



LARGE BANK

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

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First Citizens National Bank
Charter Number: 5263**

**200 West Court Street
Dyersburg, TN 38024**

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 Community Reinvestment Act (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	First Citizens National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
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 in both assessment areas.
- FCNB’s overall distribution of home mortgage loans by income level of geographies for 2001 and 2002 is adequate for the Non-MA area.
- FCNB’s overall distribution of small loans to businesses by income level of geographies for 2001 and 2002 is excellent for the Non-MA.
- FCNB’s overall distribution of small farms loans by income level of geographies for 2001 and 2002 is excellent for the Non-MA
- FCNB’s distribution of home mortgage loans by borrower income level is excellent for the Non-MA area and good for the MA area.
- FCNB’s distribution of small businesses by borrower income level is excellent in both assessment areas.
- FCNB’s distribution of small farms by borrower income level is excellent in both assessment areas.

- FCNB's distribution of consumer loans by borrower income level is excellent in both assessment areas.
- FCNB's level of investments and grants/donations is adequate given its size, resources, and opportunities in the assessment areas.
- FCNB's level of service is adequate. FCNB'S branch network is reasonably accessible to low-and moderate-income geographies and individuals of different income levels.

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 (AA).

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan 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 (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

CRA: The statute that requires the Office of the Comptroller of the Currency (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 household 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 or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan 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, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100% 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% of the area median income, or a median family income that is less than 5%, 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.

MA: Any Primary Metropolitan Area (PMA), MA or Consolidated Metropolitan Area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

Moderate-Income: Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand 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 more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.

Description of Institution

FCNB is an intrastate bank headquartered in Dyersburg (Dyer County), TN. Dyersburg has a population of about 18,000 people according to the 2000 census, and is approximately 60 miles north of Memphis, TN. First Citizens Bancshares, Inc., a financial holding company, owns FCNB.

At the June 18, 2001, CRA examination, FCNB's AA was the three contiguous counties of Dyer, Lauderdale, and Obion. The bank opened a branch in Martin (Weakley County), TN, on February 22, 2002. FCNB currently operates full-service commercial banking business at 11 branches in the four contiguous counties of Dyer, Lauderdale, Obion and Weakley. On June 16, 2003, Munford Union Bank was merged into FCNB. Munford Union Bank had one branch in each of the following cities: Atoka, Bartlett, and Millington and two branches in Munford. On December 1, 2003, FCNB opened a branch in Arlington (Shelby County), TN. On July 7, 2004, FCNB opened a branch in Oakland (Fayette County), TN. FCNB currently operates seven full service branches in northern Shelby County, Fayette County, and Tipton County. Shelby, Fayette, and Tipton counties are contiguous and are included in the Memphis MA. For this examination, northern Shelby County (excluding the City of Memphis), and Fayette and Tipton Counties will be designated as the FCNB Memphis MA AA. Dyer, Lauderdale, Obion and Weakley Counties will be designated as the FCNB Non-MA AA.

Based on the 2000 census, the FCNB Memphis MA AA has 57 Census Tracts (CT) with one low-income CT, 11 moderate-income CTs, 32 middle-income CTs, and 13 upper-income CTs. There are 34 BNAs in the FCNB Non-MA AA with 29 designated as middle-income and five upper-income areas. Based on 1990 census, there were 33 BNAs in the FCNB Non-MA AA with three designated as moderate-income, 20 designated as middle-income, and 10 designated as upper-income. Agriculture represents a significant factor in the bank's Non-MA AA. Dyer County alone has about 68% of its land devoted to agricultural production, and farming is its major industry.

Approximately 75% of FCNB's deposits are in the Non-MA area, with 25% of the deposits in the Memphis MA, based on June 30, 2004, Federal Deposit Insurance Corporation (FDIC) Deposits Report. In Dyer County, FCNB has 62% of the total deposits. FCNB is ranked as the largest depository institution in the Non-MA, with over 24% of the AA total deposits. FCNB is ranked 4th in the Memphis MA with about 9% of the deposits.

FCNB's lending activities are primarily in 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, 2004 Report of Condition and Income is as follows:

Loan Category	\$ (000)	%
Commercial Real Estate Loans	242,517	45%
Residential Real Estate Loans	177,950	34%
Commercial Loans	76,477	14%
Consumer Loans	38,550	7%
	535,494	100%

Source: 12/31/2004 Call Report

Table 1

While loan dollar volume is centered in commercial and residential real estate loans, consumer loans comprised the largest number of loan originations during the evaluation period. As of December 31, 2004, the bank had total assets of \$772 million, Tier 1 capital of \$74 million or 8%, and Tier 1 risk-based capital of 11%.

