



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

May 2, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens National Bank
Charter Number: 16076

200 Forks of the River Parkway
Sevierville, TN 37862

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, 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 the institution's CRA rating include:

- The Satisfactory lending test rating, which is based on a reasonable loan-to-deposit ratio (LTD) ratio, a majority of loans originated in the bank's assessment areas (AAs), and a reasonable distribution of loans to individuals of different income levels and businesses of different sizes.
- The Satisfactory Community Development (CD) Test rating, which is based on the bank's adequate responsiveness to community development needs through community development loans, qualified investments, and community development services.

Loan-to-Deposit Ratio

Considering Citizens National Bank's (CNB or bank) size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable. The bank's LTD ratio, calculated on a bank-wide basis, averaged 80.8 percent over the 12 quarters since the previous CRA examination. The quarterly averages ranged from a low of 67 percent to a high of 86.9 percent. This compares favorably to five similarly situated banks (peer group) in the area, with assets between \$984 million and \$4.6 billion, located in or adjacent to counties in the bank's AAs. The peer group's average LTD was 81.4 percent, with a low average of 55.6 percent and a high average of 98.6 percent.

Lending in Assessment Area

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

The bank originated and purchased 78.5 percent of its total loans inside the bank's 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 following table reflects the distribution of loans by number and dollar volume, originated in or out of the AA during the evaluation period.

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	412	80.0	103	20.0	515	123,298	79.1	32,500	20.9	155,798
Small Business	650	77.6	188	22.4	838	365,574	79.5	94,421	20.5	459,995
Total	1,062	78.5	291	21.5	1,353	488,872	79.4	126,921	20.6	615,793

Description of Institution

CNB 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 PE. CNB has four AAs, all located within the State of Tennessee. These AAs include the Sevier County AA, an 18 geography non-Metropolitan Statistical Area (non-MSA); the Knox County AA, a six geography AA which is part of Knoxville Metropolitan Statistical Area (MSA) #28940 (partial); the Jefferson-Hamblen County MSA AA, a nine geography AA which is part of Morristown MSA #34100, and the McMinn County AA, a two geography non-MSA AA.

Branches are generally located in areas that make them accessible to CNB customers. CNB operates 16 branches in Sevier County, two branches in Knox County, four branches in Jefferson County, one branch in Hamblen County, and one new branch in McMinn County, opened on December 15, 2021. During the examination review period, the bank relocated the Blount County branch, a distance of 1/8 of a mile, into Sevier County. Lobby hours and drive-up hours are set to meet customer needs. Eleven locations also provide services on Saturdays. CNB has automated teller machines (ATMs) that disburse cash and complete balance inquiries at each branch office and 22 stand-alone 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. A breakdown of CNB's December 31, 2021, loan portfolio shows commercial loans at 80.6 percent of total loans, residential real estate loans at 18.7 percent, and consumer loans at 0.5 percent. Total loans of \$970.7 million represented 61 percent of total assets with tier 1 capital at \$150.6 million.

CNB's business strategy includes the continued marketing of commercial credit to small businesses and individuals through its products, staff, and locations. The bank generates commercial, mortgage, and consumer loans to customers located primarily in Sevier, Jefferson, Knox, Hamblen, and McMinn Counties. Commercial loan activity includes all types of CRE 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 of its AAs. CNB received an overall rating of "Satisfactory" in the last CRA PE dated February 25, 2019.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assesses CNB's performance under the Lending and CD Tests. The evaluation period is January 1, 2019, through December 31, 2021. In evaluating the bank's lending performance, we reviewed one- to four-family home mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and loans to small businesses. CD activities evaluated include all CD loans, investments, and services that meet the regulatory definition. We also evaluated CD investments, including donations as well as retail services, and CD services.

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 assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state may be combined and evaluated as a single area. These combined AAs are 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.

Ratings

The bank's overall rating is based on performance in the state of Tennessee. The state rating is based on performance in all of the bank's AAs, with more weight placed on lending performance in the areas that received full-scope reviews, the Sevier County non-MSA and Morristown MSA AAs. We gave more weight to these AAs as the bank conducts the majority of its business in these areas. We evaluated lending performance in relation to the two primary loan products of home mortgage loans and small business loans. We placed more weight on results from small business lending as these loans made up a larger portion of the bank's lending activities.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), 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 Bureau of Consumer Financial Protection, 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 performance evaluation.

State Rating

State of Tennessee

CRA rating for the State of Tennessee¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support the institution's CRA rating for the state of Tennessee include:

- The distribution of small business loans to businesses of different sizes is reasonable.
- The distribution of home mortgage loans to individuals of different income levels is reasonable.
- The bank exhibits adequate responsiveness to CD needs in the state.
- There were no CRA related complaints during the evaluation period.

