



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

May 8, 2000

Community Reinvestment Act Performance Evaluation

**First National Bank of Pulaski
Charter Number: 14619**

**206 First Street
Pulaski, Tennessee 38478**

Office of the Comptroller of the Currency

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **First National Bank of Pulaski** prepared by the **Office of the Comptroller of the Currency (OCC)** the institution's supervisory agency, as of **May 8, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) Affordable 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.

Community Reinvestment Act (CRA) 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.

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

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 statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

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

Low-Income- Income levels that are less than 50% of the median family income.

Median Family Income (MFI) The median income determined by the United States 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 Statistical Area (MSA) Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income -Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income -Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital- The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income- Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

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

Performance Levels	First National Bank of Pulaski 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:

- y Lending levels exhibit good responsiveness to assessment area credit needs.
- y A substantial majority of FNB's loans were made in its assessment area.
- y Good distribution of loans among borrowers of different income levels.
- y The level of qualified investments was good, given the bank's size and opportunities available in its assessment area.
- y FNB's service delivery systems are accessible to individuals of different income levels in its assessment area. It provided few community development services.

Description of Institution

FNB of Pulaski (**FNB**) is an independent retail bank with its main office in Pulaski, Tennessee. FNB is a wholly owned subsidiary of First Pulaski National Corporation, and an affiliate of Heritage Financial Services, a finance company operating in Giles County, Tennessee. As of March 31, 2000, the bank reported total assets of \$286 million.

FNB is an intrastate bank with six full service offices located in Giles and Lincoln Counties in Tennessee. These offices serve the two counties and five census tracts in northern Alabama closest to the two branches near the border of Tennessee. The bank also opened a mortgage office in July 1998, to better serve FNB Pulaski's mortgage customers. The office originates mortgage loans for sale to the secondary market.

The bank offers various loan and deposit products. As of March 31, 2000, net loans represent 60% of total assets and consist of commercial and commercial real estate loans (35%), residential real estate loans (25%), consumer loans (19%), farm and agricultural loans (17%), and others (4%.) The bank primarily focuses on small business and residential real estate loans. It makes available various business loans, including loans insured by Farmers Home Administration or guaranteed by the Small Business Administration. In addition to conventional home mortgage loans, the bank is an originating agent for the Tennessee Housing Development Authority affordable housing program and processes Veteran's Administration (VA) and Federal Housing Authority (FHA) loans.

The bank received a "Satisfactory" rating in its CRA evaluation dated March 30, 1998. There are no legal, financial, or other factors impeding FNB's ability to help meet the credit needs in its assessment area (AA). As of March 31, 2000, the bank's Tier 1 risk based capital to risk weighted assets equals 16% and Tier 1 leverage capital equals 12%.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period under the lending test covers FNB's performance from January 1, 1998 to December 31, 1999. We reviewed small business and small farm loans. We also evaluated the bank's home purchase and home refinance loans under its residential lending. At the bank's option, we did not review home improvement loans, as these loans are reported under FNB's consumer loans. The bank reports its home loans under the Fair Housing Home Loan Data System. For the investment and service tests, we reviewed activities from January 1, 1998 to May 8, 2000.

Data Integrity

We tested the accuracy of the 1998 and 1999 small business and small farm data in January 2000. We found the data to be reliable. Since the bank is not a HMDA reporter and does not analyze its mortgage loans, we selected a sample of residential loans to test accuracy of the data as reported in the bank's residential loan origination report for 1998 and 1999. The data was reliable. Thus, in assessing FNB's overall residential loan performance, we used the results of the sample to perform our analysis.

We also found the information for the Investment and Service Tests to be accurate. This evaluation is based on accurate data.

Selection of Areas for Full-Scope Review

The bank has only one AA and it received a full-scope review. The AA consists of the contiguous counties of Giles and Lincoln, in Tennessee, and the five census tracts in the Huntsville, Alabama MSA, closest to the bank's branches located nearest the Tennessee/Alabama border. The Ardmore branch directly faces the Tennessee/Alabama state line and the Park City branch lies 25 miles north of Madison County, Alabama. The inclusion of the five census tracts does not extend substantially beyond the state of Tennessee. The bank does not have any branch in Alabama. The designated AA is where FNB derives the substantial majority of its deposits and makes a significant volume of its loans. Please refer to Appendix A for more information on this AA receiving the full-scope review.

Ratings

The bank's overall rating is based on the full-scope review of the Pulaski AA.

