



## PUBLIC DISCLOSURE

August 1, 2022

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Tennessee  
**Charter Number 15550**

214 East Main Street  
Livingston, TN 38570

Office of the Comptroller of the Currency

320 Seven Springs Way, Suite 310  
Brentwood, TN 37027

**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.

# Table of Contents

Overall CRA Rating ..... 1

Description of Institution ..... 2

Scope of the Evaluation ..... 3

Discriminatory or Other Illegal Credit Practices Review ..... 3

State Rating..... 5

    State of Tennessee ..... 5

Appendix A: Scope of Examination ..... A-1

Appendix B: Summary of MMSA and State Ratings ..... B-1

Appendix C: Definitions and Common Abbreviations ..... C-1

Appendix D: Tables of Performance Data ..... D-1

## Overall CRA Rating

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

**The lending test is rated: Outstanding.**

**The community development test is rated: Outstanding.**

The major factors that support First National Bank of Tennessee's (FNBOTN or Bank) outstanding Lending Test rating include:

- Excellent geographic and borrower distribution of home mortgage and small business loans.
- A reasonable loan-to-deposit (LTD) ratio.
- A substantial majority of loans originated and purchased were inside its assessment area (AA).
- No Community Reinvestment Act (CRA) related complaints received during the review period.

The major factor that supports the outstanding Community Development (CD) Test rating include:

- The Bank demonstrated excellent responsiveness to CD needs in its AA.

### Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the AA, its LTD ratio is reasonable. The evaluation period for the LTD ratio was for the 12 quarter period from January 1, 2019, to December 31, 2021. The LTD ratio is calculated on a bank-wide basis. The Bank's quarterly LTD ratio during the evaluation period averaged 59.2 percent, with a high ratio of 72.9 percent and a low of 43.8 percent. We compared FNBOTN's LTD ratio to three similarly-situated banks in the AA. The average LTD ratio for similarly-situated banks was 65.7 percent, with a high average of 80.7 percent and a low average of 54.5 percent. Additionally, the Bank participates in secondary market lending. During the review period of 2019 through 2021, the Bank delivered and closed 470 mortgage loans totaling \$81.8 million to the secondary market. These secondary market loans are not included as part of the Bank's LTD ratio.

### Lending in Assessment Area

A substantial majority of the Bank's loans are inside its AA.

The Bank originated or purchased 90.8 percent of its total loans inside the Bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	55	91.7	5	8.3	60	29,041	98.1	560	1.9	29,601
Small Business	54	90.0	6	10.0	60	8,512	71.0	3,475	29.0	11,987
<b>Total</b>	109	90.8	11	9.2	120	37,553	90.3	4,035	9.7	41,588

## Description of Institution

At December 31, 2021, FNBOTN was a \$1.3 billion institution headquartered in Livingston, Overton County, Tennessee. FNBOTN is a single-state institution that operates in rural middle Tennessee. In addition to their main office, FNBOTN operates six full-service branch offices and 10 automated teller machines (ATMs) in the AA. All branches are open 8:00 a.m. to 4:30 p.m., Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Friday, exclusive of the Livingston offices which open at 7:30 a.m. Five of the seven branches operate their drive-in branches on Saturdays beginning either at 7:30 or 8:00 a.m. and closing at 12:00 p.m. The Bank has not opened or closed any branches since the last CRA Evaluation. All branches provide a full range of products and services, including drive-up facilities. There are no legal, financial, or other factors impeding FNBOTN's ability to meet the AA credit needs. The last CRA Performance Evaluation is dated July 29, 2019, and FNBOTN received a rating of Outstanding.

FNBOTN's primary business strategy is to serve commercial and consumer customers in Cumberland, Overton, Putnam, and White Counties. The Bank meets these needs by providing traditional loan and deposit products and services in person, by telephone, as well as through the internet and mobile banking. Total loans as a percentage of total assets are 41.0 percent as of December 31, 2021. The loan portfolio is comprised of 58.0 percent commercial, 32.2 percent mortgage loans, 2.8 percent consumer, 3.5 percent farm, and 3.5 percent other. Tier 1 capital, as of December 31, 2021, totaled \$99.8 million.

