



PUBLIC DISCLOSURE

March 15, 2021

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

The First National Bank of Middle Tennessee
Charter Number 2221

200 East Main Street, McMinnville, TN 37110

Office of the Comptroller of the Currency
Nashville Field Office
320 Seven Springs Way, Suite 310
Brentwood, TN 37027

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its assessment areas (AAs).
- The distribution of loans to individuals of different income levels is reasonable.
- The distribution of loans across geographies of different income levels is reasonable.
- The bank exhibits adequate responsiveness to community development (CD) needs through CD loans, qualified investments, and CD services.
- The bank did not receive any Community Reinvestment Act (CRA) related complaints during the review period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly LTD ratio since the previous CRA evaluation averaged 83.8 percent, with a quarterly high of 91.6 percent and a quarterly low of 77.4 percent. We compared the bank's LTD ratio to five similarly situated banks in the AAs ranging in asset size from \$191 million to \$810 million. The quarterly average LTD ratio for banks in this peer group was 87.7 percent with a high average ratio of 108 percent and a low average ratio of 72.4 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs.

The bank originated and purchased 62 percent of its total loans by number and 61 percent by dollar amount inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The findings from this analysis had a positive impact on the overall analysis of the geographic distribution of lending by income level of geography.

Table D - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	2,461	60.1	1,634	39.9	4,095	530,405	58.3	378,735	41.7	909,140
Small Business	857	68.3	398	31.7	1,255	275,439	66.8	136,842	33.2	412,281
Total	3,318	62.0	2,032	38.0	5,350	805,844	61.0	515,577	39.0	1,321,421

Source: 01/01/2018-12/31/2020 Bank Data

Description of Institution

FNB is an independent, intrastate bank that opened for business in 1874. The bank is a wholly owned subsidiary of First McMinnville Corporation, a one-bank holding company. First Community Title and Escrow Company is a wholly owned subsidiary of FNB. The bank does not have any affiliates with lending products. There have not been any material changes in the bank's corporate structure including merger or acquisition activities since the previous CRA evaluation dated April 30, 2018, when the bank received a "Satisfactory" rating. There are no legal or financial impediments to FNB's ability to meet the credit needs of its AAs including retail and CD loans, qualified investments, and CD service needs. The bank offers a full range of loan and deposit services.

The holding company, bank, and subsidiary are located in McMinnville, Tennessee, approximately 75 miles southeast of Nashville, Tennessee. The bank operates nine full-service offices within its AAs located in Tennessee. The bank has five offices in Warren County, two branches in Rutherford County, one branch in Bedford County, and one branch in Davidson County. Given the branch locations above, the Bank has two AAs for this performance review which are:

- The Nashville-Murfreesboro Metropolitan Statistical Area (MSA) AA - All census tracts (CTs) in Rutherford County and 120 CTs in Davidson County
- Warren-Bedford Non-MSA AA - All CTs in Warren and Bedford counties

FNB did not close any branch offices during this evaluation period. FNB opened one branch, in Davidson County, in 2019.

FNB's primary lending products are commercial loans, including commercial real estate and commercial and industrial loans, and residential mortgage loans. As of December 31, 2020, FNB had total assets and gross loans of \$580.3 million and \$430.8 million, respectively. Gross loans comprised 74.2 percent of total assets. The following table reflects the composition of FNB's loan portfolio based on the Report of Condition dated December 31, 2020.

Product Category	Gross Loans as of December 31, 2020	
	Dollar (000's)	Percent (%)
Commercial & Industrial/Commercial Real Estate	\$176,955	41.1
Residential Mortgage Loans	\$174,242	40.4
Construction & Land Development	\$53,542	12.4
Farmland and Agriculture	\$6,706	1.6
Other Retail	\$1,891	0.4
All Other	\$17,436	4.0
Total	\$430,772	100.0

FNB provides a range of traditional deposit and loan products. Branches are located in areas accessible to bank customers. There are no significant geographical barriers in the AAs. Lobby hours and drive-up hours are set to meet customer needs. The Main Office and all bank branches have automated teller machines (ATMs) that disburse cash and accept deposits. Customers have 24-hour access to their accounts through telephone banking, the internet at www.fnbmt.com, and the mobile banking application. Internet, phone, and mobile banking services include review of account balances and transactions such as transfers between FNB accounts and loan payments. Internet and mobile banking customers may use bill-pay and e-statement services. The bank offers account access through bank-issued debit cards allowing point-of-sale or ATM transactions.