FCNB has five subsidiaries; however, the bank did not request consideration of their activities in the evaluation of its performance. The activities of the subsidiaries consist of: brokerage, investments, insurance related products, credit insurance, and real estate participation interests.

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 June 18, 2001 CRA performance evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This examination covers FCNB's lending performance from January 1, 2001 to December 31, 2004, for the Non-MA area and from June 16, 2003 to December 31, 2004, for the Memphis MA area. Small business and small farm loans were reviewed for these time periods. 2004 was the first full year for FCNB to have branches in an MA, which required reporting home loans under the HMDA. However, FCNB has been collecting HMDA information since the 2001 CRA examination, and the bank's activity concerning home loans were reviewed and evaluated for 2001 through 2004. Motor vehicle and other secured and unsecured consumer loans were also reviewed for 2001 through 2004, as management chose to include these loans in the bank's performance evaluation. Activities from June 19, 2001 to March 21, 2005, were reviewed for Community Development Lending, the Investment Test, and the Service Test.

Data Integrity

A Data Integrity examination was conducted in August 2004 to determine the accuracy of FCNB's HMDA, small business, small farm, and Community Development (CD) loan data. A sample was reviewed of loans that the bank reported for the years 2003 and 2004. The data and the bank's internal controls were found to be reliable. Also, a small sample of CD services and investments were reviewed and were found to meet the regulatory definition.

Selection of Areas for Full-Scope Review

FCNB has two AAs. For this examination, Shelby (excluding the City of Memphis), Fayette, and Tipton Counties will be designated as the FCNB Memphis MA AA. Dyer, Lauderdale, Obion, and Weakley Counties will be designated as the FCNB Non-MA AA. Shelby, Fayette, and Tipton counties are contiguous and are included in the Memphis MA; and, Dyer, Lauderdale, Obion, and Weakley are contiguous with no low- or moderate-income areas based on the 2000 census. Please refer to Appendix A for more information on the two AAs.

Ratings

The bank's overall rating is based on two assessment areas: the Dyer, Lauderdale, Obion, and Weakley Counties Non-MA AA; and the Fayette, Shelby, and Tipton Counties Memphis MA AA. However, more weight is given to the Non-MA area where 75% of the bank's deposits are held. Approximately 25% of FCNB's deposits are in the Memphis MA AA with most of deposits held in the former Munford Union Bank. FCNB has been in the Memphis MA market for only one and one-half years.

Other

Two community contacts were conducted during this examination, one in the Non-MA area and one in the MA area. Contacts were made with the executive directors of local business groups. The contacts stated that area banks are satisfactorily meeting the basic credit needs of the community.

Fair Lending Review

An analysis of recent HMDA and small business lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination was not warranted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in February 1998.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "**High Satisfactory.**" Based on full-scope reviews of the FCNB Non-MA and FCNB'S Memphis MA area, the bank's performance is considered to be good. Overall lending performance is good in the FCNB Non-MA area and adequate in the FCNB Memphis MA area. Lending performance in the Non-MA area was given the most weight due to the high loan volume.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity. Based on current OCC procedures, Appendix C reflects only 2004 results. Results for 2001-2003 are explained in the narratives.

FCNB's responsiveness to the credit needs in both assessment areas is good. FCNB is the dominant lender in the Dyer, Lauderdale, Obion, and Weakley Non-MA AA. Approximately 81% of the bank's loans evaluated for CRA are in this market. The bank's volume of loans to small businesses, including those secured by real estate, home mortgage loans, and loans to small farms is good. During this period, the loan-to-deposit ratio has remained relatively stable, averaging 90%.

Dyer, Lauderdale, Obion, and Weakley Non-MA AA:

Loan volume in this AA is excellent. The bank has 24% of the deposit market share in Dyer, Lauderdale, Obion, and Weakley Non-MA and ranks first in this market. FCNB was not required to collect HMDA data until 2004, and therefore has no market share for home loans. FCNB's loans market share was ranked 1st in 2003. FCNB had a 27% market share for small loans to businesses, and a 49% market share for small loans to farms. Market share data for 2004 is not yet available.

Fayette, Shelby, and Tipton MA AA:

Loan volume in this AA is adequate. FCNB entered this AA on July 2003 when the Munford Union Bank, Munford, TN, was merged with the bank. Fayette, Shelby, and Tipton MA AAs account for approximately 19% of the bank's loans for the reporting period. In 2003, FCNB's market share for small loans to businesses ranked 94th. Market share data for 2004 is not yet available.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans for the Non-MA area was performed only for 2001 and 2002, based on 1990 census. There were no low- and moderate-income areas in the Non-MA area for 2003 and 2004 based on the 2000 census. The geographic distribution of loans for the MA area is for 2003 and 2004.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

FCNB's overall distribution of home mortgage loans by income level of geographies for 2001 and 2002 is adequate for the Non-MA area, and poor for 2003 and 2004 in the Memphis MA area. More weight was placed on performance in the Non-MA AA given the bank's deposit market share and the relatively recent entry in the Memphis MA AA.

