



## **PUBLIC DISCLOSURE**

February 25, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens National Bank  
Charter Number 16076

200 Forks of River Parkway, Sevierville, TN 37864

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.

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

**The Lending Test is rated: Satisfactory**

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

Citizens National Bank's (CNB or Bank) has a satisfactory record of meeting community credit needs based on the following:

- CNB's quarterly loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the Bank's lending is inside its assessment areas (AAs) by number and dollar amount of loans originated or purchased.
- The overall borrower distribution of loans by income level of the borrower reflects reasonable distribution of borrowers of different income levels and businesses of different sizes
- The overall level and responsiveness of community development lending, qualified investments, and community development services is adequate.

## Definitions and Common Abbreviations

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

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

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

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

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

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

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**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. 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 it and half below it.

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

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a 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 (MSA):** 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 MSA 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.

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

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

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

**Rated Area:** A rated area is a state or multi-state MA. 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 MA, the institution will receive a rating for the multi-state MA.

**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 noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

Citizens National Bank's (CNB or the Bank) is an independent, intrastate bank that opened for business in 1973. Effective April 1984, the Bank became wholly owned by CNB Bancshares, Inc. (CNB Bancshares), a one-bank holding company. The main office for both CNB Bancshares and CNB is located in Sevierville, Tennessee. Sevierville is approximately 20 miles east of Knoxville, Tennessee. CNB Bancshares owns CNB Community Development (CNBCD), a community development corporation project that owns two apartment complexes that provide housing to low-income individuals. By virtue of the fact that CNB and CNBCD are both owned by CNB Bancshares, CNB and CNBCD are affiliates. Therefore, CNBCD's activities are included in this evaluation. CNB Bancshares also owns two wholly-owned subsidiary grantor trusts known as CNB Statutory Trust I and Trust II. These subsidiaries have no activities that meet the definition of community development activities. CNB owns Courthouse Title and Escrow, LLC (Courthouse Title), which provides professional real estate and other loan closing services (title services and title insurance). Courthouse Title neither conducts nor impedes any CRA activities that would be included in this evaluation. The trust subsidiaries and the title escrow entity have neutral CRA implications and, therefore, are not considered in CNB's CRA activities for this Performance Evaluation (PE). There have been no major changes in the Bank's corporate structure, including merger or acquisition activities, since the previous CRA Performance Evaluation.

CNB has three assessment areas (AAs), all located within the State of Tennessee. These AAs include the Sevier County AA, a 17 geography Non-Metropolitan Statistical Area (Non-MSA); the Knox-Blount County AA, a six geography AA which is part of Knoxville MSA #28940 (partial); and the Jefferson-Hamblen County AA, a nine geography AA which is part of Morristown MSA #34100 (partial).

Branches are generally located in areas that make them accessible to CNB customers. CNB operates 15 branches in Sevier County, two branches in Knox County, three branches in Jefferson County, one branch in Hamblen County, and one branch (South Chapman Highway) in Blount County near the Sevier County line. Lobby hours and drive-up hours are set to meet customer needs. CNB has automated teller machines (ATMs) that disburse cash and take deposits located at each branch office and 26 other ATMs that are located primarily in Sevier County. Customers may also access their accounts through telephone banking or CNB's internet site. Internet and telephone banking activities include transfers between CNB accounts, review of bank balances and transactions, access to loan account information, mobile deposit, and bill paying capability. The Bank also offers Visa debit cards that can be used to access customer accounts at point of sale or ATM locations. Additionally, CNB offers Visa and MasterCard credit cards.

The Bank offers a full-range of loan and deposit services. CNB's primary business focus is commercial lending, including commercial real estate (CRE) loans and commercial non-mortgage loans. As of December 31, 2018, the Bank's total assets were \$1.05 billion, and gross loans totaled \$813 million or 77 percent of total assets. Commercial loans totaled \$629 million and represented 77.3 percent of gross loans. CRE accounts for the majority of the commercial loan portfolio at \$564 million and represented 89.6 percent of the commercial loan portfolio. Retail loans totaled \$185 million and represented 22.7 percent of gross loans. First-

lien mortgages comprise the majority of the retail loan portfolio at \$148 million or 80.2 percent of the retail loan portfolio.

CNB's business strategy includes the 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 Sevier, Jefferson, Knox, Hamblen, and Blount Counties. Commercial loan activity includes all types of CRE development and construction lending. Small Business Administration (SBA) loans are offered for new business startups as well as to expand existing businesses. CNB also offers United States Department of Agriculture (USDA) and SBA loans to qualifying businesses. Government guarantees can be as high as 100 percent. CNB also supports the purchase and long-term financing of residential home loans through its conventional secondary residential mortgage market, including Federal Housing Administration (FHA), Veterans Administration (VA), and USDA Rural Housing Service mortgage guarantee programs.

There are no legal, financial, or other factors impeding CNB's ability to help meet the credit needs or its AAs. CNB received an overall rating of "Satisfactory" in the last CRA PE dated March 29, 2016.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This PE assesses CNB's performance under the Lending and Community Development Tests. The evaluation period is January 1, 2016 through December 31, 2018. In evaluating the Bank's lending performance, the Bank's primary loan products include residential mortgages and business loans, with an emphasis on small business lending. We placed the most weight for rating the borrower distribution of loans on small business lending considering the Bank's strategic focus is business lending. In evaluating the Community Development Test, we reviewed CD loans, investments, and services for the whole evaluation period.

