



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

June 25, 2012

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

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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	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- ◆ FCNB’s lending activity reflects good responsiveness to the credit needs of its overall assessment area.
- ◆ FCNB’s distribution of mortgage loans, small loans to businesses, and small loans to farms by income level of geographies is poor in the assessment areas with low- and moderate- income census tracts.
- ◆ FCNB’s distribution of mortgage loans, small loans to businesses, and small loans to farms by borrower income level is excellent, with emphasis on the farm and business loans given the Bank’s high lending volumes in these loan types.
- ◆ FCNB’s community development lending is excellent.
- ◆ FCNB’s level of investments and grants/donations is good given its size, resources, and opportunities in all assessment areas.
- ◆ FCNB’s branch network is reasonably accessible to low- and moderate- income geographies and individuals of different income levels.
- ◆ FCNB’s level of community development services is good given its size, resources, and opportunities in all assessment areas.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the Bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (*13 C.F.R. 121.301*) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (C.R.A.): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancing, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

Description of Institution

First Citizens National Bank (FCNB) is an intrastate Bank headquartered in Dyersburg (Dyer County), Tennessee. Dyersburg has a population of about 17,000 people according to the 2010 census, and is approximately 70 miles north of Memphis, Tennessee. First Citizens Bancshares, Inc., a financial holding company, owns FCNB.

Based on June 30, 2011, FDIC deposits report, approximately 64.30% of FCNB's deposits are in the Non-MSA area (AA#1), with 34.12% of the deposits in the MSA (AA #2). In Dyer County, FCNB has 62.77% of the total deposits. FCNB is ranked as the largest depository institution in the Non-MSA (AA #1). FCNB is ranked 13th in the MSA (AA #2) with about 1.22% of the deposits.

FCNB's lending activities are primarily in commercial real estate loans, and residential real estate loans. FCNB also offers a wide range of consumer loan products such as automobile, recreational vehicles, secured, unsecured, and fixed and adjustable rate real estate mortgage loans. FCNB's loan portfolio composition as reported in the December 31, 2011, Report of Condition and Income is as follows:

Loan Category	\$ (000)	%
Commercial Real Estate Loans	213,103	41%
Residential Real Estate Loans	170,658	32%
Commercial Loans	54,867	10%
Agriculture Loans	63,659	12%
Consumer Loans	28,027	5%
Total	530,314	100%

Source: 12/31/2011 Call Report

Table 1

As of December 31, 2011, the Bank had total assets of \$1,053 billion, Tier 1 Leverage Capital of \$92.4 million or 8.7%, and Tier 1 Risk-Based Capital of 9.5%.

FCNB has two wholly-owned subsidiaries, First Citizens Financial Plus, Inc. and First Citizens Investments, Inc. and has a 50% ownership in two insurance subsidiaries consisting of general insurance agency full line insurance and credit insurance line. However, the Bank did not request consideration of their activities in the evaluation of its performance.

There are no financial, legal, or other factors impeding FCNB ability to meet the credit needs of its community. The Bank received a "Satisfactory" rating at the May 5, 2008, CRA performance evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This examination covers FCNB's lending performance from January 1, 2007, to December 31, 2011. We reviewed small business and small farm loans; and home loans under the Home Mortgage Disclosure Act (HMDA) for these time periods. We also reviewed motor vehicle loans originated since the last evaluation period. We reviewed activities since the date of the last CRA evaluation, to December 31, 2011, for Community Development Lending, the Investment Test, and the Service Test.

Data Integrity

The accuracy of HMDA and small business/farm loans collected by the Bank for 2011 was reviewed. No exceptions were noted during our review. The HMDA and small business/farm data were found to be accurate. Additionally, community development loans, qualified investments, and community development services were reviewed to determine if these activities met the regulatory definition for community development. HMDA and CRA loans are reviewed quarterly by the Bank's internal audit with an additional audit performed annually. The Bank has adequate written procedures for the preparation of HMDA and CRA loans prior to submission to the FFIEC. On a monthly basis, the HMDA/CRA officer reviews all entries and makes corrections as necessary.

Selection of Areas for Full-Scope Review

FCNB has four separate assessment areas (AA): The Non-MSA (AA #1) consists of Dyer, Lauderdale, Obion, and Weakley Counties in Northwest TN. The Memphis Metropolitan Statistical Area (MSA) 32820 (AA #2) consists of Shelby County (excluding the City of Memphis), Fayette County, and Tipton County. Shelby, Fayette, and Tipton counties are contiguous. Dyer, Lauderdale, Obion, and Weakley Counties are contiguous. A majority of the community services were completed in the assessment area one (AA #1). Please refer to Appendix A for more information on the four AA's.

Ratings

The Bank's overall rating is based on two full-scope assessment areas and two limited scope areas. Full Scope areas are: the Dyer, Lauderdale, Obion, and Weakley Counties Non-MSA AA; the Fayette, Shelby, and Tipton Counties MSA AA. Limited scope areas are: the Madison and Gibson counties including a portion of downtown Jackson, TN MSA AA and Williamson County including Franklin, TN MSA. However, more weight is given to the Full scope areas where most of the Bank's deposits are held, and where most of the CRA small business/farm loans and HMDA reportable loans were made.

Other

We conducted a community contact with the USDA Rural Development for this examination. We held our discussion with the Area Director of the USDA Rural Development for Dyersburg, TN. Our contact stated that the Bank is satisfactorily meeting the basic credit needs of the community.

Fair Lending or Other Illegal Credit Practices Review

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

Conclusions with Respect to Performance Review

LENDING TEST

Conclusions for Assessment Areas Receiving Full-Scope Reviews

The Bank's performance under the lending test is rated "**High Satisfactory.**" Based on the full-scope review for each full scope assessment area, the Bank's performance is considered to be good. Lending performance for the Non-MSA assessment area was given the most weight when assessing performance given the Bank's higher lending volumes and market share in Dyer, Lauderdale, Obion, and Weakley Counties. First Citizens' performance of providing community development loans in both the Non-MSA and MSA is excellent.

Lending Activity

Refer to Tables 1, Lending Volume, Other Products in Appendix C.

FCNB's responsiveness to the credit needs of its community is good based on lending volumes, patterns, and market share. FCNB is a dominant lender in the Non-MSA Counties of Dyer, Lauderdale, Obion, and Weakley. The Bank's volume of home mortgage loans, small business loans, and loans to small farms is good. While the Bank's loan-to-deposit ratio reduced from the prior examination due to the economic turn down averaging 78% over the period, this is in line with peer bank averages and factored into the overall analysis of lending activity.

Dyer, Lauderdale, Obion, and Weakley – AA #1

Loan volume in this assessment area is excellent representing approximately 80% of the Bank's loans for the reporting period. The Bank has 64% of its deposit market share in Dyer, Lauderdale, Obion, and Weakley counties based on the FDIC June 30, 2011, deposit market share report. FCNB is ranked 1st in this assessment area with a 43% market share for small loans to businesses, and is ranked 1st in farm loans with a 66% market share for small loans to farms.