Non-MA

FCNB's home purchase lending is adequate for 2001 and 2002. The percentage of home purchase loans to moderate-income BNAs is somewhat lower than the percent of owner-occupied units.

FCNB's home improvement lending is excellent for 2001 and 2002. The percentage of home improvement loans exceeds the percent of owner-occupied units.

FCNB's home refinance lending is adequate for 2001 and 2002. The percentage of refinance loans in the moderate-income BNAs is somewhat lower than the percent of owner-occupied units.

MA

FCNB's home purchase lending is poor for 2003 and 2004. The percentages of home purchase loans to low- and moderate-income CTs are lower than the percent of owner-occupied units.

FCNB's home improvement lending is very poor for 2003 and 2004. The percentages of home improvement loans to low- and moderate-income CTs are significantly below the percent of owner-occupied units.

FCNB's home refinance lending is poor for 2003 and 2004. The percentages of refinance loans in the to low- and moderate-income CTs are lower than the percent of owner-occupied units.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

FCNB's overall distribution of small loans to businesses by income level of geographies for 2001 and 2002 is excellent for the Non-MA area, and poor for 2003 and 2004 in the MA area.

Non-MA

The geographic distribution of small loans to businesses is excellent. FCNB's small business lending in moderate-income BNAs is lower than the percentage of small businesses located in moderate-income BNAs. However, the bank's market share in the moderate-income BNAs exceeds its overall market share.

MA

The geographic distribution of small loans to businesses is poor for 2003 and 2004. FCNB's small business lending in the low- and moderate-income CTs is lower than the percentage of small businesses located in low- and moderate-income CTs. In addition, the bank's market shares in the low- and moderate-income CTs are lower than its overall market share for 2003.

Small Loans to Farms

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

FCNB's overall distribution of small farms loans by income level of geographies for 2001 and 2002 is excellent for the Non-MA area, and poor for 2003 and 2004 for the MA area.

Non-MA

The geographic distribution of small loans to farms is excellent. FCNB's small farm lending in moderate-income BNAs is near to the percentage of small farms located in moderate-income BNAs. In addition, the bank's market share in the moderate-income BNAs exceeds its overall market share.

MA

The geographic distribution of small loans to farms is very poor. There were no farm loans made in low- and moderate-income CTs in the MA area. However, all but one of the low- and moderate-income CTs are in Shelby County, which has limited areas for farm use.

Consumer Loans

Refer to Table 12 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

FCNB's distribution of consumer loans (motor vehicle, other secured and unsecured) by income level of geographies is poor for both assessment areas.

Non-MA

The percentage of FCNB's consumer lending in the moderate-income BNAs is lower than the percentage of households in those BNAs.

MA

The percentages of FCNB's consumer lending in the low and moderate-income CTs are significantly lower than the percentages of households in those CTs.

Lending Gap Analysis

The 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 (89%) of the bank's overall lending activity during this evaluation period was within its AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Home loan originations and purchases in the AA represent 90% of the bank's total home loan originations and purchases during the evaluation period. Of the total small loans to businesses, 89% were made within the bank's AAs. Small farm loans within the AAs constitute 84% of the total small farm lending activity during the evaluation period.

Distribution of Loans by Income Level of the Borrower

The review of FCNB's distribution of loans by income level of the borrower was performed for 2001 through 2004 for the Non-MA AA, and for 2003 and 2004 for the MA AA. Market share for small business and small farms are for 2001 through 2003 for the Non-MA AA, and 2003 for the MA AA.

Home Mortgage Loans

Refer to Tables 7, 8, and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

FCNB's distribution of home mortgage loans by borrower income level is excellent for the Non-MA area and good for the MA area.

Non-MA

FCNB's distribution of home purchase 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 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 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 borrower exceeds the percentage of moderate-income families.

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 borrower exceeds the percentage of moderate-income families.

MA

FCNB's distribution of home purchase 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 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 poor. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. The percentage of bank loans to moderate-income borrower is lower than the percentage of moderate-income families.

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.

Small Loans to Businesses

Refer to Table 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FCNB's distribution of small businesses by borrower income level is excellent for both assessment areas.

Non-MA

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 bank's AA. In addition, the bank's loan market share to businesses with revenues of \$1 million or less exceeds its overall market share.