### **Data Integrity**

Prior to this evaluation, in December 2018, we verified the accuracy of data collected by management for business and mortgage loans for years 2016, 2017, and 2018. As part of the data integrity examination, we tested Home Mortgage Disclosure Act (HMDA) data for residential mortgages and business loan reports provided by the Bank to verify the accuracy of data used for this examination. We used the Bank's database of originated and purchased business loans tracked by revenue code to conduct our analysis of business loans. We also verified community development loans, investments, and services submitted by management to ensure they met the regulatory definition for community development. We excluded any items that did not meet the definition or purpose of community development.

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

We used the Intermediate Small Bank procedures to complete a full scope review on all three of CNB's AAs, including the Sevier County AA, the Knox-Blount County AA, and the Jefferson-Hamblen County AA. Please refer to the table in Appendix A for more information related to the scope of the examination and Appendix B for details related to the AAs.

### **Ratings**

CNB's overall rating is based primarily on those areas that received full-scope reviews. We gave more weight to CNB's performance in the Sevier County AA as this AA is where the Bank conducts the majority of its business.

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

Pursuant to 12 CFR 25.28(c), “Community Reinvestment Act and Interstate Deposit Production Regulations” or 195.28(c), “Community Reinvestment” 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 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 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 PE.

## Conclusions with Respect to Performance Tests

CNB's performance under the lending test is satisfactory. CNB's LTD ratio is reasonable given CNB's size and financial condition as well as the credit needs of its AAs. A substantial majority of CNB's loans and other lending relating activities were in its AAs. The distribution of borrowers reflected reasonable distribution among individuals of different income levels and businesses of different sizes given the demographics of the AAs. There were no CRA-related complaints during the evaluation period.

### LENDING TEST

CNB's performance under the lending test is satisfactory.

#### Loan-to-Deposit Ratio

CNB's LTD ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. CNB's quarterly LTD ratio since the previous CRA evaluation averaged 87.69 percent, with a quarterly high of 90.63 percent and a quarterly low of 81.00 percent. We compared CNB's LTD ratio to six similarly situated banks (peer group banks) within the AAs ranging in asset size from \$304 million to \$459 billion. The peer group bank's average LTD ratio was 81.06 percent with a high average ratio of 88.49 percent and a low average ratio of 68.74 percent.

#### Lending in Assessment Area

A substantial majority of the originations and purchases of home mortgage and business loans during the review period were inside CNB's AAs. Considering the distribution by number and dollar amount, this meets the standard for outstanding performance. Table D quantifies the proportion of CNB's lending inside and outside of its AA:

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	155	84.7	28	15.3	183	32,055	80.5	7,759	19.5	39,814
2017	160	87.4	23	12.6	183	26,730	90.7	2,731	9.3	29,461
2018	105	84.0	20	16.0	125	28,632	87.0	4,265	13.0	32,897
<b>Subtotal</b>	<b>420</b>	<b>85.5</b>	<b>71</b>	<b>14.5</b>	<b>491</b>	<b>87,417</b>	<b>85.6</b>	<b>14,755</b>	<b>14.4</b>	<b>102,172</b>
Business Loans										
2016	232	78.1	65	21.9	297	95,989	71.9	37,441	28.1	133,431
2017	212	81.2	49	18.8	261	91,667	72.9	34,151	27.1	125,818
2018	222	85.1	39	14.9	261	80,574	76.2	25,232	23.9	105,806
<b>Subtotal</b>	<b>666</b>	<b>81.3</b>	<b>153</b>	<b>18.7</b>	<b>819</b>	<b>268,230</b>	<b>73.5</b>	<b>96,824</b>	<b>26.5</b>	<b>365,054</b>
<b>Total</b>	<b>1086</b>	<b>82.9</b>	<b>224</b>	<b>17.1</b>	<b>1310</b>	<b>355,647</b>	<b>76.1</b>	<b>111,579</b>	<b>23.9</b>	<b>467,226</b>
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data            Due to rounding, totals may not equal 100.0</i>										

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

The distribution of borrowers reflected, given the demographics of the AAs, reasonable distribution among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different sizes.

### ***Home Mortgage Loans***

The borrower distribution of CNB's originations and purchases of home mortgage loans reflected reasonable distribution among individuals of different income levels. In making this determination, we gave more weight to CNB's performance in the Sevier County AA as CNB conducts the majority of its business in this AA. We incorporated the results for the Jefferson-Hamblen County AA into our final conclusion, but the results for the Knox-Blount County AA were not meaningful given CNB's limited activity there during the review period.

#### *Sevier County AA*

Based on the data in table P, in appendix C, and the following performance context considerations, the distribution of borrowers reflected reasonable distribution among individuals of different income levels (including LMI) given the demographics of the AA.