Fayette, Shelby, and Tipton – AA#2

Loan volume in this assessment area is adequate representing approximately 18% of the Bank's loans for the reporting period. The Bank has 18% of its deposits in Fayette, Shelby, and Tipton Counties, but has a small market share given the large number of banks and branches operating in these counties. Likewise the Bank's loan market share in this assessment area is low given the large number of competing financial institutions.

Distribution of Loans by Income Level of the Geography

The low- and moderate-income geographies within the Bank's assessment areas are located in the MSA (Shelby County) assessment area. The Bank has no branches located within the low- and moderate-income areas.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C

FCNB's overall distribution of home mortgage loans (purchase, improvement, and refinance) by income level within the low- and moderate geographies is poor with no loans made in low income census tracts. Home mortgage loans were made in the moderate income census tracts, but were somewhat less than population percentages. More weight is given to the loans made in the moderate-income areas in assessing performance given higher down payment and qualifying terms required for home purchase, improvement, and refinance loans.

Small Loans to Businesses

Refer to Table 6 in Appendix C

The geographic distribution of small loans to businesses is poor with a low volume of loans made in low income geographies. Lending volume improved in the moderate income census tracts that are located within the MSA.

Small Loans to Farms

Refer to Table 7 in Appendix C

The geographic distribution of small loans to farms is poor with a low volume of farm loans made in low- and moderate- income census tracts. However, most of the low- and moderate-income census tracts are located in Shelby County which has limited areas for agricultural use.

Lending Gap Analysis

Our review of FCNB's lending activity found no unexplained or conspicuous gaps in the Bank's geographic distribution of loans.

Inside/Outside Ratio

A substantial majority (95%) of the Bank' loans sampled during this review were located within its assessment areas. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

Our review of FCNB's distribution of loans by income level of the borrower was performed for 2007 through 2011. The overall distribution of loans by income level of the borrower is excellent. Emphasis was placed on loans to small businesses and small farms given the high level of bank loans for these loan types.

Home Mortgage Loans***Dyer, Lauderdale, Obion, and Weakley – AA#1***

Refer to Table 8, 9, and 10 in Appendix C

FCNB's distribution of home purchase loans by borrower income level is acceptable. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. However, the percentage of bank loans to moderate-income borrower exceeds the percentage of moderate-income families. More emphasis is given to moderate-income borrowers since low-income borrowers have less discretionary income for home purchase, home improvement, and home refinancing. In addition, the Bank's market shares in the low- income census tracts exceed its overall market share. The moderate-income census tracts are near its overall market share.

FCNB's distribution of home improvement loans by borrower income level is acceptable. The percentage of bank loans to low-income borrowers is somewhat lower than the percentage of low-income families. However, the percentage of bank loans to moderate-income borrower is near to the percentage of moderate-income families. In, addition, the Bank's market shares in the low-income census tracts is near its overall market share. The moderate-income census tracts exceed its overall market share.

FCNB's distribution of home refinance loans by borrower income level is good. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. However, the percentage of bank loans to moderate-income borrower is near to the percentage of moderate-income families. In, addition, the Bank's market shares in the low- and moderate- income census tracts are near its overall market share.

Fayette, Shelby, and Tipton – AA#2

Refer to Table 8, 9, and 10 in Appendix C

FCNB's distribution of home purchase loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers is somewhat lower than the percentage of low-income families. However, the percentage of bank loans to moderate-income borrower exceeds the percentage of moderate-income families. More emphasis is given to moderate-income borrowers since low-income borrowers have less discretionary income for home purchase, home improvement, and home refinancing.

FCNB's distribution of home improvement loans by borrower income level is good. The percentage of bank loans to low- and moderate- income borrowers exceeds the percentage of low- and moderate-income families. However, the Bank's market shares in the low- and moderate-income census tracts are lower than its overall market share (the Bank has no market share in the low- and moderate- income areas).

FCNB's distribution of home refinance loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. However, the percentage of bank loans to moderate-income borrowers is equal to the percentage of moderate-income families. More emphasis is given to moderate-income borrowers since low-income borrowers have less discretionary income for home purchase, home improvement, and home refinancing.

Small Loans to Businesses

Refer to Table 11 in Appendix C.

FCNB's distribution of small loans to businesses with revenues of \$1 million or less is excellent. The percentage of the Bank's small loans to these businesses exceeds the percentage of businesses with revenues of \$1 million or less in the assessment areas. In addition, the Bank's loan market share to businesses with revenues of \$1 million or less exceeds its overall market share.

Small Loans to Farms

Refer to Table 12 in the Appendix C.

FCNB's distribution of small loans to farms with revenues of \$1 million or less is excellent. The percentage of the Bank's small loans to these farms exceeds the percentage of farms with revenues of \$1 million or less in the Bank's assessment areas. In addition, the Bank's loan market share to farms with revenues of \$1 million or less exceeds its overall market share.

Community Development Lending

The following represents community development loans granted since the prior CRA evaluation. Community development (CD) loans are those loans for which the primary purpose meets the definition of community development contained in CRA regulation and have not been considered in the review of small business, small farm, home purchase, home improvement, or home refinancing.

First Citizens performance of providing community development loans in both the Non-MSA and MSA is excellent. The Bank has partnered with various agencies and groups in its assessment areas to provide job creation for low- to moderate- income individuals, affordable housing, and revitalization in distressed and underserved areas. The impact of CD lending on the Bank's AA has been positive.

Dyer, Lauderdale, Obion, and Weakley – AA #1

- ◆ **Port Authority:** FCNB originated a \$250,000 loan June, 2009 to a Regional Port Authority to provide additional development costs for the port. The port authority was created by a joint resolution of the three county legislative bodies consisting of neighboring Lake, Dyer and Obion counties. The purpose of the authority is to develop, construct and operate a shipping port on the Mississippi River in an area known as Cates Landing. The port was formed after several large industries showed interest in establishing factories in the area. On October 15, 2010, Congressman John Tanner announced that the port will receive a federal TIGER grant in the amount of \$13 million to finish construction. When completed, the port will bring up to 2,300 jobs to the region. Ralph Henson, Director of FCNB reported in the State Gazette that he would work with the port and FCNB to increase the line of credit to complete the construction until the grant can be awarded. The development of the port has been primarily leaders of Dyer County, Ralph Henson, FCNB Director, Attorney John Lannom, FCNB Director and Port Authority Chairman. Lake County is designated "distressed and underserved" as well as one of the poorest counties in the nation according to the U.S. Commerce Dept.'s Bureau of economic analysis. There are 3,111 counties in the U.S.; Lake County ranked 32nd from the bottom with a per-capita income of \$16,349.

CD Purpose: Job Creation Low- and Moderate-Income Individuals

Census Tract 9601 - Distressed & Underserved Non-Metropolitan Middle Income Geography.