MA

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 bank's AA. 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 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

FCNB's distribution of small farms by borrower income level is excellent for the Non-MA area and for the MA area.

Non-MA

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 AA. In addition, the bank's loan market share to farms with revenues of \$1 million or less exceeds its overall market share.

MA

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 AA. In addition, the bank's loan market share to farms with revenues of \$1 million or less exceeds its overall market share.

Consumer Loans

Refer to Table 12 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

FCNB's distribution of consumer loans by borrower income level is excellent in both AAs.

Non-MA

FCNB's distribution of consumer loans to borrowers of different income levels is excellent. The percentage of loans to low-income borrowers is near to the percentage of low-income households. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income households.

MA

FCNB's distribution of consumer loans to borrowers of different income levels is excellent. The percentages of loans to both low- and moderate-income borrowers exceed the percentages of both low- and moderate-income households.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community Development Loans

The following chart represents community development loans granted since the prior CRA evaluation. Community development 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. FCNB has an adequate level of community development loans in both the Non-MA and MA areas. During the evaluation period, FCNB made 10 community development loans totaling \$2,008,144.

Non-MA

Apostolic Faith Church, Dyersburg, TN: FCNB made a \$50 thousand construction and long-term mortgage loan to provide affordable housing to low- and moderate-income mental health patients.

Apostolic Nehemiah Day Home, Dyersburg, TN: FCNB made a \$106 thousand bridge loan to rehabilitate a facility for approximately 30 low- and moderate-income mental health patients.

B and B Partners, Dyersburg, TN: FCNB made a \$300 thousand loan to construct Section 8 housing for low- and moderate-income families.

Heaven Sent Christian Childcare Center, Ripley, TN: FCNB made a \$118 thousand construction and long-term mortgage loan, which was also subsidized by Federal funds, to provide qualifying child-care and other social services for low- and moderate-income families.

Professional Counseling Service for Independent Living, Covington and Ripley, TN: FCNB made a \$98 thousand bridge loan to construct affordable housing for low- and moderate-income individuals with physical and mental disabilities.

Senior Housing Crime Prevention Foundation, Dyersburg, TN: FCNB made a \$100 thousand loan commitment to provide funding for crime prevention programs to low- and moderate-income residents of HUD multi-family housing complexes.

MA

Billy Wayne Hubbard, Brighton, TN: FCNB made two construction loans totaling \$187 thousand to provide affordable housing to low- and moderate-income families.

Senior Housing Crime Prevention Foundation, Covington, TN: FCNB made a \$100 thousand loan commitment to provide crime prevention programs for low- and moderate-income nursing home residents. This nursing home is located in a moderate-income census tract in the Memphis MA.

The Crossing on Overton, Memphis, TN: FCNB made a \$950 thousand loan to purchase and rehabilitate an affordable housing apartment complex located in a moderate-income CT.

Product Innovation and 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 **"Low Satisfactory."** Based on full-scope reviews, the bank's performance in the Non-MA is adequate. The bank's performance in the Memphis MA is adequate.

Refer to Table 13 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. Investment activity in the Non-MA carry the most weight since most of the bank's deposits are in the Non-MA and the bank has only recently entered the Memphis MA.

Non-MA

FCNB has an adequate level of investments in the Non-MA given the investment opportunities noted in Appendix B. Qualified investments consist of seven investments and grants/donations totaling \$134 thousand. These investments are responsive to the identified needs in this market and help provide a variety of services to low- and moderate-income individuals such as affordable housing, continuing education, and other qualifying social services.

Dyersburg State Community College, Dyersburg, TN: FCNB donated \$14 thousand to the school's Upward Bound scholarship program, which provides scholarship funds primarily to local low- and moderate-income families.

Dyer County Literacy, Dyersburg, TN: FCNB donated \$8 thousand to the "Families First" program, which provides continuing education services to local low- and moderate-income individuals to help them earn their General Education Diplomas.

Habitat for Humanity, Dyersburg, TN: FCNB donated \$2 thousand towards construction of a local, single-family residence to be occupied by a qualifying low- or moderate-income family.

Pearlie Qualls Scholarship, Dyersburg State Community College, Dyersburg, TN: FCNB donated \$1 thousand to this scholarship fund, which provides scholarship funds primarily to local low- and moderate-income families.

Senior Housing Crime Prevention Foundation, Memphis, TN: Since 2001, FCNB has invested in three-year, 4%, \$100 thousand in a bond program. The bank and the foundation share equally in the yield on these bonds. The foundation provides funding for local HUD projects, which in turn, provide security services for valuables and personal items of local nursing home residents. The fund also helps maintain a “tips hot line” for reporting crimes and/or abuses of nursing home residents.