- For 2016, the percentage of home loans to low-income borrowers was significantly lower than the percentage of low-income AA families and was approximately equal to the aggregate peer bank performance. The percentage of home loans to moderate-income borrowers was also lower than the percentage of moderate-income families but was comparable to the aggregate peer bank performance.
- For 2017-2018, the percentage of home loans to low-income borrowers was significantly lower than the percentage of low-income AA families but exceeded the aggregate peer bank performance. The percentage of home loans to moderate-income borrowers was lower than the percentage of moderate-income families but was comparable to the aggregate peer bank performance.
- High poverty levels impeded CNB's ability to make home loans to qualified low-income borrowers in this AA. The percentage of families living below the poverty level was 13.7 percent for 2016 and 14.7 percent for 2017-2018.
- CNB's and industry performance was also impacted by the ratio of median housing value to income in the AA. The high median housing value in Sevier County constrains lending opportunities to LMI borrowers as the proportion of properties affordable to these borrowers is limited.

#### *Jefferson-Hamblen County AA*

Based on the data in table P, in appendix C, and the following performance context considerations, the distribution of borrowers reflected reasonable penetration among individuals of different income levels (including LMI) given the demographics of the AA.

- For 2016, CNB did not originate any home loans to low-income borrowers compared to the 20.3 percent of low-income AA families and the 5.3 percent of aggregate bank peer performance. The percentage of home mortgage loans to moderate-income borrowers was somewhat lower than the demographic comparator and aggregate data.
- For 2017-2018, CNB did not originate any home loans to low-income borrowers compared to the 17.3 percent of low-income AA families and the 4.2 percent aggregate bank peer performance. The percentage of home mortgage loans to moderate-income borrowers exceeded the demographic comparator and aggregate data.
- High poverty levels impeded CNB's ability to make home loans to qualified low-income borrowers in this AA. The percentage of families living below the poverty level was 17 percent for 2016 and 14.7 percent for 2017-2018.

#### Knox-Blount County AA

Due to the low volume of originations and purchases of home mortgage loans in this AA, an analysis of the borrower distribution by income would not be meaningful. CNB originated a total of five home loans in this AA from 2016-2018.

#### **Business Loans**

The borrower distribution of CNB's originations and purchases of business loans reflects reasonable penetration among businesses of different sizes. In making this determination, we gave more weight to CNB's performance in the Sevier County AA, as this AA is where the bank conducts the majority of its business. Of the two other AAs, we incorporated the results for the Jefferson-Hamblen County AA into our final conclusion. We did not incorporate the results from the Knox-Blount County AA into our analysis. We determined that businesses lending in the Knox-Blount County AA was not meaningful given the bank's limited activity in that AA during the review period.

#### Sevier County AA

Based on the data in table R, in appendix C, and the following performance context considerations, the borrower distribution of CNB's business loans reflected reasonable distribution among businesses of different sizes given the demographics of the AA.

- In 2016, the proportion of loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the proportion of such businesses in the AA. During 2017-2018, the proportion of these loans for CNB was nearer to the proportion of such businesses in the AA.
- Tourism dominates the local economy, and CNB is a major provider of financing for related businesses such as hotels and entertainment venues. Many of these businesses tend to have revenues exceeding \$1 million.

#### Jefferson-Hamblen County AA

Based on the data in table R, in appendix C, and the following performance context considerations, the borrower distribution of CNB's business loans reflected reasonable distribution among businesses of different sizes given the demographics of the AA.

- In 2016, the proportion of loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the proportion of such businesses in the AA. The 2017-2018 results were consistent with the 2016 data.
- CNB's results in this AA were heavily influenced by the large number of loans originated to a volume home builder with revenue exceeding \$1 million. This borrower specializes in the construction of entry level homes in the \$100 thousand to \$175 thousand price range. The median housing value for this AA was \$130 thousand in 2016 and \$135 thousand in 2017-2018.

### Knox-Blount County AA

Due to the low volume of originations and purchases of business loans in this AA, an analysis of the borrower distribution by revenue would not be meaningful. CNB originated a total of five business loans in this AA from 2016-2018.

### **Geographic Distribution of Loans**

We did not perform an analysis of the geographic distribution of CNB's lending as part of this evaluation. The analysis would not be meaningful as there are very few demographically distinct geographies within each of CNB's AA.

- The Sevier County AA included no low-income geographies and only one moderate-income geography during the review period.
- The Jefferson-Hamblen County AA included no low-income geographies and only one moderate-income geography during the review period. This moderate-income geography was added to CNB's AA in December 2018 when the Bank opened a new branch in this geography.
- The Knox-Blount County AA included no LMI geographies for 2016 and only one moderate-income geography for 2017 and 2018.

### **Responses to Complaints**

CNB did not receive any CRA-related complaints during the evaluation period.

