.
- Four of the bank's donations totaling \$24,600 benefitted the Banzai program. This program provides a curriculum for financial literacy programs in the bank's AA schools. The program was available to all 29 AA schools during the entire evaluation period; and 17 of the participating schools (59%) are schools with more than 50 percent of the students enrolled in free or reduced lunch programs.

#### Cleveland AA

Investment performance in the Cleveland AA is good when considering the available opportunities, the bank's market share, and the responsiveness of current and prior period investments.

During the evaluation period, FCNB purchased one new investment in the AA totaling \$4.9 million. This investment supported AA affordable housing needs. The investment is a Fannie Mae bond that funded a multi-family property in Cleveland. This property provided 92 affordable housing units for low- and moderate-income individuals and families. The bank has a prior period investment of \$100 thousand in this AA, consisting of a certificate of deposit in a CDFI credit union designated low-income by the National Credit Union Administration (NCUA). The NCUA's low-income designation allows credit unions to qualify for potential assistance through loans and grants funded by the NCUA's Community Development Revolving Loan Fund. The bank did not make any qualified CRA donations in this AA during the evaluation period. Although the Banzai program was available to all AA schools, none of the Cleveland AA schools participated in the program. FCNB's investments in this AA totaled \$5 million, representing 16 percent of all investment activities during the evaluation period and 16 percent of the AA's allocated tier 1 capital.

#### Memphis AA

Investment performance in the Memphis AA is excellent when considering the available opportunities and the responsiveness of current and prior period investments.

During the evaluation period, FCNB purchased four new investments totaling \$1.6 million and benefitting this AA. These investments include two Fannie Mae bonds and two Freddie Mac single family loan pools. The bank also made seven donations totaling \$23,000 in this AA. These donations benefitted financial literacy programs and the Senior Housing Crime Prevention program. The current period investments are summarized below:

- One of the Fannie Mae bonds provided funding for a multi-family property with 50 housing units for low- and moderate-income individuals and families in this AA.

- The additional bonds were secured by individual loans to low- or moderate-income borrowers or properties in low-or moderate-income CTs.

Prior period investments in this AA total \$4.3 million and continue to provide an ongoing benefit to AA affordable housing needs. Six of the prior period investments are Ginnie Mae loan pools secured by loans to low-and moderate-income borrowers or in low-or moderate-income areas. The seventh prior period investment is a Fannie Mae multi-family bond that provided funding for 235 housing units for low-income individuals and families in this AA. The bank's total investments in this AA represent 12 percent of allocated tier 1 capital.

### Statewide Investments

During the evaluation period, FCNB purchased four investments that help support affordable housing for low- and moderate-income individuals and families within the state of TN. These investments include three THDA Residential Finance Program Bonds totaling \$2 million. These bonds facilitated the funding of THDA's first-lien, single family loan program throughout the state. The bank's other statewide investment also supported affordable housing needs in TN. This investment is a Fannie Mae Delegated Underwriting and Servicing bond totaling \$470,000 that funded three multi-family apartments for low-and moderate-income individuals and families in TN communities.

### Other Qualified Investments

FCNB made five investments in certificates of deposit with minority owned financial institutions totaling \$1.23 million. The bank also made an investment totaling \$500 thousand into the Tennessee Rural Opportunity Fund. This investment's structure is somewhat complex; the investment provides tax credits to the financial institution and involves a loan to a non-profit CDFI of the Tennessee Small Business Jobs Opportunity Fund. For this loan/investment, FCNB receives a 10 percent tax credit annually for ten years and at the end of this 10-year period, the loan to the CDFI is forgiven. The funds are used by the CDFI to create a permanent pool of loans for underserved small businesses in TN.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the limited scope AAs is consistent with the bank's overall performance under the Investment Test in the full-scope areas.

## SERVICE TEST

The bank's performance under the Service Test in Tennessee is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the TN Non-MSA AA, Memphis AA, and Cleveland AA is good.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AAs. This assessment is based on the bank's branch distribution as reflected in the table below.