Tennessee Tech Center, Dyersburg, TN: FCNB donated \$3 thousand to be used by Tennessee Tech Center to provide primarily low- and moderate-income families with financial assistance toward continuing education.

Union City Rotary, Union City, TN: FCNB donated \$6 thousand to be used by Union City Rotary to provide primarily low- and moderate-income families with scholarship funds for their continuing education.

MA

Although FCNB has a low level of qualified investments in the Memphis MA, they are considered to be adequate based on the bank’s market share and recent entry into this market. The bank also plans to increase its investment in this market and is reviewing the opportunities in the AA.

Celebrate Munford, Munford, TN: FCNB donated \$3 thousand to Celebrate Munford scholarship fund, which benefits Munford High School graduates, based on financial need. This scholarship fund primarily benefits low-and moderate-income families.

Dyersburg State Community College, Covington, TN (DSCC). FCNB donated \$2 thousand to DSCC to provide scholarships based on financial need. This scholarship fund primarily benefits low-and moderate-income families.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the Service Test is rated “**Low Satisfactory.**” Based on full-scope reviews, FCNB’s performance in the Non-MA is adequate and their performance in the Memphis MA is also adequate. More weight was given to the Non-MA to assign these ratings given FCNB’s relative market share between the two AAs and recent entry into the Memphis MA.

Retail Banking Services

The primary delivery system is the bank’s branch network. In addition to its main office located in downtown Dyersburg, TN, FCNB also has 17 branches, all of which are full

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 CTs 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 CTs and/or low- and moderate-income individuals. Since the last evaluation, no branches were closed, three branches were opened, and five branches were acquired. Banking hours are reasonable throughout FCNB's AA. All branches have drive through service, on-site ATM's, extended hours on Fridays, and are also open a half-day on Saturdays.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Non-MA

FCNB branch distribution in this AA provides individuals of different income levels reasonable 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 CTs in this AA based on the 2000 census. The Martin branch was opened in this AA during this evaluation period.

MA

FCNB branch distribution in this AA provides individuals of different income levels reasonable 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 CTs, most branches are reasonably accessible to low-and-moderate-income census tracts. This AA has seven full service branches. FCNB has two branches located in the City of Munford, and one each in cities of Arlington, Atoka, Bartlett, Millington, and Oakland. All of these branches were either acquired or opened during this evaluation period. Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Community Development Services

FCNB has demonstrated an adequate level of community development service performance in both its AAs. 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. Examples of the bank's participation in community development services are listed below:

Non-MA

Credit/Ownership Counseling Program, Dyersburg, TN: This program provides counseling for Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP) recipients. The program stresses the importance of maintaining good credit, budgeting, home maintenance, and the mortgage loan process. As a requirement of the FHLB "Welcome Home" AHP program, borrowers must complete the homeownership counseling program. FCNB officers, along with a representative from the County Agriculture Extension Office, provide credit and homeownership counseling and training. In addition, the FCNB offered this program to other customers applying for assistance through Dyer County Housing Development Corporation and Habitat for Humanity.

Dyer County Housing Development Corporation (CDC), Dyersburg, TN: This organization's purpose is to provide low- and moderate-income individuals with access to affordable housing. FCNB has helped establish this corporation by providing start up funds. The bank has two mortgage department lenders that provide lending assistance to clients, lending analysis, and financial operations assistance to the CDC.

Dyer County Community Housing, Inc., Dyersburg, TN. This is a nonprofit organization that provides affordable housing for local disabled and/or elderly individuals. FCNB officers provide technical assistance to this organization.

FHLB of Cincinnati-Welcome Home Program, Dyer and Obion Counties: This program provides affordable home ownership opportunities for low-to-moderate-income individuals. Eligible persons can receive up to \$7 thousand for a down payment and closing costs on home purchases. FCNB officers promote this program by providing technical assistance to qualified potential homeowners.

FHLB of Cincinnati-Pass Through Grants Program, Dyer County: This program provides funding to organizations to be used for affordable housing and other qualified social services primarily to low- and moderate-income individuals. FCNB officers promote this program by providing technical expertise through helping qualified organizations obtain grants through this program. During this evaluation period, FCNB has helped organizations for people with special needs obtain grants totaling \$829 thousand for the purpose of providing affordable housing for low- and moderate-income individuals with physical and mental disabilities.

Habitat for Humanity Selection Committee/Affordable Housing Application, Dyersburg, TN: The Selection Committee is responsible for selecting qualified potential homeowners based on their level of need, willingness to become partners in the program, and ability to repay the loan. Bank officers provide technical assistance in the form of underwriting services during the selection process.