### **COMMUNITY DEVELOPMENT TEST**

CNB's responsiveness to the community development needs of its AAs through CD lending, investments, and services is adequate. Our evaluation period for CD Activities was January 1, 2016, through December 31, 2018. Our conclusion is based on the CNB's performance context and the full scope reviews of the AAs. Due to the existence of only one moderate-income and no low-income geographies in each AA, competition from other financial institutions in the AAs, and the comparatively small size of both the Knox-Blount County AA and Jefferson-Hamblen County AA, there were limited opportunities for CD lending and investment within CNB's AAs. In response, CNB continues to take advantage of opportunities in low-income areas of the Knoxville MSA that are not in the Bank's defined AA. These

opportunities focus on affordable housing for LMI residents as well as transitional housing for homeless individuals and families. These actions had a favorable impact on the CD Test rating considering CNB has met the needs of its defined AAs.

### **Number and Amount of Community Development Loans**

#### Sevier County AA

Considering the needs and opportunities in the Sevier County AA, CNB provided an adequate level of CD lending. CNB originated a \$9.5 million loan to construct an 80-unit affordable housing project in Sevier County during the evaluation period. While affordable housing is a recognized need in Sevier County, very few developers are interested in meeting that need due to the high cost of land in the county.

#### Jefferson-Hamblen County AA

CNB's CD lending performance in the Jefferson-Hamblen AA was adequate. CNB renewed one qualifying \$3.65 million loan for an affordable housing complex during the evaluation period.

#### Knox-Blount County AA

CD lending performance in the Knox-Blount AA was adequate. CNB did not make any CD loans within the defined AA during the review period; however, there is very limited opportunity for CD loans in the defined AA. Therefore we give positive consideration to a CD loan of \$375 thousand for the construction of five single-family residences for LMI families in the broader Knoxville MSA, but outside of CNB's defined AA.

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

#### Sevier County AA

CNB's level of qualified investments for the Sevier County AA is adequate. CNB did not purchase any new qualified debt or equity investments in the Sevier County AA during the evaluation period, but continued to carry prior period investments in affordable housing complexes. These two prior period investments had a combined carrying value of \$1.95 million as of December 31, 2018. Other qualified investments include donations and grants to organizations that support LMI people. CNB donated a total of \$179 thousand to 21 separate organizations and schools in Sevier County during the evaluation period. The most significant contributions include:

- \$53 thousand to 10 schools in the Sevier County school system, for which more than half of students are from LMI families.
- \$43 thousand to the Boys and Girls Club of Pigeon Forge, which primarily serves LMI children.
- \$25 thousand to the Boys and Girls Club of the Smoky Mountains, which primarily serves LMI children.
- \$20 thousand grant to the Senior Housing Crime Prevention Foundation, which serves LMI seniors.

- \$15 thousand to the Santa Fund, which serves low-income children and seniors in Sevier County.
- \$13 thousand to United Way of Sevier County, which provides funding to other area agencies that serve LMI families, individuals, and seniors in Sevier County.

#### Jefferson-Hamblen County AA

The level of qualified investments and donations in the Jefferson-Hamblen County AA is adequate. CNB did not make any new investments in the AA during the evaluation period, but continued to carry one prior period investment in an affordable housing complex. This investment had a carrying value of \$530 thousand as of December 31, 2018. Additionally, CNB donated \$13 thousand to three organizations and schools in the Jefferson-Hamblen County AA during the evaluation period:

- \$9 thousand to two Jefferson County schools, for which more than half of students are from LMI families.
- \$4 thousand to the Boys and Girls Club of Dumplin Valley, which primarily serves LMI children.

#### Knox-Blount County AA

CNB's level of CD investments in the Knox-Blount County AA is adequate considering the size and performance context of the AA. While CNB did not make any investments in the defined AA during the evaluation period, CNB continued to carry three prior period investments in the greater Knoxville MSA area. These three prior period investments had a combined carrying value of \$4.97 million as of December 31, 2018. CNB does not have a significant presence in the Knoxville MSA, and the small number of geographies in the defined AA limits CNB's investment opportunities within the AA.

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

#### **Sevier County AA**

CNB meets the CD service needs of the AA through volunteer activities by its officers and employees. By providing financial services that take advantage of bank employees' financial expertise, CNB is responsive to the needs of LMI people. These services include developing and conducting financial educational programs to students and individuals and providing technical financial assistance to CD organizations. During the evaluation period, various CNB personnel provided 40 volunteer hours to conduct financial literacy programs at schools throughout the Sevier County School System (System). A majority of the System's students are from LMI families. Additionally, a bank officer serves as Board Chairman of a local organization that provides services to LMI individuals and families. The role of Board Chairman includes providing management and financial expertise to the organization.

#### **Jefferson-Hamblen County AA and Knox-Blount County AA**

CNB did not provide volunteer CD services to these AAs during the evaluation period. CNB offers loans through the USDA Rural Housing program, which is considered a service to these areas. Provided the property is in a USDA approved rural area, LMI homebuyers can qualify

for this no-down payment loan provided income and credit score criteria are met. CNB underwrites these loans to agency guidelines, receives a fee for its efforts, and the loan is funded by a third party in the secondary market.

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

The volume and responsiveness of CNB to the CD needs of its AAs is adequate. The Board has identified affordable housing needs and basic community services such as child/youth care and health care as its CD goals. During the evaluation period, CNB provided CD loans for affordable housing projects and cash donations to specific community service organizations. Additionally, Bank officers and personnel provided financial literacy tools to LMI individuals along with donations and service hours to multiple community organizations.