FNB's business strategy includes continued marketing of commercial credit to small businesses through products, staff, and locations. The bank is actively involved in all types of commercial real estate development and construction lending. Small business loans are available for new business startups and for the expansion of existing businesses. The bank participated in the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) during the COVID-19 pandemic. FNB also supports the purchase and long-term financing of residential home loans through its conventional secondary market home mortgage department, Tennessee Housing Development Association (THDA), and rural housing guaranteed home mortgage programs, as well Veterans Administration (VA) and Federal Housing Administration (FHA) loan programs that provide lending to low- and moderate-income (LMI) individuals.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2018 to December 31, 2020. We completed a review of the bank's CRA performance in its AAs using the Intermediate Small Bank CRA procedures, which include the Lending Test and CD Test. In evaluating the Bank's lending performance, we reviewed one- to four- family mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and loans to small businesses, the bank's primary lending products, as reported under the CRA and CD loans. For the CD test, we evaluated all loans, investments, and services that met the regulatory definition of CD activities.

For Geographic and Borrower Distribution analyses, FNB's loan originations are compared to the 2015 American Community Survey (ACS) Census data and aggregate HMDA data and CRA data.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single AA. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

FNB has two AAs in Tennessee comprised of one MSA and one non-MSA. For our full-scope reviews we selected both the Nashville-Murfreesboro MSA AA and the Warren-Bedford Non-MSA AA. We selected the full-scope AAs after considering the number of loans originated or purchased in each AA, the volume of deposits in each AA, the number of branch offices in each AA, and the length of time branch offices have operated in the respective markets under the bank's brand. For this review, we did not have any limited scope AAs to review. Refer to Appendix A for additional information.

Ratings

FNB's overall rating is based solely on the State of Tennessee rating as this is the only rating area. The bank's primary loan products are home mortgage loans and small business loans. Home mortgage loans received more weight in the overall Lending Test analysis given the much larger volume of these types of loans originated or purchased for either the bank's loan portfolio or to be sold on the secondary market.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Tennessee

CRA rating for the State of Tennessee: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- FNB's LTD is reasonable, reflecting responsiveness to credit needs in the community.
- The bank originated and purchased a majority of loans, both by number and dollar amount, inside its AAs.
- The bank exhibits a reasonable distribution of loans across geographies of different income levels in the State of Tennessee. There were no gaps identified within the bank's lending to low- and moderate-income (LMI) CTs.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes in the State of Tennessee.
- The bank exhibits adequate responsiveness to CD needs in the State of Tennessee through CD loans, qualified investments, and services.
- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Tennessee

FNB operates nine full-service offices within its AAs located in Tennessee. There is no significant difference in the products and services offered at the bank's offices.

In the Warren-Bedford Non-MSA AA, the bank has five offices in Warren County including the Main Office and one office in Bedford County. The bank held a commanding 40.4 percent market share for deposits in Warren County based on Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share data as of June 30, 2020. Its presence in Bedford County is more limited as evidenced by a deposit market share of 0.3 percent as of the same date. Competing financial institutions in both markets include other community banks and larger regional or national banks.

In the Nashville-Murfreesboro MSA AA, the bank has two branches in Rutherford County and one in Davidson County. The bank's deposit market share as of June 30, 2020, was 1 percent in Rutherford County and less than 1 percent in Davidson County. The bank's deposit market share in these areas is limited by the size of its presence and the large number of competing financial institutions. Additionally, the bank's branch in Davidson County did not open until 2019. The Nashville-Murfreesboro MSA AA does not constitute the entire MSA or entire counties, but the delineated AA is reasonable given the facts and circumstances surrounding the bank's footprint and ability to serve the area.

We contacted two community members from the bank's AAs as part of this examination. One contact's organization works to facilitate economic development in Warren County. The contact stated low-income housing was available, so a key lending need was to increase the availability of housing for moderate- and middle-income individuals. The other community member was a government official responsible for community development in Rutherford County. This contact noted the opportunity for financial institutions to provide affordable home loan options to customers through down payment assistance programs, financial education, and affordable loan programs.

The following tables depict the demographic information for the two full-scope AAs in Tennessee.