Money Smart, Dyersburg, TN: This is a training program developed by the FDIC to help primarily low- and moderate-income individuals develop personal money management skills. FCNB entered into a partnership with the Dyer County Agricultural Extension service to teach “Borrowing Basics” and “Check it Out” classes to Families First students, a Welfare to Work program.

Senior Housing Crime Prevention Foundation, Memphis, TN: This non-profit corporation’s mission is to reduce crime against nursing home residents in Dyer County. An FCNB officer provides technical assistance to this organization.

MA

FCNB has demonstrated adequate performance in providing community development services in the Memphis MA. Although FCNB’s level of CD services is low in the Memphis MA, it is considered adequate given the bank’s market share and recent entry into this market. Management is actively seeking opportunities to increase FCNB’s CD services in this market.

Professional Counseling Services (PCS). PCS is a nonprofit community health center serving West Tennessee. This program is designed to create housing for low-income individuals. FCNB provided technical expertise by helping PCS obtain a \$35 thousand Federal Home Loan Bank grant. Also, FCNB officers serve as members of the start up of the building project in Mason, TN.

Heart to Heart Crises Pregnancy Center, Munford, TN: This organization provides education, health benefits, and other qualified social services primarily to low- and moderate-income individuals. An FCNB officer provides technical assistance to this organization and serves as a board member.

Munford Methodist Church Summer Camp Fund: This fund provides childcare/summer camp services primarily to low- and moderate-income families. FCNB officers provided technical expertise by helping with fund raising activities for this organization.

Lions Club Eye Glasses/Vision Drive, Atoka, Millington, and Munford, TN: This organization provides eyeglasses and health care/eye examinations primarily to low- and moderate-income individuals. FCNB provides technical assistance by participating in eye screenings at local schools.

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): (01/01/2001 to 12/31/2004) Investment and Service Tests and CD Loans: (06/18/2001 to 03/21/2005)	
Financial Institution	Products Reviewed	
First Citizens National Bank (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
FCNB Non-MA AA	Full-Scope	Dyer, Lauderdale, Obion, and Weakley Counties
FCNB Memphis MA AA	Full-Scope	Fayette, Shelby, and Tipton Counties

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Dyer, Obion, Lauderdale, and Weakley Counties Non-metropolitan Area	B-2
Fayette, Shelby, and Tipton Counties Memphis Metropolitan Area	B-4

(Dyer, Lauderdale, Obion, and Weakley Counties Non-metropolitan Area)

FCNB NonMA 2004

Demographic Information for Full Scope Area: FCNB NonMA 2004						
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	6,695	0.00	0.00	77.82	22.18	0.00
Farms by Geography	707	0.00	0.00	83.59	16.41	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 2004 Households Below Poverty Level		36,945 41,900 16.74%	Median Housing Value Unemployment Rate January 2005 Dyer County Lauderdale County Obion County Weakley County		72,746 7.4% 10.5% 8.1% 6.9%	

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

Source: 2000 US Census and 2004 HUD updated MFI

The FCNB Non-MA AA consists of four contiguous counties in Northwest Tennessee: Dyer, Lauderdale, Obion, and Weakley. Based on the 2000 census, there are 34 BNAs in the Non-MA AA with 29 designated as middle-income (85%) and five designated as upper-income (15%). Based on 1990 census, there were 33 BNAs in the Non-MA AA with three designated as moderate-income (9%), 20 designated as middle-income (61%), and 10 designated at upper-income (30%).

There are 10 other financial institutions in the FCNB's Non-MA AA operating 60 offices. Based on the June 2004 market share report data from the FDIC, the bank holds 24% of the total deposits of all reporting banks in the AA. In Dyer County, FCNB ranks 1st in market share with 62% of total deposits. Its deposit market share in Obion County is 17% and its deposit market share in Lauderdale County is 8%. FCNB ranks last in Weakley County, which was added to its Non-MA AA in 2002, with a deposit market share of 4%.

All four counties have unemployment rates higher than the 6.6% of the State of Tennessee as of January 2005, with Lauderdale County the highest at 10.5%, Obion County at 8.1%, Dyer County at 7.4%, and Weakley County at 6.9%. The January 2004 unemployment rates were as follows: Lauderdale County at 14.5%, Obion County at 7.6%, Dyer County at 6.6%, and Weakley County at 7.8%.

A substantial portion of the Non-MA's economy and land use is still centered in agriculture. The labor force in the Non-MA is mostly distributed among agriculture, manufacturing, trade transportation, utilities, and government service.