When determining conclusions for the Lending Test, small business and small farm loans were weighted more heavily than home mortgage products. With regard to home mortgage loans, home purchase and home refinance were evenly weighted and were based on the sample tested. (Because the bank is a non-HMDA reporter, market share data is not available.)

This weighting activity reflects FNB's loan volume by product type over the evaluation period. These loans were also identified as primary credit needs within the community.

We placed emphasis on the bank's lending performance to borrowers of different income levels and did not consider lending to geographies of different income categories. The bank's AA lacks distinctly identifiable geographies as it consists only of middle-income and upper-income geographies.

Fair Lending Review

A concurrent fair lending review did not identify any violations of the substantive provisions of antidiscrimination laws and regulations. Since the bank did not have any sufficient number of prohibited bases group denials or approvals for home mortgage loans, we chose to review auto loans. We compared female approvals to male approvals for purchase money using auto loans made from December 1999 to May 2000.

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 the full-scope review, the bank's performance in the Pulaski AA is good.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Overall lending levels reflect good responsiveness to meeting credit needs in the bank's AA. During the evaluation period, 49% of the loans originated were small loans to businesses. Small loans to farms and home mortgage loans represent 27% and 24%, respectively, of the loans originated during the period under evaluation.

The bank holds an average deposit market share of 30% in the two Tennessee counties comprising the major portion of its AA. The Federal Deposit Insurance Corporation market share report, dated June 30, 1999, ranks FNB 1st in Giles County with a deposit market share of 41%, substantially ahead of a regional bank (20%). FNB ranks 2nd in Lincoln County, behind a state bank whose deposit market share of 37% is twice that of FNB's (18%). Deposit market share was unavailable in Limestone and Madison Counties (in the Huntsville MSA of Alabama), as the bank does not have any branch in those locations.

Based on 1998 CRA aggregate data, FNB ranks 2nd in small loans to businesses (12%) in its AA. It ranks significantly behind a regional bank with a 28% lender's market share. However, FNB's loan market share is almost twice that of a large

bank (7%), which ranks 3rd. Further, FNB's average loan size is \$38 thousand, compared to \$76 thousand and \$128 thousand of the banks that were ranked #1 and #3, respectively.

On small loans to farms, FNB ranks 1st with an overall loan market share of 39%. It outranked the 27% market share of the regional bank that was ranked 1st in small business loans, and the 19% share of a large bank. FNB's average loan size for small farm loans is \$26 thousand, compared to \$39 thousand of the regional bank and the \$13 thousand of the large bank.

Distribution of Loans by Income Level of the Geography

We did not consider the overall distribution of loans by income level of the geography since the bank's AA does not consist of distinctly identifiable geographies.

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.

Analysis of geographic distribution is not meaningful, as the bank's AA does not consist of distinctly identifiable geographies.

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.

Analysis of geographic distribution is not meaningful, as the bank's AA does not consist of distinctly identifiable geographies.

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.

Analysis of geographic distribution is not meaningful, as the bank's AA does not consist of distinctly identifiable geographies.

Lending Gap Analysis

We reviewed the bank's maps and the lending activity reports covering the evaluation period for home mortgage loans and small loans to businesses to identify gaps in the geographic distribution of those loans. We did not identify unexplained conspicuous gaps.

Inside/Outside Ratio

A substantial majority of the bank's loans were made in its AA. Overall, 92% of FNB's loan originations were within the AA. By loan product, 89% of small business loans, 92% of small farm loans, and 94% of home loans were inside the AA.

Distribution of Loans by Income Level of the Borrower

In arriving at our conclusion, we weighted small business and small farm loans more heavily than home mortgage loans, based on the volume of the originations during the evaluation period.

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.

The analyses were based on a sample as discussed under "Data Integrity."

Home Purchase Loans

The overall distribution of ***home purchase loans*** by income level of the borrower was good. The bank's percent of home purchase loans to low-income borrowers was lower than the percent of low-income families residing in the AA. The percent of home purchase loans to moderate-income borrowers exceeded the percent of moderate-income families residing in the AA.

Refinanced Loans

The overall distribution of ***refinanced loans*** was adequate. The bank's percent of refinanced loans to low-income borrowers was significantly lower than the percent of low-income families residing in the AA. The percent of refinanced loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA.

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.

The overall distribution of ***small loans to businesses*** by income level was good. FNB's percent of small loans to businesses (businesses with annual revenues \$1 million dollars or less) was near the percentage of small businesses in the AA. The portion of loans \$100,000 or less exceeded the portion of small businesses in the AA. The market share of small loans to businesses equaled the market share of loans to all businesses.