Warren-Bedford Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Warren-Bedford Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	22.2	50.0	27.8	0.0
Population by Geography	86,001	0.0	26.7	52.8	20.5	0.0
Housing Units by Geography	36,344	0.0	27.2	52.1	20.8	0.0
Owner-Occupied Units by Geography	22,205	0.0	20.3	55.5	24.2	0.0
Occupied Rental Units by Geography	10,177	0.0	38.3	47.3	14.4	0.0
Vacant Units by Geography	3,962	0.0	36.8	45.2	18.0	0.0
Businesses by Geography	4,787	0.0	33.6	49.4	17.0	0.0
Farms by Geography	359	0.0	12.5	59.6	27.9	0.0
Family Distribution by Income Level	22,612	20.0	18.4	19.6	42.0	0.0
Household Distribution by Income Level	32,382	21.9	16.9	16.5	44.6	0.0
Median Family Income Non-MSAs - TN		\$46,066	Median Housing Value			\$106,761
			Median Gross Rent			\$634
			Families Below Poverty Level			14.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Nashville-Murfreesboro MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Nashville-Murfreesboro MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	169	11.8	25.4	33.7	26.6	2.4
Population by Geography	781,566	7.6	25.4	39.1	27.4	0.5
Housing Units by Geography	327,318	7.8	25.8	37.9	28.5	0.0
Owner-Occupied Units by Geography	174,707	3.3	17.4	43.1	36.2	0.0
Occupied Rental Units by Geography	126,891	13.1	36.9	31.9	18.1	0.0
Vacant Units by Geography	25,720	12.2	27.8	32.6	27.4	0.0
Businesses by Geography	79,247	9.1	21.1	29.4	38.9	1.6
Farms by Geography	1,375	6.0	19.1	42.2	31.8	0.9
Family Distribution by Income Level	179,643	20.8	18.1	20.6	40.4	0.0
Household Distribution by Income Level	301,598	22.8	17.4	18.9	40.9	0.0
Median Family Income MSA - 34980 Nashville-Davidson--Murfreesboro-- Franklin, TN MSA		\$66,441	Median Housing Value			\$200,982
			Median Gross Rent			\$913
			Families Below Poverty Level			10.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Tennessee

The rating for Tennessee is based on full-scope reviews of the Nashville-Murfreesboro MSA and the Warren-Bedford Non-MSA AAs. FNB's branches and ATMs are located within the AAs, and a significant portion of the bank's lending and CD activities are centered there.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE**LENDING TEST**

The bank's performance under the Lending Test in the State of Tennessee is rated Satisfactory.

Based on full-scope review, the bank's lending performance in the State of Tennessee is reasonable. Our analysis factored in a higher weighting for home mortgage loan performance since the volume of such loans as compared to business loans was higher in both AAs. For both primary product types, we also assigned higher weighting for results in the Nashville-Murfreesboro MSA AA given the larger volume of purchases or originations in that AA.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable distribution of loans to geographies of different income levels in the state.

Home Mortgage Loans

The bank exhibits reasonable geographic distribution of home mortgage loans in the state. Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Warren-Bedford Non-MSA AA

The distribution of home mortgage loans to geographies of different income levels in this AA is excellent. The percentage of the bank's loans in moderate-income CTs exceeded both the percentage of owner-occupied housing and aggregate lending. There are no low-income CTs in this AA.

Nashville-Murfreesboro MSA AA

The distribution of home mortgage loans to geographies of different income levels in this AA is reasonable. The percentage of the bank's loans in low-income CTs exceeded the percentage of owner-occupied housing and met aggregate lending. The percentage of the bank's loans in moderate-income CTs was near to the percentage of owner-occupied housing and met aggregate lending.

Small Loans to Businesses

The bank exhibits reasonable geographic distribution of small loans to businesses in the State of Tennessee. Refer to Table Q in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Warren-Bedford Non-MSA AA

The distribution of small loans to businesses in geographies of different income levels in this AA is excellent. The percentage of the bank's loans in moderate-income CTs exceeded both the percentage of businesses in moderate-income CTs and aggregate lending. There are no low-income CTs in this AA.

Nashville-Murfreesboro MSA AA

The distribution of small loans to businesses in geographies of different income levels in this AA is reasonable. The percentage of the bank's loans in low-income CTs was somewhat lower than the percentage of businesses in low-income CTs and lower than aggregate lending. The percentage of the bank's loans in moderate-income CTs exceeded both the percentage of businesses in moderate-income CTs and aggregate lending.

Lending Gap Analysis

We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

The distribution of loans to individuals of different income levels is reasonable. Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Warren-Bedford Non-MSA AA

The distribution of home mortgage loans to individuals of different income levels in this AA is reasonable. The bank's mortgage lending to low-income borrowers was lower than the percent of families identified as low-income but exceeded aggregate lending to low-income borrowers. We placed greater reliance for this category on aggregate lending which was exceeded by the bank. Opportunities to lend to these borrowers is limited given that 14.5 percent of families in this AA live below the poverty level. For moderate-income borrowers, the bank's mortgage lending to moderate-income borrowers exceeded both the percent of families identified as moderate-income and aggregate lending to moderate-income borrowers.