- ◆ Northwest Tennessee Development District (NWTNDD) and the Northwest Tennessee Human Resource Agency Headquarters (HRA): FCNB provided a loan in the amount of \$1.3 million for the renovations and expansion of the NWTNDD main facility. The improvements will bring the 2 facilities staff together under one roof providing an additional 4,270 square feet. USDA Rural Development is providing a Community Facilities Loan Guarantee to FCNB. NWTDD and HRA is an association of forty-seven municipalities in nine counties organized to advocate and promote economic and community development in the nine county region of Northwest Tennessee (NW TN). These agencies coordinate and administer the State & Federal grant and aid programs aimed to improve the lives of the poor, elderly and mentally challenged residing in NW TN. Additionally, they provide planning activities for area local and county governments as well as provide and qualify local governments for grants to improve municipal infrastructure and industrial development.
Originated 04/25/11
CD Purpose: Construct/Rehabilitate Community Facility that serves primarily low-and moderate-income individuals.
Census Tract 9682 - Distressed Non-Metropolitan Middle Income Geography
- ◆ Industrial Development Board (IDB) of Union City, Obion County: FCNB originated loan in the amount of \$825,000 to the IDB January 23, 2008, as a commitment, then term out for 60 monthly payments beginning September 21, 2009. Purpose for loan was to construction an Ethanol Plant in Obion County (Green Plains Obion, LLC). Cost of construction project is approximately \$180 million assembling a 100 million gallon per year ethanol plant. The funds were used to purchase a “Locomotive” to move railcars for unloading grain on a daily basis. As of November 17, 2009, Green Plains Obion, LLC reported to have 49 employees of which 28 have wages less than 80% of median family income or under \$37,040.00.
CD Purpose: Job Creation Low- and Moderate-Income Individuals.
Census Tract 9654
- ◆ Industrial Development Board of Troy, Obion County: FCNB originated a loan in the amount of \$500,000.00 to the IDB on June 17, 2008, for construction of speculative building to attract new industry. Loan was scheduled 12 months, interest only at 4.50%. Building now leased.
CD Purpose: Job Creation Low- and Moderate-Income Individuals.
Census Tract 9654
- ◆ Affordable Housing to a Nonprofit: FCNB made a loan in the amount of \$56,124.00 to refinance existing debt, make improvements to the facility and provide working capital. In the previous CRA exam period, FCNB assisted this non-profit with the process of attaining 2 grants from the Federal Home Loan Bank of Cincinnati. One grant was used to remodel an existing facility that houses very low income people with mental disabilities. The 2nd grant was used to build a new facility for people with special needs.
CD Purpose: Affordable Housing to a Nonprofit organization Serving Low income persons with mental disabilities.
Census Tract 9644 - Distressed Non-Metropolitan Middle Income Geography
- ◆ Crime Prevention Foundation: FCNB made a \$100,000 loan to provide funding for crime prevention programs to low- and moderate- income residents of nursing homes and HUD multi-family housing complexes in Dyersburg, Dyer County.
CD Purpose: Low- and Moderate-Income Service.
Census Tract 9642 - Distressed Non-Metropolitan Middle Income Geography

Fayette, Shelby, and Tipton – AA#2

- ◆ Community Development Corp.: FCNB originated loan to a CDC in the amount of \$102,810 for new roof on the CDC Office building and to refinance debt from another institution. Established in January 2000, the CDC is a HUD approved non-profit that acts as a revitalization engine for the area. Frayser is a “Renewal Community” and has been designated by the City of Memphis as a “Priority Area.” The CDC recognizes that one of the best ways to combat the increasing foreclosure rates is proactive intervention. The organization initiated financial literacy in its campaign by offering free default counseling, credit counseling, and assistance in refinancing high-risk Adjustable Rate Mortgages. The CDC purchases, renovates, and resells homes, most of which are HUD foreclosures, to low-to-moderate income first-time home buyers. Generally, these homes, if not redeveloped by the CDC are often converted to substandard rental properties which drain existing home owners’ equity and ultimately, the entire community.
CD Purpose: Not-for-Profit Organization serving primarily low-and moderate- income housing or other community development needs.
- ◆ Community Development Corp.: FCNB originated loan to the CDC in the amount of \$58,000 to refinance 2 homes from another institution.
Census Tract - 100.00 Income Level Moderate - County 157 State 47.
CD Purpose: Not-for-Profit Organization serving primarily low-and moderate-income housing or other community development needs.
- ◆ Community Development LLC: FCNB loaned \$1,009,369 to finance a commercial building located in the heart of Frayser (Shelby County). The building previously a Walgreen’s Store will be leased to Dollar General Store. This will contribute to the neighborhood revitalization program including business development and property reuse as well as creating new jobs for local residents. Property is located at 3129 Hwy. 51 North, Memphis 38127. Frayser is a “Renewal Community” and has been designated by the City of Memphis as a “Priority Area”.
CD Purpose: Revitalize LMI Geography.
Census Tract 99.00 Income Level: Moderate
- ◆ Crime Prevention Foundation: FCNB made a \$100 thousand loan to provide funding for crime prevention programs to low- and moderate- income residents of nursing homes and HUD multi-family housing complexes.
CD Purpose: LMI Service.
Census Tract 0407.00

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank’s performance under the Lending Test in the AA # 3 and 4 (limited scope AAs) is consistent with the Bank’s overall “*High Satisfactory*” rating performance under the Lending Test in the AA #1 and 2 (full cope AAs). Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

Flexible Loan Products

First Citizens performance for providing flexible loan products is excellent. Products include various government sponsored loan programs and other specialty designed loan products that help meet the needs of low- to moderate- income individuals and small flexible loan products totaling \$53.9 million representing 303 loans. The following flexible loans were originated by First Citizens during the current evaluation period highlighting the Flexible Loan Products. These loans and amounts are included in the totals stated above.

- ◆ **Federal Home Loan Bank (FHLB) Welcome Home Affordable Housing Program.** First Citizens has participated in the FHLB program since 1998. This loan program is designed to help member institutions create owner-occupied housing opportunities for low- to moderate- income households. Under this program eligible borrowers can receive up to \$5,000 in down payment and closing cost assistance, “Welcome Home AHP grant”. During this evaluation period, 62 loans \$4.7 million were originated under this program with \$274 thousand in AHP grants. Fifty six loans are made in the Non-MSA and 5 loans are made in the MSA. One of the loans is made outside the Bank’s AA. In addition, one recipient received a grant in the amount of \$15 thousand from the THDA/Jackson Center for Independent Living.
- ◆ **United States Department of Agriculture (USDA) Rural Development Guaranteed Housing Program.** FCNB participates in the USDA Rural Development program. To date, the Bank has four loans outstanding totaling \$2.9 million. Three of the four loans have been renewed during this evaluation period. All of the four loans are made within the Non-MSA.
- ◆ **Farm Service Agency (FSA) Guaranteed Loan Program.** The FSA program provides the Bank with some guarantee against loss and thereby allowing the Bank to grant loans to agricultural borrowers that would not normally qualify under the Bank's lending standards. FCNB has participated in the Farm Service Agency Government Guaranteed program for many years providing operating lines, equipment loans etc. to local farmers that would have otherwise been forced out of operation. Since the last CRA examination, the Bank has originated \$9.6 million and renewed a total of \$10.6 million of FSA loans. Twenty nine FSA loans originated in the Non-MSA, while the four originated in MSA.
- ◆ **Small Business Administration**
First Citizens participates in the SBA government guaranteed program. To date, FCNB has 20 loans outstanding totaling \$3.3 million. Nine loans totaling \$5.6 million were originated during this evaluation period. Three of the 9 loans were made in the Non-MSA and four loans were made in the MSA. Two loans were made outside the Bank’s AA.