<b>Distribution of Branch Delivery System</b>											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Scope</b>											
TN Non-MSA	46.7	9	34.62	0.0	11.1	55.6	33.3	2.7	5.4	69.7	20.2
Cleveland	16.3	3	11.54	0.0	0.0	66.7	33.3	10.8	6.4	44.4	38.4
Memphis	27.5	7	26.92	0.0	0.0	28.6	71.4	13.3	20.7	34.0	32.0
<b>Limited Scope</b>											
Chattanooga	1.0	2	7.69	0.0	0.0	50.0	50.0	8.8	13.5	35.9	41.8
Jackson	1.2	1	3.85	0.0	0.0	0.0	100.0	9.3	27.4	14.4	47.2
Nashville	7.4	4	15.38	0.0	0.0	0.0	100.0	0.0	0.0	15.3	84.7
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>0.0</b>	<b>4.2</b>	<b>37.5</b>	<b>58.3</b>	<b>7.9</b>	<b>12.4</b>	<b>35.0</b>	<b>44.4</b>

FCNB has 26 locations, two of which are limited service drive-thru banking facilities. The bank operates 39 ATMs, of which, 10 are off-site. During the evaluation period, FCNB opened two full-service branches - one in the Nashville AA in September 2018 and another in the Chattanooga AA in October 2019. No full-service branches were closed during the evaluation period. All branches offer drive-thru service and on-site ATMs. An analysis of services in each full-scope AA is detailed in the following paragraphs.

### TN Non-MSA AA

Service delivery systems are accessible to geographies and individuals of different income levels in the TN Non-MSA AA.

FCNB operates seven full-service branches in the TN Non-MSA AA including a full-service office in its corporate headquarters. There are five branches, including two drive-thru banking locations, in Dyer County, two branches in Obion County, one branch in Lauderdale County, and one branch in Weakley County. There are no full-service branches in low-income geographies, and there is one branch located in

a moderate-income geography. The remaining branches are located in middle- and upper-income geographies.

The percentage of branches in low-income geographies is significantly lower than the percentage of the population residing in low-income geographies within the TN Non-MSA AA. It should be noted; however, that there is only one low-income CT within the AA, which is located in Ripley, Lauderdale County. The bank's full-service branch in this county is in the adjacent moderate-income CT. While not inside a low-income geography, the branch's close proximity of about 1.5 miles allows for accessibility to individuals of different income levels. Additionally, FCNB branches in Obion and Weakley County are located in underserved or distressed CTs. The percentage of branches in moderate-income geographies exceeds the percentage of moderate-income population residing in the AA.

### *Alternative Delivery Channels*

Alternative delivery channels in the TN Non-MSA AA include drive-thru teller lanes with extended hours and on- and off-site ATMs. FCNB has five off-site, stand-alone ATMs in the AA, and all are deposit taking and located in middle- and upper-income geographies. FCNB also offers telephone and text banking, online banking, mobile banking, person to person payments, online loan payments, online account opening, and online mortgage and small dollar loan application submission. The bank also provides an electronic benefits transfer (EBT) program that allows EBT cardholders to access their Supplemental Nutrition Assistance Program (SNAP) fund and other forms of government assistance through point of sale (POS) devices. EBT cardholders may also access their cash accounts at any FCNB ATM without any surcharge. These alternative delivery systems are available to all customers in the AA. The bank's business banking products, such as online ACH origination and remote deposit capture, are also available to approved customers in all AAs. These alternative delivery systems increase accessibility of banking services. Information regarding the utilization of these services by low- and moderate-income individuals or small businesses was not readily available. As such, we could and did not place significant weight on these systems. Notably, bank data reflects growing utilization trends in most of these alternative delivery channels.

### Cleveland AA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Cleveland AA.

FCNB operates three full-service branches in the Cleveland AA, more specifically, in the city of Cleveland, Bradley County. There are no full-service branches in low- or moderate-income geographies. Two branches are located in middle-income CTs, and one branch is located in an upper-income CT.

The bank does not have any branches in low- and moderate-income geographies of Bradley County; however, two of the bank's branches are located in middle-income geographies adjacent to low- and moderate-income CTs, respectively. The branches near proximity allows individuals of different income levels to utilize branch services. The bank's lending to low- and moderate-income borrowers has not been negatively impacted by geography as demonstrated by the bank's lending performance. During the evaluation period, the bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. Additionally, the bank's percentage of loans to

small businesses with revenues less than \$1 million was near to the percentage of small businesses in the AA.