To determine credit needs within the AA and community development opportunities, a representative within the community was contacted and the Internet was utilized to research information. Based on these resources, there are limited investment opportunities in the bank's AA.

(Fayette, Shelby and Tipton Counties Memphis Metropolitan Area)

FCNB 2004 Memphis MA

Demographic Information for Full Scope Area: FCNB 2004 Memphis MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	57	1.75	19.30	56.14	22.81	0.00
Population by Geography	292,177	0.70	23.73	50.64	24.93	0.00
Owner-Occupied Housing by Geography	75,694	0.43	18.37	51.33	29.86	0.00
Business by Geography	12,819	0.20	16.65	52.79	30.37	0.00
Farms by Geography	585	0.00	9.57	70.77	19.68	0.00
Family Distribution by Income Level	79,850	19.88	16.81	22.49	40.81	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	29,302	1.22	37.32	50.32	11.14	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below Poverty Level		46,771 52,500 14.80%	Median Housing Value Unemployment Rate January 2005 Fayette County Shelby County Tipton County		103,070 9.1% 7.3% 7.8%	

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

Source: 2000 US Census and 2004 HUD updated MFI

The FCNB Memphis MA AA consists of three contiguous counties: Fayette, Shelby (excluding the City of Memphis), and Tipton. Based on the 2000 census, the FCNB Memphis MA AA has 57 CTs with one low-income CT (2%), 11 moderate-income CTs (19%), 32 middle-income CT's (56%), and 13 upper-income CT's 23%).

There are 26 other financial institutions in the FCNB'S Memphis MA AA operating 98 offices. Based on the June 2004 market share report data of the FDIC, the bank holds only 9% of the total deposits of all reporting banks in the AA. FCNB deposit market share in Fayette County is less than 1%, with about 10% deposit market share in northern Shelby County (excluding the City of Memphis), and about 16% deposit market share in Tipton County.

All three counties in the bank's Memphis MA have unemployment rates higher than the 6.6% of the State of Tennessee as of January 2005, with Fayette County the highest at 9.1%, Tipton County at 7.8%, and Shelby County at 7.3%. The unemployment rates as of January 2004 for Fayette County was 8.3%, Tipton County was 8.0%, and Shelby County was 6.4%. The non-farm work force is comprised primarily of trade, transportation, utilities, government, and professional and business services.

To determine credit needs within the AA and community development opportunities, a representative within the community was contacted. Due to its recent entry into this market, the bank has a relatively low level of investments in this AA. However, the bank plans to increase its investment in this AA in the future.

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: 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. 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. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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 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 6. 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 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. 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 8. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 10. 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 11. 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 12. 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 13. 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. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: TENNESSEE												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004												
MA/Assessment Area (2004):	% 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:												
FCNB 2004 Memphis MA	12.35	149	17,410	99	6,932	18	1,212	3	1,156	266	25,554	24.92
FCNB NonMA 2004	87.65	684	53,343	798	50,999	405	26,444	7	852	1,887	130,786	75.08

* Loan Data as of December 29, 2004. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from June 19, 2001 to March 21, 2005.

*** Deposit Data as of June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME														
Geography: TENNESSEE														
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004														
MA/Assessment Area (2004):	% 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:														
FCNB 2004 Memphis MA	7.88	237	2,156	0	0	0	0	60	735	0	0	81	1,028	24.92
FCNB NonMA 2004	92.12	2,770	22,575	0	0	0	0	581	7,643	0	0	569	5,839	75.08

* Loan Data as of December 29, 2004. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

*** Deposit Data as of June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME				
Geography: TENNESSEE				
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004				
MA/Assessment Area (2004):	Other Unsecured Consumer Loans*		Other Optional Loans*	
	#	\$ (000's)	#	\$ (000's)
Full Review:				
FCNB 2004 Memphis MA	96	393	0	0
FCNB NonMA 2004	1,620	9,093	0	0

* The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															
Geography: TENNESSEE															
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004															
MA/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	Overall	Low	Mod	Mid	Upp
Full Review:															
FCNB 2004 Memphis MA	55	14.51	0.43	0.00	18.37	7.27	51.33	72.73	29.86	20.00	0.00	0.00	0.00	0.00	0.00
FCNB NonMA 2004	324	85.49	0.00	0.00	0.00	0.00	81.81	63.27	18.19	36.73	0.00	0.00	0.00	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
Geography: TENNESSEE															
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004															
MA/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	Overall	Low	Mod	Mid	Upp
Full Review:															
FCNB 2004 Memphis MA	8	11.94	0.43	0.00	18.37	0.00	51.33	75.00	29.86	25.00	0.00	0.00	0.00	0.00	0.00
FCNB NonMA 2004	59	88.06	0.00	0.00	0.00	0.00	81.81	66.10	18.19	33.90	0.00	0.00	0.00	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															
Geography: TENNESSEE															
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004															
MA/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:															
FCNB 2004 Memphis MA	86	22.22	0.43	0.00	18.37	5.81	51.33	66.28	29.86	27.91	0.00	0.00	0.00	0.00	0.00
FCNB NonMA 2004	301	77.78	0.00	0.00	0.00	0.00	81.81	73.42	18.19	26.58	0.00	0.00	0.00	0.00	0.00