FNBOTN has one AA, a non-Metropolitan Statistical Area (MSA), consisting of Cumberland, Overton, Putnam, and White Counties of Tennessee. The AA includes all 42 census tracts (CTs) within the counties. There were no low-income CTs, and seven moderate-income CTs, during the review period. None of the CTs have been designated as distressed or underserved.

<b>Table B – Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>TN NA Median Family Income (99999)</b>				
2019 (\$50,100)	<\$25,050	\$25,050 to <\$40,080	\$40,080 to <\$60,120	≥\$60,120
2020 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2021 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
<i>Source: FFIEC</i>				

## **Scope of the Evaluation**

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

We completed a review of FNBOTN's CRA performance in its AA under the Intermediate Small Bank (ISB) CRA procedures, which includes the Lending Test and Community Development (CD) Test. The Lending Test evaluates the Bank's record of meeting AA credit needs through lending activities. The CD Test evaluates the Bank's responsiveness to AA CD needs through qualified CD lending, investments, and services.

Our evaluation relied on samples of home mortgage loans and loans to small businesses from 2019, 2020, and 2021. Our conclusions for the CD Test are based on the Bank's CD activities during the same time period.

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

In each state where the Bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank-delineated AAs located within the same metropolitan statistical area (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. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. 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.

FNBOTN has one AA in Tennessee. We performed a full-scope review for this AA. FNBOTN's primary loan products are home mortgage and small business loans. FNBOTN also originates home mortgage loans to sell on the secondary market. Home mortgage loans and small business loans were evenly weighted in our lending test.

The state rating is based on performance in the Bank's sole AA. 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 CFR 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 AA 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 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<sup>1</sup>: Outstanding

**The Lending Test is rated:** Outstanding

**The Community Development Test is rated:** Outstanding

The major factors that support FNBOTN's rating include:

- A reasonable LTD, which reflects responsiveness to credit needs in the community.
- A substantial majority of loans the Bank originated and purchased, both by number and dollar amount of loans, were inside its AA.
- Excellent geographic distribution of loans to moderate-income CTs.
- Excellent distribution of loans to individuals of different income levels and businesses of different sizes.
- No complaints regarding its CRA performance were received during the evaluation period.
- An excellent overall level and responsiveness of community development lending and services.

### Description of Institution's Operations in Tennessee

FNBOTN operates six full-service branches, in addition to its main office, in the state of Tennessee. The main office and one branch are located in Livingston, two branches are located in Crossville, and one branch is located in Cookeville, Sparta, and Algood. Drive-thru ATMs are located at all these locations. FNBOTN maintains the second highest number of branches from any one bank in the AA, with 11.1 percent of all branches. While FNBOTN has the highest share of deposits in the AA at 18.5 percent of total deposits, there is significant competition within the AA from other Tennessee-based community banks and large regional and nationwide banks.

Community contacts for this evaluation included a county official and a community development organization. Both contacts noted a need for affordable housing in the AA.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

**Non-MSA Counties AA**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB of Tennessee 2021</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)	42	0.0	16.7	66.7	16.7	0.0
Population by Geography	179,617	0.0	19.1	66.0	14.9	0.0
Housing Units by Geography	82,966	0.0	18.5	66.8	14.7	0.0
Owner-Occupied Units by Geography	52,095	0.0	11.0	72.2	16.8	0.0
Occupied Rental Units by Geography	20,427	0.0	37.6	51.6	10.8	0.0
Vacant Units by Geography	10,444	0.0	19.0	69.0	12.0	0.0
Businesses by Geography	11,410	0.0	25.4	54.7	19.9	0.0
Farms by Geography	449	0.0	11.1	75.3	13.6	0.0
Family Distribution by Income Level	48,858	21.0	18.1	20.3	40.5	0.0
Household Distribution by Income Level	72,522	24.6	15.9	18.3	41.1	0.0
Median Family Income Non- MSAs - TN		\$46,066	Median Housing Value			\$130,163
			Median Gross Rent			\$614
			Families Below Poverty Level			15.0%
<i>Source: 2015 ACS and 2020 D&amp;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.</i>						

**Scope of Evaluation in Tennessee**

We completed a review of FNBOTN's CRA performance in its AA under the ISB CRA procedures, which includes the Lending Test and CD Test. The Lending test evaluates the Bank's record of meeting AA credit needs through lending activities. The CD Test evaluates the Bank's responsiveness to AA CD needs through qualified CD lending, investments, and services.