#### *Alternative Delivery Channels*

The bank's online and mobile alternative delivery channels in the Cleveland AA are the same as in the TN-Non MSA AA and all other bank AAs. FCNB locations in this AA also include ATMs and drive-thru teller lanes with extended hours. The bank also has one off-site ATM in this AA. Alternative delivery systems in this AA increase accessibility of banking services. We did not place significant weight on these systems as data regarding utilization by low- and moderate-income customers was not readily available for analysis.

#### Memphis AA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Memphis AA.

FCNB operates seven full-service branches in the Memphis AA. There are four branches in Shelby County, two branches in Tipton County, and one branch in Fayette County. There are no full-service branches in low- or moderate-income geographies. Two branches are located in middle-income CTs and the remaining five branches are located in upper-income CTs.

Although the bank does not have branches in low- and moderate-income geographies, this has not significantly affected lending performance among low- and moderate-income borrowers and small businesses within the AA. During the assessment period, the bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. The bank's percentage of loans to low-income borrowers also exceeded performance by AA aggregate peer lenders. Additionally, the bank's percentage of loans to small businesses with revenues less than \$1 million was near to the percentage of small businesses in the AA.

#### *Alternative Delivery Channels*

The bank's online and mobile alternative delivery channels in the Memphis AA are the same as in the TN-Non MSA AA and all other bank AAs. FCNB locations in this AA include onsite ATMs, and drive-thru teller lanes with extended hours. FCNB does not have any off-site ATMs in this AA. Alternative delivery systems in this AA increase accessibility of banking services. We did not place significant weight on these systems because data regarding utilization by low- and moderate-income customers was not readily available for analysis.

#### *Branch Openings and Closings*

To the extent changes have been made, the institution's 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.

As reflected in the table below, the bank did not open or close branches in full-scope AAs during the evaluation period. Two new branches were opened in the limited scope AAs of Chattanooga and Nashville.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings		Net change in Location of Branches (+ or -)			
	# of Branch Openings	# of Branch Closings	Low	Mod	Mid	Upp
<b>Full Scope</b>						
TN – Non MSA	0	0	0	0	0	0
Cleveland	0	0	0	0	0	0
Memphis	0	0	0	0	0	0
<b>Limited Scope</b>						
Chattanooga	1	0	0	0	0	1
Jackson	0	0	0	0	0	0
Nashville	1	0	0	0	0	1
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

Services and business hours do not vary in a way that inconveniences the various portions of the bank's AAs, particularly low- and moderate-income geographies and/or individuals. The full-service branches in the AAs operate lobby hours from 8:30 AM to 4:30 PM on Monday through Thursday and 8:30 AM to 5:00 PM on Fridays. Additionally, all branches offer extended drive-thru hours from 8:00 AM to 5:00 PM on Monday through Thursday and 8:00 AM to 6:00 PM on Fridays. Each branch location features an on-site deposit taking ATM, and there are various off-site ATMs located throughout the AAs. Five of the 10 off-site ATMs are deposit taking.

## Community Development Services

The institution provides a relatively high level of CD services.

### TN Non-MSA AA

FCNB serves as a leader in providing services in the TN Non-MSA AA. During the evaluation period, about 113 FCNB employees provided various financial services and participated in numerous leadership roles in local qualifying CD organizations. Employees in this AA contributed about 942 hours of service per year. Some of the more noteworthy services include but are not limited to:

- Participation in a Life Maze “Bank” – Participants provided financial counseling to 869 local middle school and eighth grade students. This program was sponsored by a local non-profit organization in Dyer County and provided students with decision making life scenarios. Four bank employees contributed at least 14 hours for this two day event.
- HOSTS Readiness Program – HOSTS Readiness is a mentoring program offered to Dyersburg Primary School and Dyersburg Intermediate School students. The program utilizes community volunteers to mentor identified at-risk students and reinforce reading and writing readiness skills.

During the assessment period, over 40 employees participated in the HOSTS program and volunteered close to 500 hours.

