



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

March 01, 2018

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Pulaski  
Charter Number 14619

206 South First Street, Pulaski, TN 38478

Office of the Comptroller of the Currency

320 Seven Springs Way, Suite 310, Brentwood, TN 37027

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

<b>INSTITUTION'S CRA RATING.....</b>	<b>2</b>
<b>SCOPE OF EXAMINATION.....</b>	<b>2</b>
<b>DESCRIPTION OF INSTITUTION.....</b>	<b>3</b>
<b>SELECTION OF AREAS FOR FULL-SCOPE REVIEW.....</b>	<b>6</b>
<b>RATINGS.....</b>	<b>6</b>
<b>LOAN-TO-DEPOSIT RATIO.....</b>	<b>7</b>
<b>STATE RATINGS</b>	
STATE OF TENNESSEE.....	9
STATE OF ALABAMA.....	16
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF MULTI-STATE METROPOLITAN AREA AND STATE RATINGS.....</b>	<b>B-1</b>

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

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

**The Community Development Test is rated: Satisfactory.**

First National Bank of Pulaski (FNB or bank) has a satisfactory record of meeting community credit needs. This is based on the following factors:

- The bank's loan-to-deposit (LTD) ratio is reasonable and averaged 62.7 percent during the evaluation period. FNB's LTD ratio ranged from a low of 56.2 percent at December 2014 to a high of 67.9 percent at September 2017.
- A substantial majority of FNB's loans are inside the bank's assessment areas (AAs). During this evaluation period, approximately 86.9 percent of the number of loans and 78.2 percent of the dollar volume of loans originated in 2015 and 2016 were to borrowers within the AAs.
- FNB's overall record of lending to borrowers of different income (including low- and moderate-income) demonstrates reasonable penetration. FNB's performance of lending to businesses of different sizes is also reasonable.
- FNB's overall geographic distribution of residential loans reflects excellent dispersion and meets the standard for outstanding performance. FNB's geographic distribution of loans to businesses of different sizes is reasonable.
- FNB's community development performance demonstrates satisfactory responsiveness to the community development needs in each AA. The bank's overall responsiveness through community development activities to community development lending, investment, and services needs is also satisfactory.
- There were no complaints regarding FNB's Community Reinvestment Act (CRA) activities during the evaluation period.

## **Scope of Examination**

The bank's Performance Evaluation (PE) is based on the Intermediate Small Bank criteria, which utilizes an assessment of the bank's performance under the lending test and the community development test and is based on the bank having total assets between \$313 million and \$1.3 billion as of December 31 for both of the prior two calendar years. This PE covers the period of September 2014 through December 2017 and is a full scope review. Results were consolidated for comparative and analysis purposes and evaluated using 2010 Census demographic information. FNB has no bank owned affiliates. A data integrity review was conducted prior to this evaluation. The review concluded that the bank's internal data was reliable. We also sampled some of the bank's community development loans, investments, and services to assess

their ability to meet the definition of community development. For the Community Development Test, the evaluation period is January 01, 2015, through December 31, 2017.

In evaluating the bank's lending performance, the bank's primary loan products include residential mortgages and business loans. Consumer lending and farm lending did not constitute a substantial lending activity during the review period; therefore, these loan products were not considered in the lending performance evaluation. Conclusions regarding the Lending Test are based on residential loans, including home purchases, home improvements, and home refinances. All residential loans originated from January 1, 2015, through December 31, 2016, were considered in our lending test analysis. Based on internal bank reports, all small business loans originated during 2015 and 2016 were also considered in the lending test. Lending activity for 2017 was not utilized for the lending test because the CRA Wiz analysis was not readily available to analyze 2017 loan data.

## Description of Institution

FNB is an independent, interstate bank which opened for business in 1938. Effective October 31, 1981, the bank became wholly-owned by First Pulaski National Corporation, a one-bank holding company. Both the holding company and bank are located in Pulaski, Tennessee. Pulaski is approximately 80 miles south of Nashville, Tennessee and 45 miles northwest of Huntsville, Alabama. There have not been any major changes in the bank's corporate structure, including merger or acquisition activities since the last CRA examination dated August 11, 2014, when the bank received an outstanding rating. There are no legal or financial impediments to FNB's ability to meet the credit needs of its AAs including retail and community development loans, qualified investments, and community development service's needs. The bank offers a full-range of loan and deposit services. FNB's primary business focus is commercial and industrial loans, including commercial real estate loans and mortgage loans. As of December 31, 2017, the bank had total assets and loans of \$814 and \$485 million, respectively. Gross loans comprised 60 percent of total assets. The following table reflects the composition of FNB's loan portfolio based on the December 31, 2017, Report of Condition.

Product Category	Gross Loans as of December 31, 2017	
	Dollar (000's)	Percent
Commercial & Industrial/Commercial Real Estate	222,260	45.35
Residential Mortgage Loans	117,989	24.07
Construction & Land Development	59,096	12.06
Farmland and Agriculture	41,706	8.51
Individuals	23,685	4.83
All Other	25,417	5.18
<b>Total</b>	<b>490,153</b>	<b>100.00</b>

*Source: December 31, 2017 Report of Condition*

Branches are generally located in areas that make them accessible to bank customers. Including the bank's main office, there are eleven offices located in the bank's AAs. Eight offices are located in the state of Tennessee, and three offices are located in the state of Alabama. Within

Tennessee, five offices are located in Giles County including three in Pulaski and one each in Ardmore and Lynnville, two offices are located in adjacent Lincoln County including one each in Fayetteville and City Park, and one office is located in adjacent Marshall County in Lewisburg. Offices located in the state of Alabama include one in Huntsville which is in Madison County and two offices in Athens which is in Limestone County. Since the previous examination, the office located in Belfast, Tennessee was closed during June 2017. No new offices were opened during this evaluation period. Lobby hours and drive-up hours are set to meet customer needs. Automated teller machines (ATMs) that disburse cash and take deposits are located at each branch office. Additionally, there are seven free-standing ATMs that disburse cash only. The bank also operates a mortgage loan office, which is part of the bank's main office.