Our review relied on samples of home mortgage and small business loans from 2019, 2020, and 2021. Our conclusions for the CD Test are based on the Bank's CD activities during the same time period.



## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE**

### **LENDING TEST**

The Bank's performance under the Lending Test in Tennessee is rated Outstanding.

#### **Conclusions for the Non-MSA Counties AA Receiving a Full-Scope Review**

Based on a full-scope review, the Bank's lending performance in the state of Tennessee is excellent.

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

The Bank exhibits excellent geographic distribution of loans in the state.

##### *Home Mortgage Loans*

Refer to Table O in the State of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans is excellent. The percentage of the Bank's loans in moderate-income CTs exceeds both the percentage of owner-occupied housing and the aggregate level of peer lending for reporting institutions.

##### *Small Loans to Businesses*

Refer to Table Q in the State of Tennessee section of 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 distribution of small business loans is reasonable. The Bank's percentage of loans in moderate-income CTs is in-line with the percentage of businesses in the CTs and the aggregate level of peer lending for reporting institutions.

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

The Bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the Bank.

##### *Home Mortgage Loans*

Refer to Table P in the State of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

FNBOTN's distribution of home mortgage loans to low- and moderate-income (LMI) borrowers is reasonable. The percentage of home mortgage loans originated to LMI families is lower than the demographic comparators. The Bank's level of lending is in-line with the aggregate peer lending levels to low-income borrowers and below the aggregate peer lending levels to moderate-income borrowers. Opportunities to lend to LMI borrowers are limited by the 15 percent of families who live below the

poverty line and affordable housing levels. The AA’s median housing value is \$130,163. Assuming a mortgage payment based on a 30-year term at six percent of interest, using 30 percent of a borrower’s income level, a borrower’s annual income level would need to exceed \$37,284 to afford a home of this value. This income level is near the top range of moderate-income levels for families. Given the difficulties for LMI families to obtain affordable housing, we placed more weight on the Bank’s lending compared to the aggregate peer levels. FNBOTN’s lending is not significantly below the aggregate peer lending comparators for moderate-income borrowers and reflects reasonable lending performance.

***Small Loans to Businesses***

Refer to Table R in the State of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the Bank’s originations and purchases of small loans to businesses.

FNBOTN’s distribution of small business loans is excellent. The Bank’s percentage of loans significantly exceeded the percentage of businesses with gross annual revenues of less than \$1 million in the AA and significantly exceeded the percentage of peer lending to similar businesses.

**Responses to Complaints**

FNBOTN did not receive any complaints regarding their CRA performance.

**COMMUNITY DEVELOPMENT TEST**

The Bank’s performance under the CD Test in the State of Tennessee is rated Outstanding.

**Conclusions for Non-MSA Counties AA Receiving a Full-Scope Review**

Based on a full-scope review, the Bank exhibits excellent responsiveness to community development needs in Tennessee through community development loans, qualified investments, and community development services, as appropriate, considering the Bank’s capacity and the need and availability of such opportunities for community development in the Bank’s AA.

**Number and Amount of Community Development Loans**

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the Bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Non-MSA AA	6	100.0	\$11,923	100.0

FNBOTN was responsive to borrowing needs through originating CD loans. During the three-year evaluation period, the Bank originated six CD loans totaling \$11.9 million. The CD loans represent 12.0 percent of the Bank's Tier 1 capital. The Bank funded most of this loan volume through two certified Community Development Financial Institutions, which downstream the funds to borrowers for a variety of purposes including to revitalize and stabilize LMI geographies. Additionally, the Bank funded 998 loans totaling \$20.2 million in the AA through the SBA's Paycheck Protection Program (PPP). These loans helped small businesses retain employees and remain viable through the COVID-19 crisis. Chief Executive Officer (CEO) Randall Graham stated that the pandemic has limited the Bank's ability to originate CD loans.

### 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)
Non-MSA AA	0	\$0	79	\$17.4	79	100.0	\$17.4	100.0	0	\$0

\* 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.

FNBOTN made 79 qualified investments in the AA during the evaluation period totaling \$17.4 thousand, indicating responsiveness to AA needs. The investments consist solely of donations that the Bank made to various qualified organizations that benefit LMI individuals.