Product Flexibility

The Bank’s flexible product is the Easy Access Account. This demand deposit account was designed primarily for low-and moderate- income individuals who receive direct deposits from Social Security and Supplementary Income. The account has no monthly service charges.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Investment Test is rated **"High Satisfactory"**. Based on full-scope reviews, the Bank's performance in the Dyer, Lauderdale, Obion, and Weakley Counties (AA #1) and in Fayette, Shelby, and Tipton Counties (AA #2) is good. Performance in the limited scope areas has been similar to the Bank's performance in full scope areas. Total qualifying investments purchased in all of the Bank's AAs during the evaluation period include \$3 million in mortgage backed securities (MBS), \$1.1 million in other bonds, and \$30 thousand total CRA-related grants and donations. The amount of MBS consists of two new issues (\$2.2 million) purchased during the current evaluation period and the residual of an issue (\$800 thousand) from the prior evaluation period. Investments and grants/donations totaled approximately \$4.1 million representing 4.69% of the Bank's capital as of December 31, 2011. Investments and grants/donations totaled \$1.4 million and represented approximately 2.00% of the Bank's capital at the end of the last evaluation period.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the Bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. FCNB's qualifying CD investments are centered in investments and grants/donations with the primary purpose of providing primarily low- and moderate-income individuals with continuing education and other qualifying social services.

- ◆ Since 2001, FCNB has invested in a \$100 thousand bond program. The bond was renewed January 15, 2008, for three years at 4.25%. The Bank and the foundation share equally in the yield on these bonds. The foundation provides funding for local HUD projects, which in turn, provides security services for valuables and personal items of local nursing home residents. The fund also helps maintain a tip hot line for reporting crimes and/or abuses of nursing home residents.
Date: Ongoing since 2001
Purpose: Community service for low-or moderate income people
County 045 State 47 CT 9642
- ◆ FCNB made 4 grants and donations totaling \$30 thousand to non-profit organizations that serve low- and moderate- income individuals and families.
- FCNB has a good level of investments given the investment opportunities noted in Appendix B. Qualified investments consist of four investments totaling approximately \$3.4 million.
- ◆ Mortgage Backed Security: Bond purchased October 12, 2010, in the amount of \$1,172,684.00 secured by 1st. REMs on ten loans with eight loans within the Bank's assessment area. Loans are located in Shelby, Tipton, Fayette and Madison counties. Purpose of the investment is support affordable housing for low to moderate income people.

- ◆ Mortgage Backed Security: Bond purchased October 26, 2010, in the amount of \$1,070,000.00 secured by 1st. REMs on eight loans, with seven loans within the Bank's assessment area. Loans are located in Shelby and Madison counties. Purpose of the investment is support affordable housing for low to moderate income people.

- ◆ Low Income Housing Tax Credit Bond: Bond purchased February 24, 2011, in the amount of \$500,000.00 secured by Apartments in Shelby County consisting of 158 Units. All units have restricted rents at 60% Area Median Income for Low Income Housing Tax Credit. Purpose of the investment is support affordable housing for low- to -moderate income people.

- ◆ FCNB made a \$645,000.00 investment to provide funding for crime prevention programs to low and moderate-income residents of HUD multi-family housing complexes. The investment originated June 30, 2009, to support the low- to -moderate income area.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Service test is rated "**High Satisfactory**". Based on full-scope reviews, FCNB's performance in the Dyer, Lauderdale, Obion, and Weakley Counties (AA #1) and in Fayette, Shelby, and Tipton Counties (AA #2) is good. Performance in the limited scope areas has been similar to the Bank's performance in full scope areas.

The primary delivery system is the Bank's branch network. In addition to its main office located in downtown Dyersburg, TN, FCNB also has 19 branches, 16 of which are full service and the other 3 offer drive through service. FCNB offers a variety of loan and deposit products, which are available at all branches. The availability of these products and services to low- and moderate- income census tracts and to low- and moderate- income individuals is adequate. Alternative delivery systems include ATMs, telephone banking, bank by mail, and Internet banking services. However, little weight was placed on the Bank's alternative delivery systems to assign performance ratings. No data was available to judge the accessibility and effectiveness of these systems in delivering FCNB's products and services to low- and moderate- income census tracts and/or low- and moderate-income individuals. Since the last evaluation, one branch was closed, and one branch was opened. Banking hours are reasonable throughout FCNB's assessment areas. All branches have drive through service and extended hours on Fridays; some are also open a half-day on Saturdays, and most have on-site ATM's. The Bank also has 13 stand-alone ATM's, all of which are located in middle- or upper- income census tracts.

Dyer, Lauderdale, Obion, and Weakley Counties (AA #1)

FCNB branch distribution in this AA provides individuals of different income levels good access to FCNB's products and services. In addition to the main banking office, FCNB has ten full service branches. The main bank office and three branches are located in the City of Dyersburg; three branches are located in Union City; and the remaining four branches are located in the cities of Martin, Newbern, Ripley, and Troy. There are no low- and moderate- income census tracts in this assessment area based on the 2000 census.

Fayette, Shelby, and Tipton Counties (AA #2)

FCNB branch distribution in this AA provides individuals of different income levels good access to FCNB's products and services. The branches in this AA are also reasonably accessible to low- and moderate- income geographies. Although no branches are located in low- and moderate- income tracts, most branches are reasonably accessible to low- and moderate- income census tracts. This AA has eight full service branches. FCNB has two branches located in the City of Munford and one each in the cities of Arlington, Atoka, Bartlett, Collierville, Millington, and Oakland. The Collierville branch opened in 2006.

Community Development Services

FCNB has demonstrated a good level of community development service performance in both its AA's. The level of services provided by the bank community reinvestment purposes has significantly increased since the prior evaluation period. Management has demonstrated a willingness to provide community development services by providing technical assistance to organizations and programs that promote/provide affordable housing, education, and health care services primarily to low- and moderate-income families. FCNB employees provide technical assistance and financial services by serving on boards, committees, or as members of various organizations that provide community service to low- and moderate- income individuals or families. Notable examples of the Bank's participation in community development services are listed below:

Dyer, Lauderdale, Obion, and Weakley Counties (AA #1)