Customers may also access their accounts through telephone banking or by the internet ([www.fnbforyou.com](http://www.fnbforyou.com)). Internet and telephone banking include transfers between FNB accounts, review of bank balances and transactions, access to loan account information and bill-paying capability for the internet banking product. The bank also offers MasterCard debit cards that can be used to access customer accounts at point of sale (POS) or ATM locations. Additionally, Visa and MasterCard credit cards are offered by the bank through a third-party. Investment, brokerage, and insurance services are also available through third-party providers.

FNB's business strategy includes continued marketing of commercial credit to small businesses and individuals through its products, staff, and locations. The bank actively generates commercial, mortgage, and consumer loans to customers located primarily in Giles, Lincoln, and Marshall County, Tennessee and Limestone and Madison County, Alabama. Commercial loan activity includes all types of commercial real estate development and construction. Small Business Administration loans are offered for new business startups as well as to expand existing businesses. FNB also supports the purchase and long-term financing of residential home loans through conventional secondary market home mortgage, Veteran Administration guaranteed loans, and Tennessee Housing Development Administration funded Federal Mortgage Housing Association guaranteed loans.

### **Description of Assessment Area(s)**

FNB has two AAs. Both AAs are reasonable and meet regulatory requirements based on their composition of whole counties with whole census tracts (CTs) within those counties. The bank has not arbitrarily excluded any low- or moderate-income geographies. The first AA is a non-metropolitan statistical area (MSA) AA, which includes the entire counties of Giles, Lincoln, and Marshall County. The second AA is the Huntsville, Alabama MSA AA, which includes the entire counties of Madison and Limestone County. All five counties have adequate financial and non-financial institutions serving the loan and deposit needs.

### **Assessment Area 1: Non-MSA Giles, Lincoln, and Marshall Counties**

This AA has 24 CTs in Giles, Lincoln, and Marshall County, Tennessee which are considered rural and non-metropolitan. The 24 CTs consist of one moderate-, 19 middle-, and four upper-income tracts with no tracts categorized as low-income. The county seats are Pulaski, Fayetteville, and Lewisburg, Tennessee, respectively. All three counties have populations of

about 30,000. The primary employers for the area include the Board of Education, Frito Lay, Johnson Control (auto parts manufacturing), Goodman (heating/air manufacturing), Calsonic (auto parts manufacturing), and Teledyne (micro-electronic manufacturing). Collectively, these companies employ over 7,500 employees. The unemployment rate in December 2017 for Giles, Lincoln, and Marshall County was 3 percent, 2.9 percent, and 2.9 percent, respectively.

<b>Distribution of Bank Offices And ATMs by Census Tract</b>						
<b>Census Tract Income Level</b>	<b>Tracts</b>		<b>Full-Service Branches</b>		<b>Automated Teller Machines</b>	
	#	%	#	%	#	%
Low	0	0	0	0	0	0
Moderate	1	4.17	0	0	0	0
Middle	19	79.17	8	100.00	14	100.00
Upper	4	16.66	0	0	0	0
NA	0	0	0	0	0	0
<b>TOTAL</b>	<b>24/24</b>	<b>100.00%</b>	<b>8/8</b>	<b>100.00%</b>	<b>14/14</b>	<b>100.00%</b>

**Assessment Area 2: Huntsville MSA – Madison and Limestone Counties**

This AA has 89 CTs within Madison and Limestone County, Alabama. The 89 CTs consist of 12 low-, 26 moderate-, 29 middle-, and 22 upper-income CTs. The geography of the area ranges from the tall peaks of the southern Appalachian Mountains to the low valleys formed by the Tennessee River, with the largest city in the AA, Huntsville, sitting at the base of the Monte Sano Mountain. Primary industries within the AA are professional and technical services, manufacturing, retail trade, and state and local government. The largest employers include the U.S. Army/Redstone Arsenal, Huntsville City Schools, and The Boeing Company. Primary municipalities in the AA are Huntsville, Athens, and Madison. The unemployment rate in December 2017 for this AA was 5.3 percent. Total population for the MSA AA was 455,631 in 2017. Numerous large financial institutions create a significant challenge in obtaining business from the area residents. FNB only had 2.2 percent market share of the AA deposits as of June 30, 2017.

<b>Distribution of Bank Offices And ATMs by Census Tract</b>						
<b>Census Tract Income Level</b>	<b>Tracts</b>		<b>Full-Service Branches</b>		<b>Automated Teller Machines</b>	
	#	%	#	%	#	%
Low	12	13.49	1	3.33	1	25.00
Moderate	26	29.21	2	6.67	2	50.00
Middle	29	32.58	0	0	1	25.00
Upper	22	24.72	0	0	0	0
NA	0	0	0	0	0	0
<b>TOTAL</b>	<b>89/89</b>	<b>100.00%</b>	<b>3/3</b>	<b>100.00%</b>	<b>4/4</b>	<b>100.00%</b>

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

As cited previously, the bank only has two AAs which are located in separate states and possessing bank offices; therefore, both AAs received full-scope reviews. A full-scope review was performed for the bank's two AAs located in the two states the bank operates: (1) a Tennessee non-MSA AA, which includes the Tennessee counties of Giles, Lincoln, and Marshall and (2) the Huntsville, Alabama MSA AA consisting of the two counties of Limestone and Madison.

## **Ratings**

We evaluated both AAs and decided to place the primary consideration for the lending test and the community development test on the Tennessee non-MSA AA based on its larger volume of deposits at December 31, 2017 (\$542 million versus \$179 million), larger level of branches (eight versus three), and larger level of loan activity (residential and small business) during the loan review period (1,093 versus 711).