Description of Institution's Operations in Tennessee

CNB operates 24 banking offices with ATMs and 22 stand-alone ATMs across four AAs in the state of Tennessee, as described in the "Description of the Institution" section of this performance evaluation. The bank's primary focus based on overall dollar amounts held in the loan portfolio is business loans. CNB's small business and home mortgage lending was concentrated in the Sevier County non-MSA AA and Morristown MSA AA, with 97 percent or more of loans originated in these AAs. Less than three percent of the small business or home lending occurred in the Knoxville and McMinn AAs.

Competition in the bank's AAs is modest. CNB has the largest market share in the Sevier County non-MSA AA and the second largest share in the Morristown MSA AA. CNB faces competition from a significant number of large, midsize, and community banks across the AAs.

We assessed community credit needs in the AAs by reviewing recent housing and demographic information and discussions with five community contacts, who primarily represented government entities located within the bank's AAs. These community contacts noted that there is a need for affordable housing in the AAs.

Sevier County Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB Sevier County AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	5.6	66.7	22.2	5.6
Population by Geography	93,617	0.0	3.3	68.7	28.0	0.0

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

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	8,427	0.0	7.7	73.1	19.1	0.0
Farms by Geography	192	0.0	5.2	68.2	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	\$46,066	Median Housing Value			\$158,024	
			Median Gross Rent			\$730
			Families Below Poverty Level			11.2%
<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>						

Morristown MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB Morristown MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	11.1	55.6	33.3	0.0
Population by Geography	54,492	0.0	6.1	58.8	35.1	0.0
Housing Units by Geography	23,104	0.0	5.8	59.8	34.4	0.0
Owner-Occupied Units by Geography	14,848	0.0	4.4	55.6	40.0	0.0
Occupied Rental Units by Geography	5,414	0.0	8.8	68.4	22.8	0.0
Vacant Units by Geography	2,842	0.0	7.0	65.5	27.6	0.0
Businesses by Geography	2,868	0.0	10.8	56.5	32.7	0.0
Farms by Geography	105	0.0	8.6	46.7	44.8	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	\$48,094		Median Housing Value			\$134,829
			Median Gross Rent			\$638
			Families Below Poverty Level			11.1%
<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

We completed a full-scope review of the Sevier County non-MSA AA and the Morristown MSA AA and a limited-scope review of the Knoxville MSA AA and the McMinn non-MSA. We selected the Sevier County non-MSA and Morristown MSA AAs for full-scope reviews because these areas hold 95 percent of the bank's total deposits, 87.5 percent of the bank branches and 97 percent of the bank's home and small business loan originations. The bank delineated non-MSA AAs within the state of Tennessee were not combined. The bank expanded into the McMinn non-MSA AA at the end of the evaluation period. Due to the newness of this expansion, combining the McMinn non-MSA and Sevier County non-MSA AAs would not have resulted in meaningful analysis. Refer to the table in Appendix A for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

LENDING TEST

CNB's performance under the Lending Test in Tennessee is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews of the bank's performance in the Sevier County non-MSA AA and the Morristown MSA AA, the bank's lending performance in the state of Tennessee is reasonable.

Distribution of Loans by Income Level of the Geography

We did not analyze the geographic distribution of the bank's lending as part of this evaluation. The analysis would not be meaningful, as there are very little demographically distinct geographies within the bank's AAs. The Sevier County non-MSA AA and the Morristown MSA AA contain no low-income census tracts and one moderate-income census tract in each AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a 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

Refer to Table P in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Sevier County non-MSA AA:

CNB's distribution of home mortgage loans to low- and moderate-income (LMI) borrowers is reasonable. The percentage of home mortgage loans originated to LMI families is lower than the demographic comparators; however, the bank's lending to low-income borrowers exceeds the aggregate level of peer lending for reporting institutions. Opportunities to make loans to low-income borrowers are limited by the 11 percent of potential borrowers in the AA below the poverty level. The bank's lending to moderate-income borrowers is near the aggregate peer lending level.

Morristown MSA AA:

CNB's distribution of home mortgage loans to low-income borrowers is reasonable. The percentage of home mortgage loans originated to low-income families is lower than the demographic comparator, but the bank's lending exceeds the aggregate level of peer lending for reporting institutions. The bank's distribution of home mortgage loans to moderate-income borrowers is poor. The bank's percentage of home mortgage loans originated to moderate-income families is significantly lower than the demographic comparator and the aggregate level of peer lending.

Small Loans to Businesses

Refer to Table R in the state of Tennessee section of 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.

Sevier County non-MSA AA

CNB's distribution of small business loans is reasonable. The bank's percentage of loans is in-line with the percentage of businesses with gross annual revenues of less than \$1 million in the AA and significantly exceeded the percentage of peer lending to similar businesses.

Morristown MSA AA

CNB's distribution of small business loans is reasonable. The bank's percentage of loans is below the demographic comparator but significantly exceeds peer lending levels.