- ◆ Credit/Homeownership Counseling Program: First Citizens Mortgage Loan Processor provides credit counseling for Federal Home Loan Bank affordable housing "Welcome Home" grant recipients. The homebuyers must complete credit/homebuyer counseling in order to qualify for the grant. Topics covered are mortgage financing, credit-worthiness, household budgeting and home maintenance, curriculum from "Realizing the American Dream" Neighbor Works. Attendees are also given computer based CD's provided by FDIC Money Smart. During this review period, FCNB mortgage loan processor has provided counseling for 60 affordable housing grant recipients.
Purpose: Affordable Housing for low-to-moderate income persons
Date: Ongoing
- ◆ Homebuyer Credit Counseling: FCNB Mortgage Lending Officers provide credit counseling to many applicants wanting to buy a home. The lender reviews the customer's credit report with them for any negative items affecting their credit score. Applicants are advised to pull their own credit report through Annual Credit Report.com and contact agencies to dispute or negotiate terms and payment in order to repair their credit.
- ◆ Minority Owned and Operated Home: In the previous CRA exam period, FCNB assisted this non-profit with the process of attaining 2 grants from the Federal Home Loan Bank of Cincinnati. One grant was to construct a triplex to provide housing for six persons with special needs. The second grant was to remodel and improve an existing complex to provide housing for 30 mentally ill persons. During this review period, the non-profit has struggled to maintain full occupancy as required by the FHLB. Also, the 30 unit facility experienced fire damage which caused displacement of all tenants. FCNB Loan Officer, Paul Newbill and the CRA Officer have provided technical assistance to the non-profit. Mr. Newbill helped with a new business plan as well as a loan.
Purpose: Providing Financial Services to a Nonprofit Organization Serving low-income persons with mental disabilities with low-income housing
Date: June 2011
CT 9644 County 45 State 47, Distressed Non-Metropolitan Middle Income Geography
- ◆ Summer Works Program: FCNB participated in the "Summer Works Program" by employing 3 interns. The Summer Works Program was made possible by the stimulus package—American Recovery and Reinvestment Act of 2009. The goal was to engage economically disadvantaged young adults ages 16 to 24 in summer internships in private industry and business and through non-profit organizations. Dyer County had 100 young adults in the program. The goal was to teach

future workforce job readiness skills, work ethic, and the soft skills necessary for success in the workplace. First Citizens also partnered with Dyersburg State Community College by offering free bank accounts for the interns to be paid by Direct Deposit. FCNB opened 200 accounts.

- ◆ Mission: FCNB Officers Rob Kerr and Andrew Harrington both serve on the Mission Board of Directors. The Mission provides assistance to disadvantaged people of all ages and races. The New Life Youth Home was built by the Mission to house children referred through courts in Christian home atmosphere. Other programs include the New Life Youth Camp, a summer program for at-risk kids. Also, a summer program is provided working with at-risk kids. Food services are provided and offered to those in need.
- ◆ Teresa Thomson serves on the Advisory Committee for The Inn Task Force. The mission of this committee is to provide transitional housing for homeless women and children in Dyer County. The organization provides services for the “very low income”. Director of the organization approached FCNB to inquire on a grant through the Federal Home Loan Bank to acquire housing for homeless women and children. Currently a home was donated to the organization.
- ◆ Ronda Heathcott, SVP of Mortgage Lending and Denise Hayes, VP of Mortgage Lending serve on the selection committee for applicants regarding a home building organization.
- ◆ Electronics Benefits Transfer Program: FCNB provides this program for EBT cardholders to access their food stamps and other government assistance from POS devices. They may also access their cash accounts at any FCNB ATM without any surcharge.
- ◆ Easy Access Account: FCNB provides this account for those customers receiving government funding through Social Services and Supplementary Income by direct deposit. The account features no monthly fees.
- ◆ A Local Housing Development Corporation: FCNB helped establish this corporation and provided the seed money to stimulate housing for low- and -moderate income people. The Senior VP and VP of Mortgage Lending serves on the committee providing assistance to clients, lending analysis and financial operations assistance to the corporation.
- ◆ Volunteer Income Tax Preparation Site: First Citizens was instrumental in helping to establish a free income tax preparation site in Dyer County located at the Dyersburg State Community College campus library with the assistance of United Way, Dyersburg State Community College, social service organizations and the IRS. Volunteers had to take tax preparation courses and receive certification of certain levels approved by the Internal Revenue Service. The IRS in collaboration with United Way of West TN and other organizations initiative is to promote increased awareness of the underused Earned Income Tax Credit as a resource to help get money in the hands of working families who are struggling to survive. The overall focus is on long-term results by improving self-sufficiency and help families improve their lives. In order to qualify, applicants have to be low-to moderate income. The VITA site opened Monday and Thursday evenings from 5:00 to 7:30 p.m. thru the tax season. FCNB Employees participated by Filing Tax Returns. 2009 there were 191 filers served
 Amount of Tax Refunds \$281,991.00
 Earned Income Tax Credit claimed \$120,452.00
 2010 there were 219 filers served
 Amount of Tax Refunds \$332,200.00

2011 there were 242 filers served

Amount of Tax Refunds \$414,321.00

Earned Income Tax Credit claimed \$146,718.00

Purpose: Community services targeted to Low-or Moderate Income people

FCNB Employees participated by Filing Tax Returns

- ◆ Financial Literacy Toolkit: FCNB has teamed up with “Teach Bonzai” to provide a financial literacy tool-kit to teachers and students in the bank’s assessment areas. Teachers can go to the Banzai website, order the teaching materials and student handbooks. Each student will register for the class they are in and will go through the handbook guided by the teacher to learn budgeting and financial skills, including the importance of saving. After they complete the course, the student can be reset to use the Banzai toolkit to track their spending plan for years to come. It is all free to the schools provided by FCNB. The supplies are shipped to a FCNB branch in the school’s area and FCNB employees deliver the supplies to the school in order to make connections in the classroom. This service is available to schools in all assessment areas. To date, 1400 financial aid books have been provided to high school and middle school students for 2011/2012 School Year.
- ◆ HOSTS – “Helping One Student to Succeed”: HOSTS is a mentoring program for “at risk” children. As children are screened to begin kindergarten, a lot of them do not have oral language skills, and without those skills they are not ready to read. Various employees participated in the Dyersburg Primary School and Dyersburg Intermediate School program. 69% of the students qualify for the Free Breakfast/Lunch program. Various FCNB Employees from the Dyersburg Locations made 184 contacts helping 191 Children, Grades K-4.
Purpose: Community services targeted to Low or Moderate Income people
Date: 2008, 2009, 2010 & 2011
- ◆ Financial Literacy: Seven FCNB employees participated in six presentations to grades K-6 contacting 295 children at the Dyersburg Primary and Halls Elementary Schools. The program called “Save/Piggy Bank Project” was presented to a total of 295 children. President & CEO Jeff Agee made presentations to both Dyersburg High School and Dyersburg Middle School contacting 140 students with a “Banking” presentation. FCNB employees Pete Hinkel and Heather Wood made a presentation to Dyersburg High School contacting 20 students on “Credit”.
Purpose: Community services targeted to Low-or Moderate Income people
Date: 2010

Fayette, Shelby, and Tipton Counties (AA #2)

- ◆ Bank/Nonprofit Developer Relationships in the New Housing Environment: CRA Officer, Krista Lewis attended a meeting April 26, 2012, host by The Barrett School of Banking, The Community Development Council of Greater Memphis, The Memphis Area Office of the FDIC and the Memphis Branch of the Federal Reserve Bank of St. Louis for a Community Reinvestment Roundtable. Panel discussion included Kathy Cowan of the FRB, Steve Lockwood, Ex. Director, Frayser CDC, Robert Montague, Ex. Director Binghamton Development Corp., and Kim Daugherty, Ex. Director, Friends for Life. Discussion included provision of affordable housing being challenged by the struggling economy. CDC’s are in need of additional funding due to limited grant funds and the need for funding due to high foreclosure rates and homes left abandoned. CRA Officer Lewis discussed with the Frayser CDC director about applying for a grant through the Federal Home Loan Bank of Cincinnati. Lewis provided contact information for the Creating

Homes Initiative Housing Facilitator to provide assistance with the grant application. FCNB will serve as FHLB member pass through for the application.