## **Community Contacts**

Two community contacts were conducted during this examination, one in Pulaski, Tennessee and one in Huntsville, Alabama. Both contacts indicated that financial institutions were doing a satisfactory job of meeting the financial needs of the community, including efforts to provide financial options/banking to low- and moderate-income (LMI) families. One of the two contacts cited the bank for providing a great outreach to the community and maintaining an active mission statement of community first. One of the contacts cited the need for banks to have a continued focus on the needs of small businesses and sole proprietorships.

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

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that would be inconsistent with helping to meet community credit needs and require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's

next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Criteria

FNB's collective CRA performance is satisfactory. Lending activities are outstanding, and community development activities are satisfactory.

### Lending Test

The bank's performance under the lending test is rated outstanding. Lending to borrowers of different incomes and to businesses of different sizes is outstanding. The geographic dispersion of loans is outstanding. The LTD ratio is satisfactory. Bank personnel have originated a substantial majority of loans within the bank's AAs.

### Loan-to-Deposit Ratio

FNB's net LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its AAs. The bank's quarterly average net LTD ratio from September 30, 2014, to December 31, 2017, is 62.7 percent, which is an improvement over the previous evaluation period. During the evaluation period, the net LTD ratio ranged from a low of 56.2 percent to a high of 67.9 percent.

FNB's average LTD ratio is reasonable when compared to similarly situated banks in or near the AAs with consideration given to lending opportunities available as well as demographic and economic factors present in the AAs. The average LTD ratio of similarly-situated banks over the evaluation period is 82.7 percent. Similarly-situated banks include those with total assets between \$140 million and \$1 billion located in or adjacent to counties in the bank's AAs.

The following table depicts quarterly average LTD ratios for the bank and similarly-situated banks.

<b>Loan-to-Deposit Ratios</b>		
<b>Institution</b>	<b>Total Assets (\$000s)</b>	<b>Average Loan-to-Deposit Ratio (%)</b>
<b>First National Bank of Pulaski (FNB)</b>	<b>\$814,054</b>	<b>62.66</b>
Bank of Frankewing	253,937	79.99
Bank of Lincoln County	139,984	82.31
First Commerce Bank	355,222	78.00
Progress Bank and Trust	1,020,823	90.44

*Source: Institution's Reports of Condition for 14 quarter period from Sept. 2014 to Dec. 2017.*

As of June 30, 2017, thirteen financial institutions with 31 offices controlled \$1.7 billion in deposits within the non-MSA AA in Tennessee represented by Giles, Lincoln, and Marshall Counties. Of the local competitor banks, FNB controlled the largest market share within the Tennessee non-MSA AA at \$534 million or 30.6 percent of total deposits. Independent



competitor banks with a notable market share of deposits include First Commerce Bank, Bank of Frankenwing, and the Bank of Lincoln county with 18.5 percent, 9.7 percent, and 6.9 percent of total deposits, respectively. Branches of large holding company institutions in the area are Regions Bank, Sun Trust Bank, First Tennessee Bank, N.A., and US Bank, N.A. with a combined 13 percent of total deposits.

As of June 30, 2017, 29 financial institutions with 118 offices controlled \$7.8 billion in deposits within the Huntsville MSA AA in Alabama, represented by Limestone and Madison counties. Of the local competitor banks, FNB controlled the 12th largest market share within the MSA AA at \$169 million or 2.2 percent of total deposits. Independent competitor bank, Progress Bank and Trust, controlled 4.7 percent of total deposits for the period. Branches of large holding company institutions in the area are: Regions Bank with 21.1 percent of total deposits; Compass Bank with or 12.1 percent of total deposits; Wells Fargo Bank, N.A. with 8.89 percent of total deposits; and Branch Banking and Trust Company with 8.1 percent of total deposits.

### Lending in Assessment Area

Overall, the bank's record of lending levels in its AAs reflect excellent responsiveness to the credit needs of the assessment areas. A substantial majority of the bank's home mortgage and small business loans originations during the review period were made within the bank's combined AAs. The inside/outside ratio was evaluated at the bank level and not at the separate AA levels. This ratio was derived from bank originations, with no purchased loan activity or affiliated credit activity existing during the review period. Data in the table below revealed that 86.9 percent of loans based on number of loans and 78.2 percent of loans based on dollar volume were originated inside the combined assessment areas. These ratios had a positive effect on the bank's overall geographic distribution performance.

Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Purchase	465	86.75	71	13.25	536	64,925	80.06	16,167	19.94	81,092
Improvement	83	95.40	4	4.60	87	1,761	85.57	297	14.43	2,058
Refinance	184	87.62	26	12.38	210	26,997	81.39	6,173	18.61	33,170
HMDA Loan Subtotal	732	87.88	101	12.12	833	\$93,683	80.54	\$22,637	19.46	\$116,320
Small Business Loans	516	85.4	88	14.6	604	\$51,289	74.2	\$17,794	25.8	\$69,083
Total Loans	1,248	86.9	189	13.1	1,437	\$144,972	78.2	\$40,431	21.8	\$185,403

Source: HMDA and Small Business Loan Activity 2015 and 2016

## State Rating

### State of Tennessee

**CRA rating for state of Tennessee: Satisfactory.**

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

**The Community Development Test is rated: Satisfactory.**

The major factors that support this rating include:

- The distribution of loans demonstrates reasonable penetration among borrowers of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects excellent dispersion among borrowers of different income levels and reasonable dispersion among businesses of different sizes.
- FNB demonstrated a satisfactory responsiveness to community development (CD) needs in its Tennessee non-MSA AA through CD lending, investments, and services.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN TENNESSEE

This AA has 24 CTs in Giles, Lincoln, and Marshall County, Tennessee, which are considered rural and non-metropolitan. The three counties are contiguous to each other. Most of the topography for the area is contoured with rock and high winding ridges in the north and stretches deep into the fertile valleys of Richland Creek in the south. The 24 CTs consist of one moderate-, 19 middle-, and four upper-income tracts, with no tracts categorized as low-income. The county seats in Tennessee are the major cities within this AA: Pulaski, (Giles County); Fayetteville, (Lincoln County); and Lewisburg, (Marshall County), respectively. All three counties have populations of about 30,000. The primary employers for the area include the Board of Education, Frito Lay, Johnson Control (Auto Parts Manufacturing), Goodman (Heating/Air Manufacturing), Calsonic (Auto Parts Manufacturing), and Teledyne (Micro-Electronic Manufacturing). Collectively, these companies employ over 7,500 employees. The unemployment rate in December 2017, for Giles, Lincoln, and Marshall County is 3 percent, 2.9 percent, and 2.9 percent, respectively.