## 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: (01/01/16 to 12/31/18) Investment and Service Tests and CD Loans: (01/01/16 to 12/31/18)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Citizens National Bank Sevierville, TN	Residential and Business	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
CNB Community Development (CNBCD)	CD project owned by CNB Bancshares	Two apartment complexes that provide housing to low-income individuals
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Sevier County AA (non-Metropolitan Statistical Area (MSA)) Knox-Blount County AA (Knoxville MSA #28940) Jefferson-Hamblen County AA (Morristown MSA #34100)	Full-Scope	

## Appendix B: Community Profiles for Full-Scope Areas

### Description of Assessment Area(S)

Based on the 2015 Census, CNB’s AAs have 32 geographies within Sevier, Blount, Knox, Hamblen, and Jefferson Counties. Geography reconfigurations since the previous examination did not alter the quantity of the geographies; however, CNB added four additional geographies within Hamblen County as a result of a new branch opening in Morristown, Tennessee on December 28, 2018. Prior to this addition, no geographies within Hamblen County were included within CNB’s AAs. CNB has no low-income geographies and only three moderate-income geographies. Of the three moderate-income geographies, one is located in Sevier County, one in Hamblen County (which was added in December 2018), and one in Knox County. The one moderate-income geography located in Knox County was classified as a middle-income CT in 2016 and changed to moderate-income CT in 2017. The AA meets the requirements of the CRA regulation and do not arbitrarily exclude any LMI geographies.

### Sevier County Assessment Area

Table A – Demographic Information of the Assessment Area						
Assessment Area: Sevier County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	0.0	5.9	70.6	23.5	0.0
Population by Geography	93,617	0.0	3.3	68.7	28.0	0.0
Housing Units by Geography	56,241	0.0	3.0	74.3	22.6	0.0
Owner-Occupied Units by Geography	24,420	0.0	1.1	66.0	33.0	0.0
Occupied Rental Units by Geography	12,297	0.0	5.7	74.6	19.7	0.0
Vacant Units by Geography	19,524	0.0	3.9	84.6	11.5	0.0
Businesses by Geography	7,015	0.0	7.7	74.1	18.3	0.0
Farms by Geography	173	0.0	3.5	69.9	26.6	0.0
Family Distribution by Income Level	25,861	16.7	17.9	20.6	44.7	0.0
Household Distribution by Income Level	36,717	18.7	15.1	18.4	47.8	0.0
Median Family Income Non-MSAs - TN		\$46,254	Median Housing Value			\$158,024
			Median Gross Rent			\$730
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS Census and 2018 D&amp;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>						

### Sevier County

Sevier County is in a non-Metropolitan Statistical Area (non-MSA). The Sevier County AA includes all 17 geographies in Sevier County and includes one moderate-income

geography, four upper-income geographies, and 12 middle-income geographies. CNB operates 15 full service branches across Sevier County with branches in Sevierville, Pigeon Forge, Gatlinburg, Kodak, and Seymour. Based on the June 30, 2018, Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Report, there were 10 banks within the Sevier County market, and CNB ranked first in the level of deposits for all banks with a 29.66 percent deposit market share.

Sevier County has been one of the fastest-growing counties in Tennessee. Based on the 2010 Census, the population grew from 89,889 to an estimated 97,638 as of July 1, 2017. Sevierville is county seat and the largest city in the county. Other cities in Sevier County include Pigeon Forge and Gatlinburg. Sevier County is located off the major East-West connector Interstate I-40 and is known as the "Gateway" to the Great Smoky Mountains National Park (GSMNP). From its beginnings as a traditional subsistence-based farming society, Sevier County has grown into a major tourist destination. The GSMNP dominates the southern part of the county. It is the most visited national park in the United States. Since 2013, visitation to the GSMNP has continued to increase, and it exceeded 11 million for the first time in 2016. While visitation increased in 2017, the margin was minimal at 0.2 percent. This is assumed to be a result of the November 2016 wildfires and the related drop in travelers to the area during that time period. A new National Park Service (NPS) report shows the economic impact of visitation to GSMNP brought \$923 million to communities surrounding the park in 2017. The report shows visitor-spending supports 13,942 jobs in the regional economy. This traffic has had a positive impact on motels, restaurants, shopping, theme parks, theaters, and festivals in the cities of Sevierville, Pigeon Forge, and Gatlinburg. Tourism also caused tremendous interest and growth in the commercial cabin rental industry. The top industries in Sevier County are hospitality/tourism and retail/services. Dollywood Country (a theme park) and the Sevier County School system are major employers in Sevier County.

According to the Bureau of Labor and Statistics, the unemployment rates for the state of Tennessee and the United States (US) were 4.8 percent and 4.9 percent, respectively, as of January 2016, at the beginning of the evaluation period. Although the Sevier County has experienced good economic and employment growth, the January 2016 unemployment rate was 7.9 percent. Typically, unemployment for Sevier County is higher during the winter months versus spring, summer, and fall seasons when tourism thrives. Additionally, the November 2016 wild fires contributed to a higher than average unemployment rate at the end of 2016 and beginning of 2017. As of December 2018, the unemployment rates for Tennessee, the US, and for Sevier County were 3.6 percent, 3.9 percent, and 2.8 percent, respectively. The poverty rate for Sevier County was 12.6 percent, based on the 2017 US Census report, with poverty rates for Tennessee and the US at 21.1 percent and 18.4 percent, respectively. Sevier County's Median Family Income (MFI) levels, based on Housing and Urban Development (HUD) reports, have been fairly stable during the evaluation period ranging from \$46,900 in 2015 to \$44,473 in 2017.