CT 100.00 Income Level Moderate County 157 State 47

CD Purpose: Not-for-Profit Organizations serving primarily low- and moderate- income housing or other community development needs

- ◆ Bankers Roundtable – Sponsored by Federal Reserve Bank, Memphis Branch: CRA Officer, Krista Lewis attended the Bankers Roundtable on November 29, 2011. Discussion was Community Development Financial Institutions (CDFIs), what they are and what they do. There are several areas in which a bank can assist a CDFI. The bank can provide a service by serving on a Loan Review committee, the bank can provide a loan to the CDFI, or provide an Investment either a grant or a deposit with the institution. CDFIs serve low-income people or work in economically distressed communities helping people who may be under served by traditional financial institutions. As a result, FCNB has been in contact with Pathways Lending, Nashville, Tn.

- ◆ Community Development Corporation: CRA Officer, Krista Lewis attended a meeting in June 2009 held by the Federal Reserve and the OCC regarding the Neighborhood Stabilization Program. The grant was authorized under the Housing and Economic Recovery Act and will be administered by THDA. The purpose of the grant is to stabilize communities suffering from foreclosures and abandonment. \$3.92 billion was approved to states and selected local governments. The funds are to be used to purchase and rehabilitate foreclosed properties, demolish blighted structures, and redevelop demolished or vacant properties. The funds can also be used as a financing mechanism. The Frayser CDC was recommended by the OCC Community Development Specialist, Karol Klim. The Bank contacted Steve Lockwood, Director of the CDC and expressed the Bank's interest in partnering with the CDC. After meeting with Mr. Lockwood, he indicated a need for a line of credit to purchase inventory. The CDC was approved for \$2.4 million NSP funds. As a result an operating line in the amount of \$500,000.00 was established to purchase foreclosures in Frayser to be repaid by the NSP. Established in January 2000, the Frayser CDC is a HUD approved non-profit that acts as a revitalization engine for the area. Frayser is a "Renewal Community" and has been designated by the City of Memphis as a "Priority Area". Frayser CDC recognizes that one of the best ways to combat the increasing foreclosure rates is proactive intervention. The organization initiated financial literacy in its campaign by offering free default counseling, credit counseling, and assistance in refinancing high-risk Adjustable Rate Mortgages. Frayser CDC purchase, renovates, and resells homes, most of which are HUD foreclosures, to low-to-moderate income first-time home buyers. Generally, these homes, if not redeveloped by Frayser CDC are often converted to substandard rental properties which drain existing home owners' equity and ultimately, the entire community.

CT 100.00 Income Level Moderate County 157 State 47

CD Purpose: Not-for-Profit Organizations serving primarily low- and moderate- income housing or other community development needs

- ◆ Community Development Corporation: In August 2010, FCNB Board Chairman Katie Winchester and CRA Officer Krista Lewis met with the Executive Director of a CDC to discuss how the Bank could assist them in their endeavors. Also, attending the meeting was CDC's Chief Financial Officer. The Executive Director presented the Bank a list of the CDC's "Highest Credit Priorities". As a result of the meeting, the following was approved:

- 1) THDA Build Loan refinance- **\$68,000**
- 2) Home roof- **\$36,000**
- 3) CDBG Rental Development- up to **\$160,000**
- 4) CHDO- **\$50,000.**

- ◆ Nelson Williams, Community Bank President of the Millington Branch is the Loan Officer in charge of coordinating the loan process. The first loan originated in the amount of \$102,810.05 to put a new roof on the CDC's Office building and refinance existing debt with Commercial Bank and THDA. The existing debt was encumbered by not only Commercial Bank and THDA, but also the City of Memphis grant program. Mr. Williams served many hours helping Mr. Lockwood and the CFO work through getting all liens released in order to make the new loan. Mr. Williams provided financial assistance to the CDC in the loan process.
CT 100.00 Income Level Moderate County 157 State 47
Date: 2010 & 2011
CD Purpose: Not-for-Profit Organizations serving primarily low- and moderate- income housing or other community development needs
- ◆ In June, 2011, Loan Officer Williams helped with a second loan to the CDC in the amount of \$58,000.00 to refinance 2 mortgages from Hope Credit Union. The properties had City of Memphis Grant liens which Mr. Williams has worked with the CDC and the City of Memphis to subordinate to allow FCNB in 1st position.
- ◆ Development Corporation (DC): DC is committed to reversing the neighborhood's declining homeownership level as well as addressing vacant and blighted properties. Being located 8 miles from downtown Memphis and located between Summer and Poplar Avenues. DC builds new houses and renovates dilapidated housing for new homeowners. In July 2009, FCNB offered at public auction approximately 30 rental units as a result of foreclosure. DC approached the bank of their interest in 3 of the properties. Due to the timing of the NSP I grant, DC asked that the Bank buy the properties back in and hold to allow funding of the NSP. The 3 properties were held in OREO until their purchase in November 2009.
Purpose: Affordable Housing for low-to-moderate income persons
CT's for Properties Purchased: MSA 32820 State 47 County 157 CTs 27.00 and 28.00
- ◆ Volunteer Income Tax Preparation Site. First Citizens was instrumental in helping to establish a free income tax preparation site at the Dyersburg State Community College, Covington, Tipton County Campus with the assistance of United Way, Dyersburg State Community College, social service organizations and the IRS. Volunteers had to take tax preparation courses and receive certification of certain levels approved by the Internal Revenue Service. The IRS in collaboration with United Way of West TN and other organizations initiative is to promote increased awareness of the underused Earned Income Tax Credit as a resource to help get money in the hands of working families who are struggling to survive. The overall focus is on long-term results by improving self-sufficiency and help families improve their lives. In order to qualify, applicants had to be low-to moderate income. The VITA site opened 1:00-4:00 Monday thru Wednesday and 4:00-5:00, 6:30-8:30 Tuesday and Thursday.
- ◆ The college provided the computers for the VITA Site and the IRS provided the training, software and manuals. In 2009 there were 187 filers served.
Amount of Tax Refunds: \$235,534.00.
Amount of Earned Income Tax Credits claimed \$116,083.00.
Purpose: Community services targeted to Low-or Moderate Income people
- ◆ Electronic Benefits Transfer Program. FCNB provides this program for EBT cardholders to access their food stamps and other government assistance from POS devices. They may also access their cash accounts at any FCNB ATM without any surcharge.

Purpose: Community services targeted to Low-or Moderate Income people

Date: Ongoing

- ◆ Easy Access Account. FCNB provides this account for those customers receiving government funding through Social Services and Supplementary Income by direct deposit. The account features no monthly fees.