Examples include the following:

- (1) An organization that provided scholarships to benefit LMI students,
- (2) A not-for-profit organization that provides services to individuals with disabilities, and
- (3) An organization that provides affordable housing to LMI individuals.

CEO Randall Graham stated that the pandemic has limited the Bank's ability to purchase CD investments and make donations to qualified organizations that benefit LMI individuals.

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

FNBOTN was effective and responsive in addressing CD needs by providing 332 hours of community development services to 37 service organizations. The purpose of these service organizations included revitalization and/or stabilization, economic development, affordable housing, and community services. Senior bank personnel served on the Board of Directors for 13 of the organizations and bank employees provided specialized services, such as lending and/or financial expertise, to the remaining organizations.

Examples of employees' participation include the following:

- (1) Teach Children to Save- Bank employees teach lessons in schools to children throughout the AA about ways to earn and save money. Most students in these schools are from LMI families.

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

- (2) Emergency Food and Shelter Program- A FNBOTN employee serves on a committee to help allocate funds to various programs that serve LMI individuals and families. The funds are allocated to programs like Meals on Wheels, Genesis House, and Mineral Springs Hunger Relief.
- (3) Junior Achievement- Bank employees work with Junior Achievement to provide financial lessons to children. Bank employees teach children about earning a paycheck, budgeting, and balancing a checkbook. Most students in these schools are from LMI families.

# Appendix A: Scope of Examination

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 MSA(s) and non-MSA(s) 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>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, Community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	
<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>MMSA(s)</b>		
None	None	
<b>Tennessee</b>		
Non-MSA Counties AA	Full-scope	Counties of Cumberland, Overton, Putnam, and White

## Appendix B: Summary of MMSA and State Ratings

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RATINGS First National Bank of Tennessee			
Overall Bank:	Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
First National Bank of Tennessee	Outstanding	Outstanding	Outstanding
MMSA or State:			
Tennessee	Outstanding	Outstanding	Outstanding

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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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 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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.

**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. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. 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 are treated 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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</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		
FNB of Tennessee 2021	60	7,840	100.0	6,929	0.0	0.0	0.0	11.0	13.3	10.5	72.2	68.3	69.1	16.8	18.3	20.3	0.0	0.0	0.0		
<b>Total</b>	<b>60</b>	<b>7,840</b>	<b>100.0</b>	<b>6,929</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.0</b>	<b>13.3</b>	<b>10.5</b>	<b>72.2</b>	<b>68.3</b>	<b>69.1</b>	<b>16.8</b>	<b>18.3</b>	<b>20.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019-21</b>	
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		
FNB of Tennessee 2021	60	7,840	100.0	6,929	21.0	3.3	3.4	18.1	8.3	12.9	20.3	20.0	20.6	40.5	68.3	41.5	0.0	0.0	21.7		
<b>Total</b>	<b>60</b>	<b>7,840</b>	<b>100.0</b>	<b>6,929</b>	<b>21.0</b>	<b>3.3</b>	<b>3.4</b>	<b>18.1</b>	<b>8.3</b>	<b>12.9</b>	<b>20.3</b>	<b>20.0</b>	<b>20.6</b>	<b>40.5</b>	<b>68.3</b>	<b>41.5</b>	<b>0.0</b>	<b>0.0</b>	<b>21.7</b>		

Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2020 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>2019-21</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		
FNB of Tennessee 2021	60	\$4,628	100.00	2,240	0.0	0.0	0.0	25.4	23.3	25.6	54.7	73.3	54.0	19.9	3.3	20.4	0.0	0.0	0.0		
<b>Total</b>	<b>60</b>	<b>\$4,628</b>	<b>100.00</b>	<b>2,240</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.4</b>	<b>23.3</b>	<b>25.6</b>	<b>54.7</b>	<b>73.3</b>	<b>54.0</b>	<b>19.9</b>	<b>3.3</b>	<b>20.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>													<b>2019-21</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans			
FNB of Tennessee 2021	60	\$4,628	100.00	2,240	84.1	100.00	36.1	4.5	0.0	11.4	0.0			
<b>Total</b>	<b>60</b>	<b>\$4,628</b>	<b>100.00</b>	<b>2,240</b>	<b>84.1</b>	<b>100.00</b>	<b>36.1</b>	<b>4.5</b>	<b>0.0</b>	<b>11.4</b>	<b>0.0</b>			

*Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*