### SCOPE OF EVALUATION IN TENNESSEE

We performed a full-scope review of the Tennessee non-MSA AA based on this AA being the only bank AA in the state of Tennessee as well as bank activity in this location. Both the lending test and community development test ratings were analyzed to arrive at the overall state rating. Conclusions regarding the bank's lending performance in the Tennessee non-MSA AA are based on Home Mortgage Disclosure Act of 1975 (HMDA) reportable loans, which include home purchase, home improvement, and home refinance loans. Small business loans were also a part of the bank's lending performance. The community development test includes a review of loans, investments, grants, and donations made in the bank's AA that meet the definition of community development as well as community development services provided in the bank's AA.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

### LENDING TEST

Based on a full-scope review, the bank’s performance under the lending test in the state of Tennessee is rated satisfactory.

#### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

##### Home Loans

Table 2 - Borrower Distribution of Residential Real Estate Loans in AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	17.32	5.48	17.21	21.92	19.11	24.20	46.36	42.47
Improvement	17.32	10.45	17.21	20.90	19.11	29.85	46.36	32.84
Refinance	17.32	7.08	17.21	20.35	19.11	17.70	46.36	48.67

Source: Data reported under HMDA. Income NA for 5.94% of home purchase, and 6.19% of home refinancing loans.

FNB’s overall record of lending to borrowers of different incomes demonstrates reasonable penetration (see Table 2). In the bank’s Tennessee non-MSA AA, the percent of low-income families is 17.3 percent, and the percent of moderate-income families is 17.2 percent. HMDA data for 2015 and 2016 reflects that the number of residential loans was reasonably near the ratio (17.3 percent) for low-income families at 5.5 percent, 10.5 percent, and 7.1 percent (home purchase, home improvement, and home refinance, respectively). However the bank exceeded the ratio (17.2 percent) for moderate-income families at 21.9 percent, 20.9 percent, and 20.4 percent (home purchase, home improvement, and home refinance, respectively). This reflects excellent penetration and exceeds standards for satisfactory performance. The bank’s lending to LMI borrowers is impacted by a number of factors, including the poverty level and the affordability of housing within this AA. Approximately 15.7 percent of households within this AA have incomes below the poverty level, 37 percent are on Social Security, and the average median housing value is \$110,730. Residential lending activity is also negatively impacted by the limited owner-occupied housing available in the AA, with no low-income CTs and only one moderate-income CT. Owner-occupied housing in the only LMI tract compared to total owner-occupied units in the AA was only 1.7 percent. Additionally, the bank directs low-income and moderate-income borrowers into government home loan programs such as U.S. Department of Agriculture (USDA)/Rural Development, Veterans Administration, and Farmers Home Administration. The bank also assists LMI borrowers through the bank’s secondary market lending program.

**Business Loans**

<b>Table 2A - Borrower Distribution of Loans to Businesses in AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	80.65	5.59	13.77	100%
% of Bank Loans in AA by #	78.79	20.88	0.33	100%
% of Bank Loans in AA by \$	60.02	39.90	0.08	100%

Source: Loan sample; Dunn and Bradstreet data.

<b>Table 2C - Borrower Distribution of Loans to Businesses by Loan Size in AA</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (000's)	Percent of Dollar Volume
\$0 - \$100,000	225	75.8	\$6,708	26.9
\$100,001 - \$250,000	43	14.5	\$6,659	26.7
\$250,001 - \$500,000	22	7.4	\$6,839	27.4
\$500,001 - \$1,000,000	7	2.3	\$4,730	19.0
Over \$1,000,000	0	0.0	\$0	0.0

Source: Bank records

FNB’s overall record of lending to businesses of different sizes demonstrates reasonable penetration (see Table 2A). In the bank’s Tennessee non-MSA AA, 80.7 percent of businesses have revenues or sales of less than \$1 million. At 78.8 percent by loan number and 60 percent by loan amount, both the number and dollar amount of loans to AA businesses are within a reasonable range of the demographic data for the AA. FNB’s lending of different loan sizes of business loan originations within the AA demonstrates that the bank originated a high level (90.3 percent) of small business loans in amounts of \$250,000 or less within its AA to support small businesses (see Table 2C).

**Geographic Distribution of Loans**

The geographic distribution of loans in the Tennessee non-MSA AA reflects an excellent dispersion among home mortgage loans and reasonable dispersion among business loans within the only moderate-income census tract in this AA, given local economic conditions. There are no low-income CTs within this AA.

**Home Loans**

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	0.00	0.00	2.45	5.48	65.40	67.58	32.15	26.94
Improvement	0.00	0.00	2.45	1.49	65.40	61.19	32.15	37.31
Refinance	0.00	0.00	2.45	4.42	65.40	68.14	32.15	27.43

Source: Data reported under HMDA; U.S. Census data.