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 metropolitan and non-metropolitan areas 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”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/2007 to 12/31/2011 Investment and Service Tests and CD Loans: 01/01/2007 to 12/31/2011	
Financial Institution	Products Reviewed	
FCNB Dyersburg, Tennessee	Small business, small farm, residential, consumer and community development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Dyer, Lauderdale, Obion, and Weakley Counties (AA #1)	Full Scope	
Fayette, Shelby, and Tipton Counties (AA #2)	Full Scope	
Madison and Gibson Counties (AA #3)	Limited Scope	
Part of Williamson County (including Franklin, TN) (AA #4)	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Dyer Lauderdale Obion and Weakley TN AA

Demographic Information for Full Scope Area: Dyer Lauderdale Obion and Weakley TN AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	0.00	84.85	15.15	0.00
Population by Geography	131,725	0.00	0.00	83.58	16.42	0.00
Owner-Occupied Housing by Geography	34,686	0.00	0.00	81.81	18.19	0.00
Business by Geography	12,459	0.00	0.00	80.29	19.71	0.00
Farms by Geography	970	0.00	0.00	82.78	17.22	0.00
Family Distribution by Income Level	36,136	19.52	16.72	21.47	42.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,098	0.00	0.00	86.64	13.36	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		36,945 45,400 17%	Median Housing Value Unemployment Rate (2011 US Census)		66,274 13.01%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Out of FCNB's four separate assessment areas (AA), the Non-MSA (AA #1) consists of Dyer, Lauderdale, Obion, and Weakley Counties in Northwest TN. A majority of the community services were completed in the assessment area one (AA #1).

Based on the 2010 census, there are 33 census tracts (CTs) in the FCNB Non-MSA AA with 28 designated as middle-income and five upper-income areas. The MSA AA has 81 census tracts with one low-income CT, 12 moderate-income CTs, 32 middle-income CTs, and 36 upper-income CTs. The Jackson AA consist of 24 CTs with five low-income CTs, two moderate-income CTs, four middle-income CTs and 10 upper-income CTs. The Franklin, TN AA consists of one moderate-income CT, one middle-income CT, and 12 upper-income CTs. Agriculture represents a significant factor in the Bank's Non-MSA AA. Dyer County alone has about 80% of its land devoted to agricultural production, and farming is its major industry.

Shelby Fayette Tipton TN AA

Demographic Information for Full Scope Area: Shelby Fayette Tipton TN AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	81	1.23	14.81	39.51	44.44	0.00
Population by Geography	415,116	0.50	17.37	35.64	46.50	0.00
Owner-Occupied Housing by Geography	112,623	0.29	12.85	34.50	52.36	0.00
Business by Geography	47,110	0.16	9.51	32.38	57.95	0.00
Farms by Geography	1,320	0.08	5.45	51.14	43.33	0.00
Family Distribution by Income Level	114,984	15.30	13.64	19.31	51.75	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	33,281	1.07	33.87	44.30	20.75	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		46,771 58,300 9%	Median Housing Value Unemployment Rate (Department of Labor 2011 Avg.)		123,189 9.90%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

Out of FCNB's four separate assessment areas (AA), the Memphis Metropolitan Statistical Area (MSA) 32820 (AA #2) consists of Shelby County (excluding the City of Memphis), Fayette County, and Tipton County. Shelby, Fayette, and Tipton counties are contiguous. A majority of the community services were completed in the assessment area one (AA#1).

Based on the 2010 census, there are 33 census tracts (CTs) in the FCNB Non-MSA AA with 28 designated as middle-income and five upper-income areas. The MSA AA has 81 census tracts with one low-income CT, 12 moderate-income CTs, 32 middle-income CTs, and 36 upper-income CTs. The Jackson AA consist of 24 CTs with 5 low-income CTs, 2 moderate-income CTs, 4 middle-income CTs and 10 upper-income CTs. The Franklin, TN AA consists of one moderate-income CT, one middle-income CT, and 12 upper-income CTs. Agriculture represents a significant factor in the Bank's Non-MSA AA. Dyer County alone has about 80% of its land devoted to agricultural production, and farming is its major industry.

Appendix C: Tables of Performance Data

Content of Standardized 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 loans are treated as originations/purchases and market share is the number of loans originated and purchased by the Bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the Bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the Bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and -6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the Bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the Bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - 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. The table also presents market share information based on the most recent aggregate market data available. Because small farm data is not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the Bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the Bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the Bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the Bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the Bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the Bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the Bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Tables of Performance Data

The following pages include the tables of Performance Data.

Table 1. Lending Volume

LENDING VOLUME		Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area (2011):	% of Rated Area Loans (#), in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Dyer Lauderdale Obion and Weakley TN AA	80.28	2,313	204,597	3,413	249,102	2,096	156,263	0	0	7,822	609,962	64%
Shelby Fayette Tipton TN AA	17.95	792	119,431	832	90,151	125	14,969	0	0	1,749	224,551	34%
Limited Review:												
Williamson County TN AA	0.68	12	4,075	54	6,154	0	0	0	0	66	10,229	2%
Madison Gibson TN AA	1.10	41	5,612	60	15,850	6	444	0	0	107	21,906	0%

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2007 to December 31, 2011.

*** Deposit Data as of June 15, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#), in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle **		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:														
Dyer Lauderdale Obion and Weakley TN AA	34.09	0	0	0	0	0	0	15	151	0	0	0	0	64%
Shelby Fayette Tipton TN AA	34.09	0	0	0	0	0	0	15	94	0	0	0	0	34%
Limited Review:														
Williamson County TN AA	18.19	0	0	0	0	0	0	8	140	0	0	0	0	2%
Madison Gibson TN AA	13.63	0	0	0	0	0	0	6	171	0	0	0	0	0%

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2007 to December 31, 2011.

*** Deposit Data as of June 15, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 31, 2011		Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO DECEMBER							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	1,182	73.83	0.00	0.00	0.00	0.00	81.81	64.97	18.19	35.03	14.19	0.00	0.00	11.57	21.74
Shelby Fayette Tipton TN AA	387	24.17	0.29	0.00	12.85	1.81	34.50	59.95	52.36	38.24	0.75	0.00	0.66	2.09	0.34
Limited Review:															
Williamson County TN AA	6	0.37	0.00	0.00	5.28	0.00	6.74	33.33	87.99	66.67	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	26	1.62	9.39	0.00	10.21	7.69	30.19	7.69	50.21	84.62	0.30	0.00	0.00	0.00	0.43