- One of the bank’s mortgage loan underwriters provides financial counseling for the FHLB “Welcome Home” grant recipients. Home buyers must complete counseling in order to qualify for grants. Topics covered in the counseling program include mortgage financing, credit-worthiness, household budgeting, and home maintenance. The program also includes curriculums from Neighbor Works® America and FDIC Money Smart.
- Bank representatives served as a board or finance committee member to about 25 various qualified community development organizations within the AA. Thirty-six representatives served on a variety of organization boards and committees, including but not limited to organizations that provide health, education, and housing services to low- to moderate-income individuals. Examples of such organizations include the Habitat for Humanity, United Way, Dyer County Housing Development Corporation, and local industrial development boards.

### Cleveland AA

FCNB demonstrates a relatively high level of CD services in the Cleveland AA. During the evaluation period, at least 18 FCNB employees provided various services and participated in leadership roles on boards or committees of seven local qualifying CD organizations.

- Notably, bank employees provided significant work/life preparation and financial literacy educational services to youth through the Tennessee Achieves and Junior Achievement programs. Two bank employees mentored 12 students at two schools as part of the Tennessee Achieves program, which aims to increase higher education readiness and opportunities via mentoring.
- At least eight bank employees taught Junior Achievement programs in local schools where the majority of students were on subsidized free and reduced lunch programs. These educational programs promoted financial capability, and career readiness at 10 different elementary and middle schools.
- Additionally, seven bank representatives served as a board member for six qualified CD organizations during the assessment period. Most of these organizations focus on providing community services or affordable housing for low- and moderate-income individuals. The organizations include entities such as Habitat for Humanity, United Way, and Junior Achievement.

### Memphis AA

FCNB demonstrates an adequate level of services in the Memphis AA. During the evaluation period, three FCNB employees presented financial literacy courses at two schools and five employees participated in leadership roles in local qualifying CD organizations. Bank representatives served on boards of five qualified CD organizations that provide community services to low-and moderate-income individuals within the AA.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Chattanooga, Jackson, and Nashville AAs is weaker than the bank's overall performance under the Service Test in the full-scope areas. Performance is weaker in these AAs due to branch distributions in the Chattanooga and Jackson AAs and fewer CD services in the Jackson and Nashville AAs. Weaker performance in the limited scope AAs had a somewhat negative impact on the overall performance.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	January 1, 2018 to December 31, 2020	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, small farm loans. Community development loans, qualified investments, and community development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Tennessee</b>		
TN-Non-MSA AA	Full-Scope	Dyer, Lauderdale, Obion, and Weakley Counties
Cleveland AA	Full-Scope	Bradley County – part of the Cleveland TN MSA
Memphis AA	Full-Scope	Fayette, Tipton Counties, part of Shelby County – Part of the Memphis TN-MS-AR MSA
Chattanooga AA	Limited-Scope	Hamilton County – part of the Chattanooga TN-GA MSA
Jackson AA	Limited-Scope	Parts of Madison County, part of the Jackson, TN MSA
Nashville AA	Limited-Scope	Williamson County, part of the Nashville, TN MSA

**Appendix B: Summary of MMSA and State Ratings**

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RATINGS - FIRST CITIZENS NATIONAL BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Citizens National Bank	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
State:				
Tennessee	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

**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, which 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).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to

determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

**Multifamily:** Refers to a residential structure that contains five or more units.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