FNB’s overall geographic distribution of residential loans within the Tennessee non-MSA AA reflects excellent dispersion and meets the standard for outstanding performance (see Table 3). There are no low-income CTs and only one moderate-income CTs within the Tennessee non-MSA AA. The bank has limitations in its ability to originate residential or business loans within this sole moderate-income CT of 2.3 square miles. The substantial portion of this CT is populated by municipal structures, terrain unsuitable for structures, schools, railroad tracts within the middle of the CT, and recreational park space. Another limiting factor to the bank’s ability to originate residential loans in this sole moderate-income CT is the significant level of households (30.7 percent) below the poverty level that have a minimal probability to qualify for residential housing loans. At 5.5 percent, 1.5 percent and 4.4 percent, the number of residential loans (home purchase, home improvement, and home refinance, respectively) within the only moderate-income census tract of the Tennessee non-MSA AA exceeded the ratio for two of the three loan categories compared to the ratio of 2.5 percent for owner-occupied houses within this AA (See Table 3).

**Business Loans**

<b>Table 3A - Geographic Distribution of Loans to Businesses in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	0.00	0.0	4.32	3.70	77.98	82.15	17.70	14.15

Source: Data collected by bank; D & B data.

FNB’s overall geographic distribution of loans to businesses of different sizes within the Tennessee non-MSA AA reflects reasonable dispersion and meets the standards for satisfactory performance (see Table 3A). At 3.7 percent, the number of business loans in the only moderate-income census tract for the Tennessee non-MSA AA was slightly below the 4.3 percent of businesses within the only moderate-income CT in this AA.

**Responses to Complaints**

There have been no consumer complaints relating to the bank’s CRA performance in the Tennessee non-MSA AA during this evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the community development test in Tennessee is rated satisfactory.

FNB demonstrated adequate responsiveness to community development needs in its Tennessee non-MSA AA through CD lending, investments, and services.

## Number and Amount of Community Development Loans

From January 01, 2015, through December 31, 2017, FNB originated 51 community development loans, investments, and grants/donations totaling \$1.5 million. As evidenced by the following table, five loans and 13 investments totaling \$ 381,000 and \$1,079,230, respectively, were for community development purposes. Additionally, the bank had \$30,673 in grants and donations. The bank also originated 12 loans totaling \$2.8 million in an adjoining Tennessee county to this bank's AA.

Specific examples of qualifying loans for community development organizations follow:

### Deep South Catering/Margaret Suzanne Byrom

In 2016, FNB provided a loan of \$158,500 to a local small business owner for operations and renovations at her catering business which is located in one of the bank's moderate-income CT and employs eight people. In 2017, an additional \$15,000 was lent for additional operating expenses.

### Funtime Bowl

In 2016, FNB provided a loan of \$81,500 to a local business owner, Ellen Howard, to refinance a bowling alley located in a moderate-income CT enabling the small business operations. In 2017, FNB funded an additional loan of \$36,488 to Michael Turner for bowling alley operating expenses. The bowling alley is located in a moderate-income CT in the bank's AA and employs several people.

### Damien & Angela Brown

In 2016, FNB provided a loan of \$90,000 to Damian and Angela Brown, owners of Little Blessings Day Care and The Total Look Hair Salon, for debt consolidation and operating expenses including payroll costs. The small businesses are located in a moderate-income CT in the bank's AA.

### Other Information for Consideration

During the review period, FNB originated 12 farm and business loans totaling \$2,795,896 to borrowers located in the eight distressed CTs in the bank's neighboring county of Lawrence County, Tennessee. The distressed CTs were designated due to high unemployment. These 12 business and farm loans helped create and retain jobs.

## Number and Amount of Qualified Investments

Qualifying investments are investments, deposits, membership shares, or grants that have community development as their purpose, as defined in the CRA regulation.

### Resolute Capital Partners Fund, L.P.

As of 2017, FNB has committed \$904,910 to this Small Business Investment Corporation (SBIC). In 2015, two capital investments of \$150,000 and \$100,000 were funded; in 2016, one capital investment of \$150,000 was funded. As of December 31, 2017, there were no capital investments. As a SBIC, the fund provides financing to small businesses within the state of Tennessee including small businesses in the bank's non-MSA AA.

Pharos Capital Partners III-A, L.P.

In 2017, FNB has committed \$399,183 to this SBIC. In 2015, six capital investments totaling \$250,000 were funded; in 2016, three capital investment totaling \$85,000 were funded. As of December 31, 2017, there were no capital investments. As a SBIC, the fund provides financing to small businesses within the state of Tennessee including small businesses in the bank’s non-MSA AA.

Government National Mortgage Association (GNMA) Securities

In 2015, FNB purchased a GNMA mortgaged backed investment pool totaling \$344,230. The mortgage pool is supported by residential mortgages to LMI families. Each mortgage provides affordable housing to a LMI family. Three of the eight housing units are located in the bank’s Tennessee AA. Several of the remaining seven housing units are located in the bank’s Alabama AA.

**Originated Donations**

There were 33 individual donations within FNB’s Tennessee non-MSA AA for the period January 01, 2015 through December 31, 2017, totaling \$30,673. These donations were to organizations such as Boys & Girls clubs (provide services to the children of LMI families) and school systems in Pulaski, Lewisburg, and Giles County (where a majority of the students are from LMI families). There were also numerous donations to various other organizations supporting LMI families/individuals, such as Child Development Center, Lewisburg Housing Authority, and New Cannon Ranch addressing homeless and drug issues.