* Based on 2010 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 31, 2011		Geography: FIRST CITIZENS NB								Evaluation Period: JANUARY 1, 2007 TO DECEMBER					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	325	88.56	0.00	0.00	0.00	0.00	81.81	68.31	18.19	31.69	29.00	0.00	0.00	25.79	43.90
Shelby Fayette Tipton TN AA	40	10.90	0.29	0.00	12.85	2.50	34.50	82.50	52.36	15.00	0.75	0.00	0.00	1.04	0.56
Limited Review:															
Williamson County TN AA	1	0.27	0.00	0.00	5.28	0.00	6.74	0.00	87.99	100.00	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	1	0.27	9.39	0.00	10.21	0.00	30.19	0.00	50.21	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2011			Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	787	67.21	0.00	0.00	0.00	0.00	81.81	63.66	18.19	36.34	10.83	0.00	0.00	8.51	16.67
Shelby Fayette Tipton TN AA	365	31.17	0.29	0.00	12.85	4.66	34.50	67.95	52.36	27.40	0.66	0.00	0.94	1.83	0.26
Limited Review:															
Williamson County TN AA	5	0.43	0.00	0.00	5.28	0.00	6.74	20.00	87.99	80.00	0.01	0.00	0.00	0.00	0.02
Madison Gibson TN AA	14	1.20	9.39	0.00	10.21	7.14	30.19	21.43	50.21	71.43	0.22	0.00	0.00	0.00	0.31

* Based on 2010 Peer Mortgage Data (USPR)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2011		Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	19	100.00	0.00	0.00	0.00	0.00	74.40	63.16	25.60	36.84	0.00	0.00	0.00	0.00	0.00
Shelby Fayette Tipton TN AA	0	0.00	0.00	0.00	35.78	0.00	28.70	0.00	35.52	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Williamson County TN AA	0	0.00	0.00	0.00	2.30	0.00	14.00	0.00	83.69	0.00	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	0	0.00	24.47	0.00	7.38	0.00	37.64	0.00	30.51	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2011			Geography: FIRST CITIZENS NB								Evaluation Period: JANUARY 1, 2007 TO				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	3,413	78.30	0.00	0.00	0.00	0.00	80.29	63.29	19.71	36.71	43.46	0.00	0.00	38.73	60.53
Shelby Fayette Tipton TN AA	832	19.09	0.16	0.00	9.51	2.04	32.38	56.49	57.95	41.47	1.79	0.46	0.49	3.38	1.65
Limited Review:															
Williamson County TN AA	54	1.24	0.00	0.00	5.57	7.41	7.16	7.41	87.27	85.19	0.24	0.00	0.00	0.13	0.28
Madison Gibson TN AA	60	1.38	12.60	13.33	9.64	0.00	29.80	26.67	47.96	60.00	0.92	0.00	0.00	0.75	1.49

* Based on 2010 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2011		Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	2,096	94.12	0.00	0.00	0.00	0.00	82.78	64.41	17.22	35.59	65.57	0.00	0.00	60.10	82.39
Shelby Fayette Tipton TN AA	125	5.61	0.08	0.00	5.45	0.00	51.14	87.20	43.33	12.80	27.78	0.00	0.00	37.10	9.09
Limited Review:															
Williamson County TN AA	0	0.00	0.00	0.00	1.50	0.00	10.04	0.00	88.46	0.00	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	6	0.27	5.95	0.00	3.97	0.00	24.21	0.00	65.87	100.00	16.77	0.00	0.00	23.30	5.26

* Based on 2010 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2011		Geography: FIRST CITIZENS NB								Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	1,182	73.83	19.52	6.50	16.72	19.75	21.47	22.74	42.28	51.01	14.66	8.80	12.71	12.24	19.31
Shelby Fayette Tipton TN AA	387	24.17	15.30	9.55	13.64	21.79	19.31	28.06	51.75	40.60	0.81	1.18	1.07	0.77	0.61
Limited Review:															
Williamson County TN AA	6	0.37	7.53	0.00	9.38	0.00	14.72	16.67	68.37	83.33	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	26	1.62	21.38	3.85	14.85	23.08	19.53	23.08	44.23	50.00	0.33	0.00	0.69	0.32	0.21

* Based on 2010 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 5.9% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2011		Geography: FIRST CITIZENS NB								Evaluation Period: JANUARY 1, 2007 TO DECEMBER					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ²	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	325	88.56	19.52	8.22	16.72	12.83	21.47	19.41	42.28	59.54	28.83	23.33	22.92	29.55	33.00
Shelby Fayette Tipton TN AA	40	10.90	15.30	7.50	13.64	12.50	19.31	32.50	51.75	47.50	0.81	2.08	0.00	2.44	0.00
Limited Review:															
Williamson County TN AA	1	0.27	7.53	0.00	9.38	0.00	14.72	0.00	68.37	100.00	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	1	0.27	21.38	0.00	14.85	0.00	19.53	100.00	44.23	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 5.7% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2011			Geography: FIRST CITIZENS NB						Evaluation Period: JANUARY 1, 2007 TO						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Dyer Lauderdale Obion and Weakley TN AA	787	67.21	19.52	5.98	16.72	12.23	21.47	21.28	42.28	60.51	12.40	9.64	10.14	11.45	13.70
Shelby Fayette Tipton TN AA	365	31.17	15.30	4.21	13.64	13.20	19.31	28.37	51.75	54.21	0.83	1.85	1.05	1.06	0.68
Limited Review:															
Williamson County TN AA	5	0.43	7.53	0.00	9.38	20.00	14.72	20.00	68.37	60.00	0.02	0.00	0.00	0.00	0.02
Madison Gibson TN AA	14	1.20	21.38	0.00	14.85	7.14	19.53	14.29	44.23	78.57	0.27	0.00	0.50	0.00	0.33

* Based on 2010 Peer Mortgage Data (USPR)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.8% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2011			Geography: FIRST CITIZENS NB			Evaluation Period: JANUARY 1, 2007 TO			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Dyer Lauderdale Obion and Weakley TN AA	3,413	78.30	72.66	83.53	81.34	12.83	5.83	43.46	58.07
Shelby Fayette Tipton TN AA	832	19.09	69.57	82.21	75.24	11.66	13.10	1.79	4.69
Limited Review:									
Williamson County TN AA	54	1.24	67.33	98.15	66.67	22.22	11.11	0.24	0.66
Madison Gibson TN AA	60	1.38	69.42	65.00	53.33	6.67	40.00	0.92	1.42

* Based on 2010 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.05% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 31, 2011		Geography: FIRST CITIZENS NB			Evaluation Period: JANUARY 1, 2007 TO DECEMBER				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of *** Farms	% BANK **** Loans	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Dyer Lauderdale Obion and Weakley TN AA	2,096	94.12	98.87	94.13	77.77	15.17	7.06	65.57	66.06
Shelby Fayette Tipton TN AA	125	5.61	96.52	85.60	61.60	24.00	14.40	27.78	31.08
Limited Review:									
Williamson County TN AA	0	0.00	97.22	0.00	0.00	0.00	0.00	0.00	0.00
Madison Gibson TN AA	6	0.27	96.83	100.00	83.33	16.67	0.00	16.77	15.50

* Based on 2010 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2011		Geography: FIRST CITIZENS NB				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,			
Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Dyer Lauderdale Obion and Weakley TN AA	1	100	4	30	5	130	3	0	0
Shelby Fayette Tipton TN AA	1	821	4	2,887	4	3,708	85	0	0
Limited Review:									
Williamson County TN AA	0	0	0	0	0	0	0.00	0	0
Madison Gibson TN AA	0	0	1	501	1	501	12	0	0

* 'Prior Period Investments' means investments made in a previous 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.