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 businesses.

The overall distribution of ***small loans to farms*** was adequate. The bank's percentage of small loans to farms was lower than the percent of small farms in the bank's AA. The portion of loans \$100,000 or less exceeded the percentage of small farms in the AA. The bank's market share of small loans to farms was lower than its market share to all farms.

Community Development Lending

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

The bank did not have any loans that would qualify as community development loans. The loans FNB originated under the THDA (Tennessee Housing Development Authority) program had community development characteristics; however, these were already considered in the evaluation of home mortgage loans.

Product Innovation and Flexibility

FNB does not offer innovative or flexible loan products targeted to low- or moderate-income individuals.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Pulaski AA is good.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, FNB made five investments totaling \$1.1 million. This volume of investments is high given the limited CD opportunities in the AA. The bank's size also limits it from developing such opportunities. FNB's major investment, identified as a need in the community, allowed the recipient to leverage on the funds to provide additional home loans to more low- and moderate-income borrowers of the community. The investment is not routinely provided by private investors, in light of the specific income level backing the particular investment security.

The following discusses the bank's investments in its AA:

Countrywide Securities Corporation The bank invested in a \$1.1 million investment security backed by mortgage loans to low- and moderate-income borrowers. The investment benefits the broader statewide area of Tennessee, which includes the bank's AA.

Habitat for Humanity FNB donated a piece of land in the Meadowbrook

Subdivision, worth \$6 thousand, where a home will be built for a low- or moderate-income family. This organization focuses on housing issues for low- or moderate-income families.

Target Association FNB made two separate donations to this nonprofit organization. The organization's primary purpose is to counsel and assist low- and moderate-income families on their housing needs. The main source of funding of the organization is from community contributions.

Community Development Corporation of North Pulaski The bank made grants to this corporation's fund raising activity. The corporation's mission is to attack poverty by creating new employment opportunities and increase opportunities for home ownership by low income persons.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Pulaski AA is good.

Retail Banking Services

Refer to Table 13 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.

The bank's delivery systems are accessible to individuals of different income levels in its AA. The percentage of FNB's branches in middle-income tracts is near the population in these tracts and near the percentage of low- and moderate-income families residing in these tracts. The percentage of its branches in the upper-income tracts exceeds the percentage of low- and moderate-income families residing in these tracts. FNB has not opened or closed any branch during the period under review. However, a mortgage office was opened in July 1998 to better serve the bank's mortgage customers.

Banking hours and services offered throughout the AA are adequate. Banking hours and services provided Monday through Friday are supplemented by Saturday hours at three of the five branches. One branch provides full service on Saturdays

due to the expressed desire of the community. To accommodate the request of workers, two branches located in the industrial area open early on Fridays.

FNB has Automated Teller Machines (ATMs) at all branch locations, providing an alternative delivery system. The bank did not have any information on the impact of this service to low- and moderate-income individuals. Thus, we did not place significant weight on the alternative delivery system when drawing conclusions for the AA under the Service Test.

Community Development Services

FNB's performance in providing community development services to its AA is adequate. Its services center on the fund raising assistance it provided to the Target Association. On numerous occasions during the evaluation period, FNB assisted in fund raising campaigns of the Target Association. Further, the association used the banking facilities to conduct its campaigns. This association provides counseling and assistance to low- and moderate-income individuals in acquiring their home. It also assists low- and moderate-income minorities in getting college scholarships.

Other services the bank has provided are the following:

Habitat for Humanity -A loan officer assists in the review of applicants for affordable housing. This organization is primarily concerned with housing issues for low- and moderate-income individuals.

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 nonmetropolitan areas that received comprehensive examination review (designated by the term Δ Full-Scope Δ) and those that received a less comprehensive review (designated by the term Δ Limited-Scope Δ).

Time Period Reviewed	Lending Test: January 1, 1998 to December 31, 1999 Investment Test: January 1, 1998 to May 8, 2000 Service Test: January 1, 1998 to May 8, 2000	
Financial Institution	Products Reviewed	
First National Bank of Pulaski (FNB) Pulaski, Tennessee	Home mortgage loans, small loans to businesses and farms.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Pulaski AA	Full-Scope	AA consists of the contiguous counties of Giles and Lincoln in Tennessee, and 5 census tracts in Limestone and Madison counties in the Huntsville MSA of Alabama.