<b>Community Development (CD) Lending and Investments in Tennessee Non-MSA AA</b>			
		#	\$ Amount (000’s)
CD Loans	AA	5	\$381
CD Investments	AA	13	\$1,079
CD Grants/Donations	AA	33	\$31
<b>Total Community Development Lending and Investments *</b>	<b>AA</b>	<b>51 (1)</b>	<b>\$1,491 (1)</b>

\*Other Loans - in distressed CTs adjoining county to AA – 12 loans / \$2.8 million

(1) CD Activity Last Exam – 183 / \$7,366

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

FNB’s record of providing community development services is excellent. A number of the bank’s officers, some directors, and other personnel are members of civic clubs and community boards serving the bank’s Tennessee non-MSA AA and its people. Board members actively support recruiting, expansion, and promoting new and existing industries in FNB’s Tennessee non-MSA AA. Bank management actively encourages bank employees to “get involved and support local civic services and school systems.” Individually, FNB employees have been involved in civic organizations which assist and support LMI individuals and children of LMI families. Employees assist with various area charities, schools, and other organizations which assist LMI individuals and children of LMI families with issues such as literacy, income, and

food through programs at local schools, libraries, churches, and other civic organizations. Credit builder account customers are provided the opportunity to attend a free financial literacy management workshop lead by bank officers and employees. The workshop instructs LMI individuals and children of LMI families how to build good credit, budgeting, money management, savings plans, and identity theft. In some instances, attendees are provided educational booklets and view Power Point presentations. Employees are available to meet with and instruct young children on how to save money, set savings goals, and build good spending habits. Also, practical financial programs are provided to older students regarding budgeting, savings, credit card dangers, building good credit, and establishing a good relationship with banks and bankers. It has been the bank's practice to have a Bank Student Advisory Board at each county high school. Board members are seniors and include students from LMI families. Students receive formal presentations at the bank's main office on subjects such as financial planning, investment options, account operations, how to protect credit, business opportunities, and financial security. Individual counseling is available for each student if needed.

FNB has an array of alternative delivery systems which benefit LMI individuals. Within the bank's Tennessee non-MSA AA, there are eight full service branches with drive-up facilities and ATMs, which are available via auto and pedestrian. Branches provide at least 40 hours of teller service weekly. Lobby hours and drive-up hours are set to meet customer needs. ATMs that disburse cash and take deposits are located at each branch office. Additionally, there are several free-standing ATMs that disburse cash only. Internet and telephone banking include transfers between FNB accounts, review of bank balances and transactions, access to loan account information, and bill-paying capability for the internet banking product. The bank also offers MasterCard debit cards that can be used to access customer accounts at POS or ATM locations. Additionally, Visa and MasterCard credit cards are offered by the bank through a third-party. Investment, brokerage, and insurance services are also available through third-party providers. FNB's business strategy includes continued marketing of commercial credit to small businesses and individuals through its products, staff, and locations.

### **Responsiveness to Community Development Needs**

The bank's overall responsiveness through community development activities, to community development lending, investment, and services needs is satisfactory, based on the number and volume of community development loans, investments, and donations originated during this evaluation period. These loans promote employment; stabilize, promote and support local economies; and, help provide affordable housing to LMI families within or near FNB's Tennessee non-MSA AA. Service needs are also being met through outreach meetings targeted to LMI individuals and children of LMI families. Bank officers, several directors and other bank personnel are active in community groups, which in many instances, assist and promote under privilege individuals including LMI individuals and children of LMI families within the community.



## State Rating

### State of Alabama

**CRA rating for state of Alabama: Outstanding.**

**The Lending Test is rated: Outstanding.**

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

The major factors that support this rating include:

- The distribution of loans demonstrates excellent penetration among borrowers of different income levels and reasonable penetration among businesses of different sizes.
- The geographic distribution of loans reflects excellent dispersion among borrowers of different income levels and excellent dispersion among businesses of different sizes.
- FNB demonstrated an outstanding responsiveness to CD needs in its Huntsville MSA AA through CD lending, investments, and services.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA

This AA has all 89 CTs within Madison and Limestone Counties, Alabama. The 89 CTs consist of 12 low-, 26 moderate-, 29 middle-, and 22 upper-income CTs. These two Alabama counties are contiguous to each other. The two largest cities in this AA also serve as county seats for their counties: Athens (Limestone County) and Huntsville (Madison County). The geography of the area ranges from the tall peaks of the southern Appalachian Mountains to the low valleys formed by the Tennessee River, with the largest city in the AA, Huntsville, sitting at the base of the Monte Sano Mountain. Primary industries within the AA are professional and technical services, manufacturing, retail trade, and state and local government. The largest employers include the U.S. Army/Redstone Arsenal, Huntsville City Schools, and The Boeing Company. Primary municipalities in the AA are Huntsville, Athens, and Madison. The unemployment rate in December 2017 for this AA was 5.3 percent. Total population for the MSA AA was 455,631 in 2017. Numerous large financial institutions create a significant challenge in obtaining business from the area residents. FNB only had 2.2 percent market share of the AA deposits as June 30, 2017.

### SCOPE OF EVALUATION IN ALABAMA

We performed a full-scope review of the Huntsville MSA AA based on this AA being the only bank AA in the state of Alabama as well as bank activity in this location. Both the lending test and community development test ratings were analyzed to arrive at the overall state rating. Conclusions regarding the bank's lending performance in the Huntsville MSA AA are based on HMDA reportable loans, which include home purchase, home improvement, and home refinance loans. Small business loans were also a part of the bank's lending performance. The community development test includes a review of loans, investments, grants, and donations made in the

bank’s AA that meet the definition of community development as well as community development services provided in the bank’s AA.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA

### LENDING TEST

Based on a full-scope review, the bank’s performance under the lending test in the state of Alabama is rated outstanding.

#### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans in the Huntsville MSA AA reflects an excellent penetration among individuals of different income levels and businesses of different sizes, given local economic conditions.

#### Home Loans

Table 2 - Borrower Distribution of Residential Real Estate Loans in AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	22.84	10.57	16.80	24.39	18.52	27.24	41.84	29.67
Improvement	22.84	25.00	16.80	25.00	18.52	18.75	41.84	25.00
Refinance	22.84	9.86	16.80	18.31	18.52	15.49	41.84	36.62

Source: Data reported under HMDA. Income NA for 8.13% of home purchase, and 19.72% of home refinancing loans.