**Small Loan(s) to Farm(s):** 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 or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-2020</b>		
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		
<b>Full Scope</b>																					
TN- Non-MSA	977	124,143	39.9	2,612	1.2	0.3	1.5	3.7	2.5	4.6	71.5	58.6	63.1	23.6	38.6	30.8	0.0	0.0	0.0		
Cleveland	810	146,611	33.1	3,689	4.7	4.3	3.8	3.2	3.5	3.9	45.6	47.0	45.2	46.4	45.2	47.0	0.0	0.0	0.0		
Memphis	301	60,038	12.0	19,413	3.9	1.7	2.1	8.6	1.3	4.9	24.1	39.2	20.0	63.4	57.8	72.9	0.0	0.0	0.0		
<b>Limited Scope</b>																					
Chattanooga	310	84,433	12.7	14,571	4.2	6.1	3.5	11.7	9.7	9.7	37.2	38.1	36.0	46.9	46.1	50.8	0.0	0.0	0.0		
Jackson	66	13,848	2.7	2,430	5.1	0.0	0.8	20.9	19.7	18.8	17.5	15.2	17.9	56.0	63.6	62.1	0.4	1.5	0.4		
Nashville	48	16,630	2.0	15,669	0.0	0.0	0.0	0.0	0.0	0.0	13.8	22.9	9.9	86.2	77.1	90.1	0.0	0.0	0.0		
<b>Total</b>	<b>2,512</b>	<b>445,703</b>	<b>100.0</b>	<b>58,384</b>	<b>3.2</b>	<b>2.5</b>	<b>1.9</b>	<b>7.8</b>	<b>3.9</b>	<b>5.3</b>	<b>31.5</b>	<b>48.2</b>	<b>24.7</b>	<b>57.5</b>	<b>45.3</b>	<b>68.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2018, 2019 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-2020		
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		
<b>Full Scope</b>																					
TN Non-MSA	977	124,143	39.9	2,612	21.2	4.1	5.2	16.6	14.7	15.1	18.6	24.2	19.9	43.6	50.6	42.3	0.0	6.4	17.4		
Cleveland	810	146,611	33.1	3,689	22.2	5.1	4.8	16.8	22.5	15.7	18.4	23.3	20.4	42.6	46.0	39.1	0.0	3.1	20.0		
Memphis	301	60,038	12.0	19,413	17.3	5.0	2.8	13.2	15.6	10.1	17.2	24.9	19.3	52.3	49.5	48.0	0.0	5.0	19.8		
<b>Limited Scope</b>																					
Chattanooga	310	84,433	12.7	14,571	20.2	5.2	6.8	17.0	19.7	17.3	18.9	18.1	19.7	44.0	40.0	40.2	0.0	17.1	16.0		
Jackson	66	13,848	4.5	2,430	21.6	4.5	3.2	16.5	3.0	14.2	17.2	13.6	20.6	44.7	66.7	42.8	0.0	12.1	19.2		
Nashville	48	16,630	4.8	15,669	9.0	4.2	1.2	8.5	4.2	5.9	15.0	10.4	12.8	67.5	68.8	68.5	0.0	12.5	11.6		
<b>Total</b>	<b>2,512</b>	<b>445,703</b>	<b>100.0</b>	<b>58,384</b>	<b>17.7</b>	<b>4.3</b>	<b>3.6</b>	<b>14.2</b>	<b>17.2</b>	<b>11.5</b>	<b>17.5</b>	<b>22.0</b>	<b>17.8</b>	<b>50.6</b>	<b>49.6</b>	<b>50.5</b>	<b>0.0</b>	<b>6.8</b>	<b>16.6</b>		
Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2018, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																					

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2018-2020</b>		
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		
<b>Full Scope</b>																					
TN Non-MSA	1,715	134,698	59.3	1,960	2.6	0.9	1.0	5.8	4.1	5.3	66.3	57.8	66.8	23.9	36.9	26.7	1.4	0.3	0.2		
Cleveland	319	45,194	11.0	1,482	7.7	6.3	8.2	11.0	6.3	11.3	48.5	48.9	40.4	32.9	38.6	40.2	0.0	0.0	0.0		
Memphis	460	43,292	15.1	7,895	4.2	3.5	3.2	7.9	4.3	7.1	23.8	25.7	22.9	64.1	66.5	66.7	0.0	0.0	0.0		
<b>Limited Scope</b>																					
Chattanooga	271	37,679	9.4	7,476	7.8	8.1	10.3	14.6	16.2	13.5	36.0	38.0	34.7	41.3	37.6	41.3	0.3	0.0	0.2		
Jackson	161	25,053	5.6	1,574	3.8	0.0	3.1	30.2	37.9	28.0	18.0	13.0	15.5	39.3	37.3	42.1	8.8	11.8	11.4		
Nashville	120	14,995	4.2	8,055	0.0	0.0	0.0	0.0	0.0	0.0	10.6	18.3	11.0	89.4	81.7	89.1	0.0	0.0	0.0		
<b>Total</b>	<b>3,046</b>	<b>300,911</b>	<b>100.0</b>	<b>28,442</b>	<b>4.4</b>	<b>2.4</b>	<b>4.3</b>	<b>9.1</b>	<b>7.1</b>	<b>8.0</b>	<b>27.7</b>	<b>46.4</b>	<b>26.1</b>	<b>58.2</b>	<b>43.4</b>	<b>60.9</b>	<b>0.6</b>	<b>0.8</b>	<b>0.7</b>		
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2018, 2019 CRA Aggregate Data "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																					