Appendix B: Market Profiles for Full-Scope Areas

Pulaski AA - Combined Giles and Lincoln Counties, TN and five Census Tracts in Limestone and Madison Counties, in Huntsville MSA of Alabama

Demographic Information for Full-Scope Area: Pulaski AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	21	0%	0%	90%	10%	0%
Population by Geography	85,745	0%	0%	88%	12%	0%
Owner-Occupied Housing by Geography	24,821	0%	0%	88%	12%	0%
Businesses by Geography	2809	0%	0%	85%	15%	0%
Farms by Geography	390	0%	0%	94%	6%	0%
Family Distribution by Income Level	25,217	22%	18%	23%	37%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	25,217	0%	0%	90%	10%	0%
Median Family Income HUD Adjusted Median Family Income for 1999 Households Below the Poverty Level	= \$ 27,963 = \$ 41,100 = 27%	Median Housing Value Unemployment Rate				= \$49,598 = 4%

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

Source: 1990 U. S. Census and 1999 HUD updated MFI.

The bank operates in the entire counties of Giles and Lincoln, Tennessee, comprising of 16 block numbering areas. In light of the location of its Ardmore and Park City Offices, the bank's operations extend to the five census tracts in the Huntsville, Alabama MSA. The Ardmore branch faces the Tennessee/Alabama state line and obtains significant credit applications from two census tracts in Limestone County, AL. The Park City branch lies 25 miles north of Madison County, AL and serves two census tracts. The bank's operations do not extend substantially beyond the state boundary, nor does it exclude any low- or moderate-income geography close to these branches. Further, the bank does not have any branches in Alabama; thus its AA complies with the regulation. The AA the bank serves does not have any low- or moderate-income geographies.

According to the FDIC market share information dated June 30, 1999, the bank holds 41% and 18% deposit market shares in Giles County and Lincoln County, respectively. It ranks 1st in Giles County with four offices (excluding the mortgage

office), ahead of a regional bank, who holds a 20% deposit market share with three offices. Ranked 3rd is an Alabama state bank with 11% market share on two offices. In Lincoln County, the bank ranks second to a state bank that garnered 37% deposit market share with its four offices. FNB considers these banks as its major competitors. However, these banks are significantly larger than FNB in asset size.

Tennessee has a low cost of living and a high quality of life, according to Standard and Poor's 1998 Regional Review. Unemployment in the bank's AA is almost equal the US average and higher than the state average. The unemployment rate for both Giles and Lincoln Counties, based on information from the TN Department of Labor and Workforce Development, stood at 4.2% as of January 2000. Unemployment rates for 1998 and 1999 were at 4.0% and 3.9%, respectively. Both Giles and Lincoln Counties have transitioned away from the traditional agriculture based economy to a manufacturing base. Most of the manufacturers are small, employing fewer than 500 people. Amana Refrigeration in Fayetteville is the only manufacturer with more than 1,000 employees.

We made one community contact and reviewed three other contacts made in 1998. We contacted a non-profit organization based in downtown Pulaski. The organization focuses on community development, housing and counseling assistance to low- and moderate-income families. It works closely with the US Housing and Urban Development. The contact indicated that because of the robust economy, households have moved up somewhat in the economic ladder. The significant economic activity in the Fayetteville area with the influx of small businesses, was one of major reasons for the low unemployment rate. The contact also noted that the area still has a need for affordable housing, but the housing need is not that critical. A significant number of the population looks for move-up homes. He noted that FNB is active in the support of the organization's activities, primarily on loans made under the THDA (Tennessee Housing Development Authority) program through its mortgage company.

There are limited investment opportunities in the bank's AA. Our discussion with our community contact showed that while a redevelopment project has been planned for North Pulaski in the last six months, final plans have not been approved. We also reviewed internal and external sources and found investment opportunities available primarily in larger metropolitan areas of Tennessee. Most of the investment opportunities available benefit a broader statewide area, which includes the bank's AA. The specific investment opportunities refer more to investments in industries, primarily in Fortune 500 companies. We did not identify any ongoing community development projects.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the Δ 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.
- 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 rank and 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 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 rank and market share information based on the most recent aggregate market data available.
- 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 rank and market share information based on the most recent aggregate market data available.