Nashville-Murfreesboro MSA AA

The distribution of home mortgage loans to individuals of different income levels in this AA is reasonable. The percentage of the bank's loans to low-income borrowers was lower than the percent of families identified as low-income but exceeded aggregate lending to low-income borrowers. We placed greater reliance for this category on the aggregate lending which was exceeded by the bank. For this AA, the percentage of families living below the poverty level is 10.4 percent, and median housing prices are high at \$200,982 when compared to the median family income of \$66,441. The percentage of the bank's loans to moderate-income borrowers exceeded both the percent of families identified as moderate-income and aggregate lending to moderate-income borrowers.

Small Loans to Businesses

The distribution of small loans to businesses of different sizes is reasonable. In evaluating the bank's performance for both AAs, we gave consideration to the higher percentage of bank loans made in 2020 to businesses with revenue information not available. The increase was primarily related to PPP loans originated during the COVID-19 pandemic for which SBA did not require applicants to submit this information. Refer to Table R in the Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Warren-Bedford Non-MSA AA

The distribution of small loans to businesses of different sizes is excellent. The percentage of the bank's loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeded

aggregate lending to these businesses. The percentage of the bank's loans to businesses with revenues not available exceeded the percentage of businesses with revenues not available.

Nashville-Murfreesboro MSA AA

The distribution of small loans to businesses of different sizes is reasonable. The percentage of the bank's loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and met aggregate lending. The percentage of the bank's loans to businesses with revenues not available exceeded the percentage of businesses with revenues not available.

Responses to Complaints

FNB received no CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the State of Tennessee is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits adequate responsiveness to CD needs in the state and each of the AAs through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's assessment areas.

Number and Amount of Community Development Loans

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

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Nashville-Murfreesboro MSA	17	63%	\$5,418	66%
Warren-Bedford Non-MSA AA	10	37%	\$2,832	34%

Warren-Bedford Non-MSA AA

The level of CD lending in the Warren-Bedford Non-MSA AA demonstrates adequate responsiveness. In the Warren-Bedford Non-MSA AA, the bank originated or refinanced eight loans for \$1.9 million that provided affordable housing options.

Nashville-Murfreesboro MSA AA

The level of CD lending in the Nashville-Murfreesboro MSA AA demonstrates adequate responsiveness. During the evaluation period, FNB originated or refinanced twelve loans totaling \$1.7 million that provided affordable housing and two loans totaling \$554 thousand that supported healthcare to LMI individuals.

Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments, donations, and grants. These tables include prior period investments that remain outstanding as of the examination date.

Qualified Investments/Grants/Donations										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Nashville-Murfreesboro MSA AA	3	\$433	4	\$509	7	23%	\$942	49%	0	0
Warren-Bedford Non-MSA AA	3	\$433	2	\$530	24	77%	\$963	51%	0	0

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

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Warren-Bedford Non-MSA AA

The level of qualified investments in the Warren-Bedford Non-MSA AA demonstrates adequate responsiveness.

Additionally, the bank has provided 19 donations totaling \$27,000 to programs that provide affordable housing or create benefits for LMI families in the Warren-Bedford Non-MSA AA.

Nashville-Murfreesboro MSA AA

The level of qualified investments in the Warren-Bedford Non-MSA AA demonstrates adequate responsiveness.

FNB exhibits an adequate level of responsiveness to qualified investments and donations. The bank made 25 new investments and donations during the review period totaling \$1 million. In 2018, the bank invested \$1 million in a down payment program created by a Community Development Financial Institution (CDFI) organization. The program is specifically available to the bank's low-income homebuyers and assists them in obtaining safe and affordable housing in both the bank's AAs.

During the prior evaluation period, the bank purchased three THDA bonds currently totaling \$1 million. Funds are being used on an ongoing basis to sponsor various THDA home ownership

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

programs including Homeownership Choices and New Start Programs. These proceeds provide down payment and closing cost assistance to very low-income individuals. Additionally, THDA mortgages are typically guaranteed by FHA, HUD, VA, or United States Department of Agriculture and Rural Development.

Extent to Which the Bank Provides Community Development Services

FNB’s record of providing community development services within its AAs is satisfactory.

Warren-Bedford Non-MSA AA

FNB’s record of providing community development services within the Warren-Bedford Non-MSA AA reflects adequate responsiveness to the CD needs of the AA.