Responses to Complaints

CNB received no CRA related complaints during the examination review period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, CNB's performance under the Lending Test in the Knoxville MSA AA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. We placed less weight on performance in the McMinn non-MSA AA as the bank had no lending activity in the AA due to the short passage of time since the bank's branch in this AA opened on December 15, 2021.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development 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 community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

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 \$
Sevier non-MSA AA	1	1	\$560	100
Morristown MSA AA	0	0.0	\$0	0.0
Knoxville MSA AA		0.0	\$0	0.0
McMinn non-MSA AA	0	0.0	\$0	0.0
Total		100%	\$	100%

CNB's level of CD lending had a positive impact on its overall lending performance in the Sevier County non-MSA AA. In 2019, CNB originated a \$560 thousand loan to non-profit quasi-government lending agency that is designated as a Community Development Financial Institution ("CDFI"). This loan financed the purchase of a 13-unit multifamily property, which supports the AA's need for affordable housing.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Sevier non-MSA AA	2	\$1,530	0	\$0	2	33.3	\$1,530	26.9	0	\$0
Morristown MSA AA	1	\$164	0	\$0	1	16.7	\$164	2.9	0	\$0
Knoxville MSA AA	3	\$4,000	0	\$0	3	50.0	\$4,000	70.2	0	\$0
McMinn non-MSA AA	0	\$0	0	\$0	0	0	\$0	0	0	\$0
	6	\$5,694	0	\$0	6	100.0	\$5,694	100.0	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.

CNB's prior period investments in affordable housing projects continue to benefit the bank's AAs.

Extent to Which the Bank Provides Community Development Services

Sevier County non-MSA AA

CNB demonstrated satisfactory responsiveness to CD needs. Employees volunteered to provide financial expertise to local organizations and conducted financial literacy programs at two Sevier County public schools. Three bank employees served as board members to provide financial expertise and oversight at three separate local organizations that provide services to LMI individuals and families. Due to the COVID-19 pandemic, bank employees were limited on volunteer opportunities during the evaluation period.

Morristown MSA AA

CNB did not provide volunteer services to the Morristown MSA AA during the evaluation period. Due to the COVID-19 pandemic, bank employees were limited on volunteer opportunities during the evaluation period. CNB continues to offer loans through the USDA Rural Housing program provided the property is in a USDA approved rural area. LMI homebuyers can qualify for this 100 percent financing loan provided income and credit score criteria are met.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the CD Test in the Knoxville MSA AA is consistent with the bank's overall performance under the CD Test in the full-scope areas. We placed less weight on performance in the McMinn non-MSA AA due to the short passage of time since the bank's branch in this AA opened on December 15, 2021.

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:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage, small business loans, and Community development loans, qualified investments, community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		None
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
N/A		
State of Tennessee		
Sevier County non-MSA AA	Full-Scope	Sevier County, Tennessee
Morristown MSA AA	Full-Scope	Hamblen and Jefferson County, Tennessee
Knoxville MSA AA	Limited-Scope	Knox County, Tennessee
McMinn non-MSA AA	Limited-Scope	McMinn County, Tennessee

Appendix B: Summary of State Ratings

RATINGS Citizens National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Citizens National Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
State of 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 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 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 P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2019-21

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
CNB Jefferson and Hamblen County MSA	84	18,754	20.4	2,541	17.3	3.6	2.9	18.0	6.0	14.4	21.0	16.7	18.4	43.7	53.6	42.1	0.0	20.2	21.1
CNB Knox County AA	11	2,637	2.7	1,100	18.6	0.0	5.6	23.2	27.3	17.5	20.2	0.0	22.6	38.0	63.6	32.4	0.0	9.1	21.9
CNB McMinn AA	0	0.	0.0	141	47.3	0.0	5.0	21.6	0.0	22.7	11.1	0.0	27.0	19.9	0.0	24.1	0.0	0.0	21.3
CNB Sevier AA	317	101,906	76.9	5,996	16.7	2.2	1.8	17.9	6.0	7.0	20.6	12.3	14.4	44.7	60.9	56.8	0.0	18.6	20.0
Total	412	123,298	100.0	9,688	18.0	2.4	2.5	18.7	6.6	10.3	20.4	12.9	16.6	43.0	59.5	49.9	0.0	18.7	20.7

Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.00

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019-21
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	
CNB Sevierville Knoxville MSA 2021	32	5,433	4.9	280	79.1	75.0	40.4	7.4	25.0	13.5	0.0	
CNB Sevierville McMinn non- MSA AA 2021	0	0	0.0	188	70.8	0.0	29.8	4.9	0.0	24.3	0.0	
CNB Sevierville Morristown MSA 2021	100	15,226	15.4	822	82.0	49.0	30.5	4.8	51.0	13.1	0.0	
CNB Sevierville Sevier non-MSA AA 2021	518	344,915	79.9	2,446	85.4	80.3	38.4	4.1	19.3	10.5	0.4	
Total	650	365,574	100.0	3,736	83.4	75.2	36.4	4.6	24.5	12.0	0.3	
<i>Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												