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2018-2020</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
<b>Full Scope</b>												
TN Non-MSA	1,715	134,698	59.3	1,960	78.0	80.8	50.4	5.4	19.2	16.6	0.1	
Cleveland	319	45,194	11.0	1,482	84.8	69.9	45.4	4.6	30.1	10.6	0.0	
Memphis	460	43,292	15.1	7,895	86.4	77.0	44.9	4.2	22.6	9.4	0.4	
<b>Limited Scope</b>												
Chattanooga	271	37,679	9.4	7,476	85.8	81.6	42.2	4.6	18.1	9.6	0.4	
Jackson	161	25,053	5.6	1,574	79.9	75.8	44.5	5.6	24.2	14.6	0.0	
Nashville	120	14,995	4.2	8,055	88.4	92.5	49.1	4.3	6.7	7.2	0.8	
<b>Total</b>	<b>3,046</b>	<b>300,911</b>	<b>100.0</b>	<b>28,442</b>	<b>85.9</b>	<b>79.3</b>	<b>45.8</b>	<b>4.5</b>	<b>20.5</b>	<b>9.6</b>	<b>0.2</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2018, 2019 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>												

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2018-2020		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Full Scope																					
TN Non-MSA	672	62,588	94.5	510	1.8	0.0	0.4	1.5	1.3	1.6	65.5	46.1	59.2	31.0	52.5	38.8	0.2	0.0	0.0		
Cleveland	12	889	2.0	29	0.8	0.0	6.9	2.9	0.0	0.0	46.7	41.7	34.5	49.6	58.3	58.6	0.0	0.0	0.0		
Memphis	19	2,018	3.4	157	2.0	10.5	1.3	7.0	5.3	2.5	35.2	47.4	67.5	55.8	36.8	28.7	0.0	0.0	0.0		
Limited Scope																					
Chattanooga	1	71	0.5	30	5.6	0.0	6.7	11.4	0.0	6.7	39.0	100.0	26.7	44.1	100.0	60.0	0.0	0.0	0.0		
Jackson	6	265	1.4	46	2.1	0.0	0.0	21.4	33.3	6.5	9.0	16.7	2.2	64.1	50.0	89.1	3.4	0.0	2.2		
Nashville	1	500	0.5	54	0.0	0.0	0.0	0.0	0.0	0.0	14.8	0.0	7.4	85.2	100.0	92.6	0.0	0.0	0.0		
<b>Total</b>	<b>712</b>	<b>66,399</b>	<b>100.0</b>	<b>826</b>	<b>2.3</b>	<b>0.3</b>	<b>1.0</b>	<b>6.1</b>	<b>1.7</b>	<b>2.1</b>	<b>35.4</b>	<b>45.8</b>	<b>52.2</b>	<b>56.0</b>	<b>52.2</b>	<b>44.7</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>		
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2018,2019 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																					

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2018-2020</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Full Scope												
TN Non-MSA	672	62,588	94.5	510	96.7	88.1	69.4	2.0	11.9	1.3	0.0	
Cleveland	12	889	1.7	29	97.1	83.3	41.4	1.7	16.7	1.3	0.0	
Memphis	19	2,018	2.7	157	95.1	73.7	49.7	3.1	26.3	1.8	0.0	
Limited Scope												
Chattanooga	2	139	0.3	30	97.0	100.0	50.0	1.4	0.0	1.6	0.0	
Jackson	6	265	0.8	46	95.2	100.0	60.9	2.8	0.0	2.1	0.0	
Nashville	1	500	0.1	54	96.2	100.0	53.7	2.3	0.0	1.5	0.0	
<b>Total</b>	<b>712</b>	<b>66,399</b>	<b>100.0</b>	<b>826</b>	<b>96.1</b>	<b>87.8</b>	<b>62.5</b>	<b>2.3</b>	<b>12.2</b>	<b>1.6</b>	<b>0.0</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2018, 2019 CRA Aggregate Data "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>												