FNB’s overall record of lending to borrowers of different incomes demonstrates excellent penetration (see Table 2). In the bank’s Huntsville MSA AA, the percent of low-income families is 22.8 percent and the percent of moderate-income families is 16.8 percent. HMDA data for 2015 and 2016 reflects that the number of residential loans exceeded or was reasonable with respect to the ratio (22.8 percent) for low-income families at 10.6 percent, 25 percent, and 9.9 percent (home purchase, home improvement, and home refinance, respectively). However, the bank exceeded the ratio (16.8 percent) lending to moderate-income families at 21.9 percent, 20.9 percent, and 20.4 percent (home purchase, home improvement, and home refinance, respectively). This reflects excellent penetration and exceeds standards for satisfactory performance. The bank’s lending to LMI borrowers is impacted by a number of factors, including the poverty level and the affordability of housing within this AA. Approximately 13.5 percent of households within this AA have incomes below the poverty level, 28.1 percent are on Social Security, and the average median housing value is \$160,520. Additionally, the bank directs LMI borrowers into government home loan programs such as USDA/Rural Development, Veterans Administration, and Farmers Home Administration. The bank also assists LMI borrowers through the bank’s secondary market lending program.

**Business Loans**

<b>Table 2A - Borrower Distribution of Loans to Businesses in AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	81.78	5.96	12.26	100%
% of Bank Loans in AA by #	74.43	25.11	0.46	100%
% of Bank Loans in AA by \$	59.89	38.40	1.71	100%

Source: Loan sample; Dunn and Bradstreet data.

<b>Table 2C - Borrower Distribution of Loans to Businesses by Loan Size in AA</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (000's)	Percent of Dollar Volume
\$0 - \$100,000	149	68.0	\$4,693	17.8
\$100,001 - \$250,000	37	16.9	\$5,810	22.1
\$250,001 - \$500,000	20	9.1	\$6,907	26.2
\$500,001 - \$1,000,000	13	6.0	\$8,943	33.9
Over \$1,000,000	0	0.0	0	0.0

Source: Loan sample.

FNB’s overall record of lending to businesses of different sizes demonstrates reasonable penetration (see Table 2A). In the bank’s Huntsville MSA AA, 81.8 percent of businesses have revenues or sales of less than \$1 million. At 74.4 percent by loan number and 59.9 percent by loan amount, both the number and dollar amount of loans to AA businesses are within a reasonable range of the demographic data for the AA. FNB’s lending of different loan sizes of business loan originations within the AA demonstrates that the bank originated a high level (84.9 percent) of small business loans in amounts of \$250,000 or less within its assessment area to support small businesses (see Table 2C).

**Geographic Distribution of Loans**

The geographic distribution of loans in the Huntsville MSA AA reflects an excellent dispersion among home mortgage loans and business loans within the LMI CTs within this AA.

**Home Loans**

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	3.59	2.03	23.58	41.87	39.46	41.06	33.38	15.04
Improvement	3.59	0.00	23.58	12.50	39.46	56.25	33.38	31.25
Refinance	3.59	0.00	23.58	39.44	39.46	49.30	33.38	11.26

Source: Data reported under HMDA; U.S. Census data.

FNB’s overall geographic distribution of residential loans and loans to businesses in the Huntsville MSA AA reflects excellent dispersion and meets the standard for outstanding performance (see Table 3). Twelve low-income and 26 moderate-income CTs exist in the Huntsville MSA AA. Within this AA, low-income CTs have households with varying degrees of households below the poverty level ranging from 26.2 percent to 67.9 percent, which provides a minimal probability to qualify for residential housing loans. The number of residential loans originated as home purchase loans in this AA’s low-income CTs at 2 percent was less than the 3.6 percent of owner occupied houses within the Huntsville MSA AA. No home improvement or home refinance loans were granted in the low-income CTs. However, at 41.9 percent, 12.5 percent and 39.4 percent, the number of residential loans (home purchase, home improvement, and home refinance, respectively) within the moderate-income CTs of the Huntsville MSA AA significantly exceeded the ratio for two of the three loan categories compared to the ratio of 23.6 percent for owner-occupied houses within this AA.

**Business Loans**

<b>Table 3A - Geographic Distribution of Loans to Businesses in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	10.60	3.65	26.60	41.55	30.13	43.84	32.67	10.96

Source: Data collected by bank; D & B data.

FNB’s overall geographic distribution of loans to businesses in the Huntsville MSA AA reflects excellent dispersion and meets the standard for outstanding performance (see Table 3A). The number of business loans at 3.7 percent was below the 10.2 percent of businesses located in low-income CTs in the AA; however, the number of business loans at 41.6 percent is excellent when compared to the 26.6 percent of businesses located in moderate-income CTs in this AA.

**Responses to Complaints**

There have been no consumer complaints relating to the bank’s CRA performance in the Huntsville MSA AA during this evaluation period.

**COMMUNITY DEVELOPMENT TEST**

Based on a full-scope review, the bank’s performance under the CD test in the state of Alabama is rated outstanding.

FNB demonstrated excellent responsiveness to community development needs in its Huntsville MSA AA through CD lending, investments, and services.

**Number and Amount of Community Development Loans**

From January 01, 2015 through December 31, 2017, FNB originated 37 CD loans, investments, and grants/donations totaling \$11.9 million. As evidenced by the following table, 16 loans and

three investments totaling \$8,684,000 and \$3,230,114, respectively, were for CD purposes. Additionally, the bank had \$15,695 in grants and donations during the evaluation period.

Specific examples of qualifying loans for CD organizations follow:

Madison County Commission

In 2017, FNB originated a \$3,200,000 loan to Madison County Commission for the construction of a new community center which is located in a moderate-income CT. The community center will have a gymnasium and provide several community services to LMI families in the area.