* The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

** 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.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004									
MA/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 Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
FCNB 2004 Memphis MA	99	11.04	0.20	0.00	16.65	3.03	52.79	59.60	30.37	37.37	0.00	0.00	0.00	0.00	0.00	
FCNB NonMA 2004	798	88.96	0.00	0.00	0.00	0.00	77.82	66.67	22.18	33.33	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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 (2003).

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004				
MA/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:																								
FCNB 2004 Memphis MA	18	4.26	0.00	0.00	9.57	0.00	70.77	94.44	19.66	5.56	0.00	0.00	0.00	0.00	0.00									
FCNB NonMA 2004	405	95.74	0.00	0.00	0.00	0.00	83.59	60.49	16.41	39.51	0.00	0.00	0.00	0.00	0.00									

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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 (2003).

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004					Market Share [*]				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
FCNB 2004 Memphis MA	55	14.51	20.20	5.45	17.02	30.91	22.69	10.91	40.08	52.73	0.00	0.00	0.00	0.00	0.00	
FCNB NonMA 2004	324	85.49	19.53	5.97	16.73	19.81	21.48	26.42	42.25	47.80	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by bank.

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

^{****} 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.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004									
MA/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 ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid
Full Review:																
FCNB 2004 Memphis MA	8	11.94	20.20	0.00	17.02	0.00	22.69	25.00	40.08	75.00	0.00	0.00	0.00	0.00	0.00	0.00
FCNB NonMA 2004	59	88.06	19.53	11.86	16.73	18.64	21.48	16.95	42.25	52.54	0.00	0.00	0.00	0.00	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

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

^{****} 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.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004									
MA/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 ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp	
Full Review:																
FCNB 2004 Memphis MA	86	22.22	20.20	10.59	17.02	15.29	22.69	21.18	40.08	52.94	0.00	0.00	0.00	0.00	0.00	
FCNB NonMA 2004	301	77.78	19.53	7.51	16.73	14.33	21.48	21.16	42.25	57.00	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} As a percentage of loans with borrower income information available. No information was available for 2.3% of loans originated and purchased by bank.

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

^{****} 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.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TENNESSEE			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004				
MA/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:									
FCNB 2004 Memphis MA	99	11.04	63.95	80.81	81.82	12.12	6.06	0.00	0.00
FCNB NonMA 2004	798	88.96	64.94	85.46	85.46	9.65	4.89	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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 - 2004).

^{****} 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 0.00% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TENNESSEE			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004				
MA/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 \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
FCNB 2004 Memphis MA	18	4.26	89.57	94.44	83.33	11.11	5.56	0.00	0.00
FCNB NonMA 2004	405	95.74	94.06	97.04	79.01	16.79	4.20	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

^{**} 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 - 2004).

^{****} 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 12. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																		
Geography: TENNESSEE																		
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 29, 2004																		
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
Full Review:																		
FCNB 2004 Memphis MA	237	7.88	0.54	0.00	24.03	2.11	50.95	78.48	24.48	19.41	20.76	23.63	15.45	23.63	19.86	18.99	43.92	30.38
FCNB NonMA 2004	2,770	92.12	0.00	0.00	0.00	0.00	82.94	71.34	17.06	28.66	25.17	15.92	14.60	22.38	17.49	24.48	42.74	34.08

* Consumer Loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

** Percentage of households is based on 2000 Census Information.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS Geography: TENNESSEE Evaluation Period: JANUARY 1, 2001 TO DECEMBER 29, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
FCNB 2004 Memphis MA	0	0	0	0	2	5	3.60	0	0
FCNB NonMA 2004	0	0	0	0	7	134	96.40	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.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: TENNESSEE																		
Evaluation Period: JUNE 19, 2001 TO DECEMBER 29, 2004																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																		
FCNB 2004 Memphis MA	24.92	7	38.89	0.00	0.00	57.14	42.86	7	0	0	0	4	3	0.70	23.73	50.64	24.93	
FCNB NonMA 2004	75.08	11	61.11	0.00	0.00	54.55	45.45	2	0	0	0	2	0	0.00	0.00	83.58	16.42	