- 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** See Table 7.
- 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 thousand) 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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. Qualified Investments Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. 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 the population 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 MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME												
State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999										
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans	% of Rated Area Loans(#) in MSA/AA	
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)			
Pulaski AA	100%	595	\$20,533	1,215	\$49,236	658	\$17,887	0	\$0	2,468	\$87,6561	100%

* Deposit data as of June 30, 1999.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE													
State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999											
MSA/Assessment Area:	Low-Income Geographies	Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share by Geography*			Total Home Purchase Loans	% of Total* #	
		% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	Overall Market Rank*	Low	Mid			Upp
Pulaski AA	0%	0%	0%	80%	84%	20%	16%	NA	NA	NA	NA	31	100%

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Improvement Loans		
	% 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	#	% of Total**
Full-Scope:																
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Mortgage Refinance Loans		
	% 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	#	% of Total**
Full-Scope:																
Pulaski AA	0%	0%	0%	0%	80%	100%	20%	0%	NA	NA	NA	NA	NA	33	100%	

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999		Total Small Business Loans								
MSA/Assessment Area:	Low-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*						
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Pulaski AA	0%	0%	0%	85%	81%	15%	19%	2	12	NA	19	6	1,215	100%
Full-Scope: %														

(*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999		Total Small Farm Loans								
MSA/Assessment Area:	Low-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*						
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Pulaski AA	0%	0%	0%	94%	87%	6%	13%	1	39	NA	39	46	658	100%
Full-Scope: %														

(*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999								
MSA/Assessment Area:	Low-Income Borrowers	Moderate-Income Borrowers	Middle-Income Borrowers	Upper-Income Borrowers	Overall Market Rank**	Market Share by Borrower Income**				Total Home Purchase Loans		
	% of Families	% of Families	% of Families	% of Families		% BANK Loans*	Overall	Low	Mod	Mid	Upp	#
Pulaski AA	20%	16%	20%	44%	29%	NA	NA	NA	NA	NA	31	100%

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated and purchased in the MSA/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		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999								
MSA/Assessment Area:	Low-Income Borrowers	Moderate-Income Borrowers	Middle-Income Borrowers	Upper-Income Borrowers	Overall Market Rank**	Market Share by Borrower Income**				Total Home Improvement Loans		
	% of Families	% of Families	% of Families	% of Families		% BANK Loans*	Overall	Low	Mod	Mid	Upp	#
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated and purchased in the MSA/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		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999													
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**			Market Share by Borrower Income**			Total Home Mortgage Refinance Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% of Families	Overall	Low	Mod	Mid	Upp	#	% of Total****
Full-Scope:																	
Pulaski AA	20%	6%	16%	22%	20%	27%	44%	45%	NA	NA	NA	NA	NA	NA	NA	33	100%

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.
 (**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999						
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Businesses			
	% of Businesses*	% BANK Loans**	% Market Loans***	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total*****	
Full-Scope:										
Pulaski AA	80%	74%	69%	92%	5%	3%	12	12	1,215	100%

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.
 (**) 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 15% of small loans to businesses originated and purchased by the bank.
 (***) The market consists of all other Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.
 (****) Based on 1998 Aggregate Small Business Data only.
 (*****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		State: Tennessee		Evaluation Period: January 1, 1998 TO December 31, 1999					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Businesses		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	Rev \$1 million or less		
Pulaski AA	89%	69%	62%	94%	5%	1%	31	658	100%
Full-Scope:									

(*) Farms with revenues of \$1 million or less as a percentage of all farms.
 (**) 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 11% of small loans to farms originated and purchased by the bank.
 (***) The market consists of all other Small Farm reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.
 (****) Based on 1998 Aggregate Small Farm Data only.
 (*****) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		State: Tennessee		Evaluation Period: January 1, 1998 TO May 8, 2000					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$≈s		
Full-Scope:									
Pulaski AA	0	\$0	5	\$1,072	5	\$1,072	100%	0	\$0

(*) Δ Prior Period InvestmentsΔ means investments made in a previous evaluation period that are outstanding as of the examination date.
 (***) Δ Unfunded CommitmentsΔ means legally binding investment commitments reported on the Report of Condition Schedule-L Δ Off Balance Sheet Items.Δ

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														State: Tennessee			Evaluation Period: January 1, 1998 TO May 8, 2000		
MSA/Assessment Area:	Deposits			Branches					Branch Openings/Closings				Population						
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies			# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)			% of the Population within Each Geography							
				Low	Mod	Mid			Upp	Low	Mod	Upp	Low	Mod	Upp				
Full-Scope:																			
Pulaski AA	100%	6	100%	NA	NA	83%	17%	0	0	0	0	0	0	0	0	0	0%	88%	12%