Northwest Madison County Volunteer Fire Department

In 2016, FNB originated a loan for \$82,000 to NW Madison County Fire Department for new equipment. The fire department is located in a moderate-income CT and provides services to several LMI income families.

Elkmont Volunteer fire department

In 2016, FNB originated a loan for \$305,336 for operating expenses and new fire equipment. Elkmont Fire Department is located in a moderate-income CT and serves several LMI communities.

Limestone County Board of Education

In 2015, FNB originated a loan for \$928,302 to Limestone County Schools to purchase several new school buses. In 2017, FNB originated another loan for \$2,235,000 to help fund the purchase of new computers for the schools. Limestone County has several Title 1 schools with LMI families and students.

Habitat for Humanity of Athens-Limestone County, Alabama

In 2016, FNB originated a \$70,000 loan to this organization. The purpose of the loan was to assist with operational cost for constructing Habitat for Humanity homes. Habitat for Humanity is a national and international organization which builds affordable houses for LMI families.

## **Number and Amount of Qualified Investments**

Qualifying investments are investments, deposits, membership shares, or grants that have community development as their purpose, as defined in the CRA regulation.

Government National Mortgage Association (GNMA) Securities

In 2015, FNB purchased the above mortgaged-backed investment pool totaling \$706,138. The mortgage pool is supported by residential mortgages to LMI families. Each mortgage provides affordable housing to a LMI family. Five of the eight housing units are located in the Huntsville MSA AA. The remaining three housing units are located in the bank's Tennessee AA.

Federal National Mortgage Association (FNMA) Securities

In 2016 and 2017, FNB purchased the above mortgaged backed investment pools totaling \$1,174,110 and \$1,349,866, respectively. The mortgage pools are supported by residential mortgages to LMI families. Each mortgage provides affordable housing to a LMI family. Six of the eight housing units in each pool are located in the Huntsville MSA AA. The remaining three housing units are located in central and north Alabama.

**Originated Donations**

There were 18 donations within FNB’s Huntsville MSA AA for the period January 01, 2015 through December 31, 2017 totaling \$15,695. These donations were to organizations such as Boys & Girls clubs (provide services to children of LMI families) and school systems in Huntsville area and Limestone County (where a majority of the students are from LMI families). Additionally, FNB contributed to organizations such as Habitat for Humanity, which provides housing for LMI families, and United Way, which assists those needing education and financially unstable LMI individuals.

<b>Community Development Lending and Investments in Huntsville Alabama MSA AA</b>			
		#	\$ Amount (000’s)
CD Loans	AA	16	\$8,684
CD Investments	AA	3	\$3,230
CD Grants/Donations	AA	18	\$16
<b>Total Community Development Lending and Investments</b>	<b>AA</b>	<b>37</b>	<b>\$11,930</b>

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

FNB’s record of providing CD services is excellent. A number of the bank’s officers and other personnel are members of civic clubs and community boards serving the bank’s Huntsville MSA AA and its people. Bank management actively encourages bank employees to “get involved and support local civic services and school systems.” Individually, FNB employees have been involved in civic organizations which assist and support LMI individuals and children of LMI families. Employees assist with various area charities, schools, and other organizations which assist LMI individuals and children of LMI families with issues such as literacy, income; and food through programs at local schools and other civic organizations. One of the organizations served by bank personnel is Community Bank Partners, which fosters financial literacy and home ownership needs of LMI individuals. Another organization served is CASA, which provides aging and homebound individuals with financial assistance and other services concerning transportation, utilities, and other home needs.

FNB has an array of alternative delivery systems which benefit LMI individuals. Within the bank’s Huntsville MSA AA, there are three full service branches with drive-up facilities and ATMs, which are available via auto and pedestrian. Of the three branches, the bank has one branch in a low-income CT and another branch in a moderate-income CTs within this AA. Branches provide at least 40 hours of teller service weekly. Lobby hours and drive-up hours are set to meet customer needs. ATMs that disburse cash and take deposits are located at each

branch office. Additionally, there are several free-standing ATMs that disburse cash only. Customers may also access their accounts through telephone banking or by the internet ([www.fnbforyou.com](http://www.fnbforyou.com)). Internet and telephone banking include transfers between FNB accounts, review of bank balances, and transactions, access to loan account information and bill-paying capability for the internet banking product. The Bank also offers MasterCard debit cards that can be used to access customer accounts at POS or ATM locations. Additionally, Visa and MasterCard credit cards are offered by the bank through a third-party. Investment, brokerage, and insurance services are also available through third-party providers. FNB's business strategy includes continued marketing of commercial credit to small businesses and individuals through its products, staff, and locations.

### **Responsiveness to Community Development Needs**

The bank's overall responsiveness through community development activities to community development lending, investment, and services needs is excellent. This is best supported by the number and volume of community development loans, investments, and donations originated during the period. These loans help promote employment; stabilize, promote and support local economies; and, help provide affordable housing to low- and-moderate-income families within FNB's Huntsville MSA AA. FNB has taken a lead role and been a strong supporter of community development loans. The AA's service needs are fulfilled through bank officers and other bank personnel working with various organizations targeted the needs of LMI individuals and children of LMI families.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan 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”).

<b>Time Period Reviewed</b>	Lending Test: (1/01/15 to 12/31/16) Community Development Test: (1/01/15 to 12/31/17)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
FNB of Pulaski Pulaski, Tennessee	Residential Loans Business Loans	
<b>Affiliate(s) : None</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
TN non-MSA AA (Giles, Lincoln, & Marshall Counties)	Full-Scope	
Huntsville, AL MSA AA (Limestone & Madison Counties)	Full Scope	



**Appendix B: Summary of Multistate Metropolitan Area and State Ratings**

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Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
FNB Pulaski	Satisfactory	Satisfactory	Satisfactory
Tennessee	Satisfactory	Satisfactory	Satisfactory
Alabama	Outstanding	Outstanding	Outstanding