**Knox-Blount Assessment Area**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Knox-Blount County AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	6	0.0	16.7	66.7	16.7	0.0
Population by Geography	21,871	0.0	16.3	72.3	11.5	0.0
Housing Units by Geography	9,464	0.0	13.8	72.6	13.6	0.0
Owner-Occupied Units by Geography	6,611	0.0	12.4	74.5	13.1	0.0
Occupied Rental Units by Geography	1,876	0.0	19.0	66.2	14.9	0.0
Vacant Units by Geography	977	0.0	13.5	72.2	14.3	0.0
Businesses by Geography	957	0.0	10.8	72.3	16.9	0.0
Farms by Geography	51	0.0	13.7	76.5	9.8	0.0
Family Distribution by Income Level	5,915	18.6	22.2	21.3	37.9	0.0
Household Distribution by Income Level	8,487	20.7	19.6	16.4	43.3	0.0
Median Family Income MSA - 28940 Knoxville, TN MSA		\$59,210	Median Housing Value			\$137,352
			Median Gross Rent			\$693
			Families Below Poverty Level			8.1%
<i>Source: 2015 ACS Census and 2018 D&amp;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>						

Knox and Blount Counties are part of the Knoxville Metropolitan Statistical Area (MSA #28940). The Knox-Blount County AA includes five geographies on the eastern side of Knox County bordering Sevier County and one census tract in the northeast corner of Blount County bordering Sevier County and Knox County. The AA includes one middle-income geography in Blount County, three middle-income geographies in Knox County, one moderate-income geography in Knox County, and one upper-income geography in Knox County. There were no LMI geographies within CNB's Knox-Blount County AA for the year 2016. The moderate-income geography in CNB's Knox County AA was classified as a middle-income geography in 2016 and was reclassified as a moderate-income geography in 2017.

**Knox County**

Knoxville and Farragut are the major cities in Knox County. Knoxville is the third-largest city in the state of Tennessee and is the county seat of Knox County. It is also the largest city in East Tennessee. Knoxville's economy is largely fueled by the regional location of the main campus of the University of Tennessee, the Oak Ridge National Laboratory, other Department of Energy facilities in nearby Oak Ridge, the National Transportation Research Center, Covenant Health, and the Tennessee Valley Authority (TVA). Because of its central location in the eastern half of the United States and proximity to two major Interstate highways, many warehousing and distribution companies, operate in and around Knoxville. The AA includes five geographies on the eastern side of the county bordering Sevier County. CNB operates one full service branch located off highway 40 at the Strawberry Plains exit and one full service branch

inside of a Wal-Mart off Chapman Highway. Based on the June 30, 2018, FDIC Summary of Deposits Report, Knox County had 32 banks within the market, with CNB possessing a 0.28 percent deposit market share and ranking twenty-fifth in the level of deposits for all banks. As of December 2018, Knox County's unemployment rate of 2.5 percent is lower than unemployment rates for both Tennessee and the US. The Knox County poverty rate as of 2017 was below the state of Tennessee average at 13.9 percent. MFI has decreased to \$52,548 for 2017, compared to \$61,600 in 2013 for the Knoxville MSA.

### Blount County

Blount County is bordered on the east by the GSMNP and on the west by the great chain of lakes created by the TVA. The city of Maryville (county seat) is bordered on the north by its twin city, Alcoa, a number of small suburbs to its east and west, and the city of Townsend to its south. Manufacturing and services are major employment sectors for Blount County. Some of the top employers for Blount County are DENSO Manufacturing TN, Inc., Blount Memorial Hospital, and the Blount County School system. The AA includes one geography in the northeast corner of the county bordering Sevier County and Knox County. CNB operates one full service branch located on Chapman Highway just outside of Sevier County. Based on the June 30, 2018, FDIC Summary of Deposits Report, Blount County had 16 banks within the market, with CNB possessing a 2.10 percent deposit market share and ranking tenth in the level of deposits for all banks. During the evaluation period, Blount County's unemployment rate has ranged from 4.7 percent at January 2016 to 2.8 percent as of December 2018. Blount County's unemployment rate is below the state and US unemployment rates. The poverty rate was 12.1 percent for 2017. MFI was \$51,172 for 2017.