Nashville-Murfreesboro MSA AA

FNB’s record of providing community development services within the Nashville-Murfreesboro MSA AA reflects adequate responsiveness to the CD needs of the AA.

Bank personnel are members of various civic clubs and community boards serving both assessment areas. Bank employees visit the local schools throughout the year to help teach financial literacy to school age students and how to manage money. The bank holds a Professional Seminar for community members which teaches the importance of building credit each year. Some additional examples of CD services provided to the AAs include:

Kids of the Community: FNB has a Senior Vice President, Loan Officer who serves on this organization’s Board of Directors and provides technical assistance related to the provision of financial services. Kids of the Community is a non-profit organization that serves the Warren-Bedford Non-MSA AA.

Bank personnel are members of various civic clubs and community boards serving the AA. Bank employees visit the local schools throughout the year to help teach financial literacy to school age students and how to manage money. The bank holds a Professional Seminar for community members which teaches the importance of building credit each year. Some additional examples of CD services provided to the assessment areas include:

Money Island and Everfi: FNB introduced these financial literacy programs which teach students how to make wise financial decisions to promote financial well-being over their lifetime. The interactive lessons translate complex financial concepts and help students develop strategies for managing their finances.

Lunch and Learn Speakers: During business luncheons in both AAs, employees educate local realtors about mortgage products including affordable housing products for LMI families.

Habitat for Humanity: FNB has an Assistant Vice President, Mortgage Officer who serves on the Board of Directors and provides technical assistance activities related to the provision of financial services. Habitat for Humanity Organizations promote affordable housing for LMI in both of the bank’s AAs.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2018-12/31/2020	
Bank Products Reviewed:	Home mortgage, small business loans Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
Tennessee		
Nashville-Murfreesboro MSA AA	Full-scope	All CTs in Rutherford County and 120 CTs in Davidson County
Warren-Bedford Non-MSA AA	Full-scope	All CTs in Warren and Bedford counties

Appendix B: Summary of MMSA and State Ratings

RATINGS		The First National Bank of Middle Tennessee	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
FNB	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Tennessee	Satisfactory	Satisfactory	Satisfactory

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

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-2020		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Nashville-Murfreesboro MSA AA	1,523	377,972	61.9	42,840	3.3	5.6	5.6	17.4	15.0	15.1	43.1	53.6	45.6	36.2	25.7	33.6	0.0	0.0	0.0		
Warren-Bedford Non-MSA AA	938	152,433	38.1	2,810	0.0	0.0	0.0	20.3	20.4	15.7	55.5	57.5	62.5	24.2	22.2	21.9	0.0	0.0	0.0		
Total	2,461	530,405	100.0	45,650	2.9	3.5	5.3	17.8	17.1	15.1	44.5	55.1	46.6	34.8	24.3	32.9	0.0	0.0	0.0		

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Nashville-Murfreesboro MSA	1,523	377,972	61.9	42,840	20.8	6.9	5.2	18.1	23.2	18.9	20.6	27.1	21.6	40.5	37.6	38.4	0.0	5.2	15.9		
Warren-Bedford Non-MSA AA	938	152,433	38.1	2,810	20.0	4.4	3.6	18.4	19.1	14.4	19.6	30.1	23.5	42.0	44.8	39.0	0.0	1.7	19.4		
Total	2,461	530,405	100.0	45,650	20.7	5.9	5.1	18.1	21.6	18.6	20.5	28.2	21.7	40.6	40.3	38.5	0.0	3.9	16.1		

*Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2018-20	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Nashville-Murfreesboro MSA AA	539	230,075	62.9	19,334	9.1	5.0	11.8	21.1	24.5	22.5	29.4	46.2	26.9	38.9	24.3	37.3	1.6	0.0	1.5	
Warren-Bedford Non-MSA AA	318	45,364	37.1	939	0.0	0.0	0.0	33.6	41.8	27.4	49.4	32.1	53.5	17.0	26.1	19.2	0.0	0.0	0.0	
Total	857	275,439	100.0	20,273	8.5	3.2	11.2	21.8	30.9	22.7	30.5	41.0	28.1	37.7	25.0	36.5	1.5	0.0	1.4	

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2018-20	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Nashville-Murfreesboro MSA AA	539	230,075	62.9	19,334	85.7	47.7	47.8	4.7	36.7	9.7	15.6		
Warren-Bedford Non-MSA AA	318	45,364	37.1	939	82.5	65.1	37.3	5.1	12.3	12.4	22.6		
Total	857	275,439	100.0	20,273	85.5	54.1	47.3	4.7	27.7	9.8	18.2		

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*