**Jefferson-Hamblen Assessment Area**

Table A – Demographic Information of the Assessment Area						
Assessment Area: Jefferson-Hamblen County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	11.1	77.8	11.1	0.0
Population by Geography	54,492	0.0	6.1	81.3	12.6	0.0
Housing Units by Geography	23,104	0.0	5.8	82.9	11.3	0.0
Owner-Occupied Units by Geography	14,848	0.0	4.4	81.1	14.5	0.0
Occupied Rental Units by Geography	5,414	0.0	8.8	83.4	7.8	0.0
Vacant Units by Geography	2,842	0.0	7.0	91.8	1.3	0.0
Businesses by Geography	2,458	0.0	11.4	80.6	7.9	0.0
Farms by Geography	80	0.0	10.0	77.5	12.5	0.0
Family Distribution by Income Level	14,580	17.3	18.0	21.0	43.7	0.0
Household Distribution by Income Level	20,262	21.3	14.2	17.9	46.6	0.0
Median Family Income MSA - 34100 Morristown, TN MSA		\$49,373	Median Housing Value			\$134,829
			Median Gross Rent			\$638
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS Census and 2018 D&amp;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>						

Jefferson and Hamblen Counties are part of the Morristown MSA #34100. The Jefferson-Hamblen County AA includes five middle-income geographies in Jefferson County, one moderate-income geography in Hamblen County, one upper-income geography in Hamblen County, and two middle-income geographies in Hamblen County. The Hamblen County geographies were added to CNB’s AA at the end of the review period as a result of a new branch opening in Morristown on December 28, 2018. For a majority of the review period, there were no LMI geographies in this AA.

Jefferson County

Major cities in Jefferson County include Dandridge, Jefferson City, White Pine, and Baneberry. Dandridge is a short drive from Pigeon Forge, Gatlinburg, and (including the University of Tennessee). Situated only two miles from the intersection of Interstate-40 and Interstate-81, Dandridge is a prime destination for anyone visiting the Smoky Mountains. Jefferson City is approximately twenty miles northeast of Knoxville. Jefferson City offers a small town atmosphere with all the amenities and entertainment of Knoxville, Pigeon Forge, and Gatlinburg. In the heart of the Lakeway Area, Jefferson City is minutes from Cherokee Lake and Douglas Lake. These TVA operated recreational facilities offer excellent opportunities to sportsmen and fishermen as well as campers and recreational watercraft owners. Baneberry is primarily a resort community nestled at the foot of the Smoky Mountains. It is partially surrounded by Douglas Lake that has almost 600 miles of shoreline and is one of the premier fishing lakes in Tennessee. A championship golf course winds through the heart of the city. Baneberry

is just minutes from Knoxville, Gatlinburg, and Pigeon Forge. One of the major employers within Jefferson County is Carson-Newman University. The AA includes five geographies on the eastern side of the county spanning north of Sevier County. CNB operates three full service branches in Jefferson County. Two branches are free standing branches located in White Pine and Dandridge, and one branch is located inside of a Food City grocery store in Jefferson City. Based on the June 30, 2018, FDIC Summary of Deposits Report, Jefferson County had nine banks within the market, with CNB possessing a 13.07 percent deposit market share and ranking third in the level of deposits for all banks. Jefferson County's unemployment rate during the evaluation period ranged from 6.2 percent at January 2016 to 3.2 percent at December 2018, which was below the state rate and US rate. The Jefferson County poverty level was 14.1 percent for 2017, and the MFI was \$45,641.

### Hamblen County

Hamblen County is part of the Morristown MSA with the county seat and only incorporated city being Morristown, Tennessee. Hamblen County is the third-smallest county in Tennessee by size. Morristown expands into Jefferson County on the south-western end and is located along Interstate-81, a major transportation route. It sits at the northwestern base of the Great Smoky Mountains and is about 40 miles north-east of Knoxville. Morristown serves as the regional hub for employment, shopping, recreation, healthcare, and educational opportunities. The community has evolved from an agricultural based economy to a manufacturing based economy, producing a wide range of products such as plastics, automotive parts, frozen cakes, and many others. Some of the top employers for Hamblen County are Koch Foods (one of the largest poultry producers in the United States), Mahle, JTEKT Automotive Inc., Walters State Community College, and Morristown Hamblen Healthcare. CNB recently (December 28, 2018) opened a full service branch in Morristown and plans to serve four geographies in the south-eastern corner of the County bordering Jefferson County, including one upper-income geography, two middle-income geographies, and one moderate-income geography. Hamblen County's unemployment rate during the evaluation period ranged from 5.5 percent at January 2016 to 3.3 percent at December 2018, which was below the state rate and US rate. The Hamblen County poverty level was 16.7 percent for 2017, and the MFI was \$42,042.

We determined the community credit needs in the AA by reviewing CRA Public Evaluations of other banks operating in the same AA and by conducting a community contact with a non-profit organization that primarily focused on providing assistance to individuals and families in times of need within Sevier County. We determined that the most pressing credit needs across all of the AAs are affordable housing including financial literacy and knowledge on affordable housing loan programs.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs 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 loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which result from how they are generated in supervisory analytical systems.

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 MA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to 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 originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because 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 AA.

- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** – Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer 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. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** – Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer 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 throughout those geographies.
- Table V. 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 to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2016**

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
Blount-Knox County AA	1	11	0.6	714	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Sevier County AA	134	26,747	86.5	3,896	0.0	0.0	0.0	1.5	1.5	0.8	59.4	79.9	62.4	39.1	18.7	36.8	0.0	0.0	0.0
Jeffers on-Hamblen County AA	20	5,297	12.9	1,610	0.0	0.0	0.0	6.0	0.0	3.5	72.2	95.0	71.0	21.8	5.0	25.5	0.0	0.0	0.0
<b>Total</b>	<b>155</b>	<b>32,055</b>	<b>100.0</b>	<b>6,220</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>	<b>69.3</b>	<b>81.9</b>	<b>68.9</b>	<b>28.0</b>	<b>16.8</b>	<b>29.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017-18**

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
Blount-Knox County AA	4	698	2.5	736	0.0	0.0	0.0	12.4	0.0	7.2	74.5	50.0	80.2	13.1	50.0	12.6	0.0	0.0	0.0
Sevier County AA	232	50,627	87.5	3,753	0.0	0.0	0.0	1.1	1.3	0.5	66.0	76.7	70.4	33.0	22.0	29.1	0.0	0.0	0.0
Jeffers on-Hamblen County AA	29	4,037	10.9	1,554	0.0	0.0	0.0	4.4	0.0	2.8	81.1	89.7	80.8	14.5	10.3	16.3	0.0	0.0	0.0
<b>Total</b>	<b>265</b>	<b>55,362</b>	<b>100.0</b>	<b>6,043</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.8</b>	<b>1.1</b>	<b>1.9</b>	<b>72.1</b>	<b>77.7</b>	<b>74.3</b>	<b>24.1</b>	<b>21.1</b>	<b>23.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 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 2016**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income			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
Blount-Knox County AA	1	11	0.6	714	17.0	0.0	7.4	20.3	0.0	20.2	26.2	0.0	19.6	36.6	100.0	28.3	0.0	0.0	24.5
Sevier County AA	134	26,747	86.5	3,896	17.0	2.2	2.6	16.3	6.0	10.7	21.7	9.7	15.6	45.0	74.6	52.0	0.0	7.5	19.1
Jefferson-Hamblen County AA	20	5,297	12.9	1,610	20.3	0.0	5.3	17.0	10.0	17.0	20.4	15.0	21.4	42.3	65.0	36.8	0.0	10.0	19.5
<b>Total</b>	<b>155</b>	<b>32,055</b>	<b>100.0</b>	<b>6,220</b>	<b>18.0</b>	<b>1.9</b>	<b>3.8</b>	<b>17.1</b>	<b>6.5</b>	<b>13.4</b>	<b>21.9</b>	<b>10.3</b>	<b>17.6</b>	<b>43.1</b>	<b>73.5</b>	<b>45.4</b>	<b>0.0</b>	<b>7.7</b>	<b>19.8</b>

Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-18</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income			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		
Blount-Knox County AA	4	698	2.5	736	18.6	0.0	8.3	22.2	25.0	20.1	21.3	25.0	20.8	37.9	50.0	28.4	0.0	0.0	22.4		
Sevier County AA	232	50,627	87.5	3,753	16.7	2.6	1.8	17.9	6.0	10.0	20.6	10.3	17.8	44.7	59.9	51.5	0.0	21.1	18.9		
Jeffers on-Hamblen County AA	29	4,037	10.9	1,554	17.3	0.0	4.2	18.0	24.1	15.4	21.0	17.2	21.4	43.7	51.7	37.4	0.0	6.9	21.6		
<b>Total</b>	<b>265</b>	<b>55,362</b>	<b>100.0</b>	<b>6,043</b>	<b>17.1</b>	<b>2.3</b>	<b>3.2</b>	<b>18.5</b>	<b>8.3</b>	<b>12.6</b>	<b>20.8</b>	<b>11.3</b>	<b>19.1</b>	<b>43.5</b>	<b>58.9</b>	<b>45.0</b>	<b>0.0</b>	<b>19.2</b>	<b>20.0</b>		

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2016</b>
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	
Blount-Knox County AA	1	507	0.4	--	81.1	100.0	--	6.9	0.0	12.0	0.0	
Jeffers on-Hamblen County AA	22	3,526	9.5	--	79.3	50.0	--	5.9	50.0	14.9	0.0	
Sevier County AA	209	91,956	90.1	--	82.5	59.3	--	5.0	40.7	12.5	0.0	
<b>Total</b>	<b>232</b>	<b>95,989</b>	<b>100.0</b>	<b>--</b>	<b>81.6</b>	<b>--</b>	<b>--</b>	<b>5.4</b>	<b>--</b>	<b>13.0</b>	<b>--</b>	

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2017-18</b>
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	
Blount-Knox County AA	4	416	0.9	--	79.0	100.0	--	7.8	0.0	13.2	0.0	
Jeffers on-Hamblen County AA	59	7,649	13.6	--	79.4	44.1	--	5.8	55.9	14.7	0.0	
Sevier County AA	371	164,178	85.5	--	82.5	67.7	--	5.1	29.6	12.4	2.7	
<b>Total</b>	<b>434</b>	<b>172,242</b>	<b>100.0</b>	<b>--</b>	<b>81.4</b>	<b>--</b>	<b>--</b>	<b>5.5</b>	<b>--</b>	<b>13.1</b>	<b>--</b>	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0*