



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act
Performance Evaluation

Citizens National Bank
Charter Number: 10735

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Athens, TN 37303

Office of the Comptroller of the Currency

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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 Community Reinvestment Act (CRA) Rating

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

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Citizens National Bank (CNB) lending activity in the assessment area (AA) was good. The bank’s volume of small loans to businesses and home purchase loans were the primary factors supporting this conclusion.
- The lending levels as shown by the volumes of all loans generated reflect good responsiveness by CNB to the credit needs of its AA.
- The distribution of loans among borrowers of different income levels for home purchase loans and loans to businesses and farms of different revenue sizes throughout its AA is good.
- The bank’s level of community development loans reflects a good responsiveness to the community credit needs.
- The volume of investments is adequate, consisting primarily of donations to qualifying entities.
- The bank has created a CDC in McMinn County.
- Branches are located throughout the AA and hours are convenient for consumers.
- Bank employees are involved with organizations that support low-income housing and community services directed toward low- and moderate-income individuals.

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.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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 usually have between 2,500 and 8,000 persons, and 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: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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 household 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 or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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 One 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

Citizens National Bank (CNB) is a \$364 million institution located in Athens, Tennessee. Athens is the McMinn County seat, located approximately half way between Chattanooga and Knoxville along the I-75 corridor in East Tennessee. Its assessment area (AA) consists of McMinn, Monroe, and Roane Counties in their entirety. The bank operates four branches (including the main office) in McMinn County, four branches in Monroe County, and one branch in Roane County. CNB is wholly owned by Citizens National Bancorp, a one-bank holding company located in Athens, Tennessee. As of September 30, 2003, CNB's loan portfolio consisted of residential real estate (\$73.332 million), commercial real estate (\$96.460 million), commercial (\$33.767 million), consumer (\$24.823 million), and agricultural (\$1.951 million). As of September 30, 2003, net loans represents 74.75 percent of total assets and Tier 1 capital represents 9.07 percent of total assets. There are no significant reasons that would impede the bank's ability to meet its communities' credit needs. The bank's last CRA examination was dated June 1, 1998 and it received a Satisfactory Rating.

The institution operates in a competitive banking environment. Its business strategy focuses on small business and residential lending in the AA. Competition consists of several banks, large credit unions, and a savings association. CNB's primary competition is a midsize state chartered bank in McMinn County, a local state chartered bank in Monroe County, and a local state chartered bank in Roane County. The bank has the largest market share in the three county area with a deposit market share of 20% as of June 30, 2003¹.

¹ Source: Federal Deposit Insurance Corporation Summary of Deposits Internet Site.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses the bank's performance under the Lending, Investment and Service Tests. In evaluating the bank's lending performance, we reviewed small loans to businesses and home purchase loans. With the exception of community development (CD) loans, the evaluation period for the Lending Test is January 1, 1998 through December 31, 2002. For CD loans, the Investment Test and Services Test, the evaluation period is June 1, 1998 through December 31, 2003.

Data Integrity

As part of this CRA evaluation, we tested the accuracy of CNB's small loans to businesses and residential real estate loans. This evaluation is based on accurate data.

CD loans, investments and services submitted by CNB management were verified to ensure that they met the regulatory definition for CD. Some items submitted by CNB for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

CNB has only one assessment area (Athens AA). This AA received a full-scope review. The bank's delineation of the AA did not reflect any illegal discrimination and did not arbitrarily exclude any low- or moderate-income geographies. Refer to the table in Appendix A for more information about the AA.

Ratings

The bank's overall rating is based on performance in the AA. In determining the conclusions for the Lending Test, the distribution of loans by borrower income level received more weight than the distribution of loans by geography. Only one geography (9702) was moderate-income and there were no low-income geographies. Therefore, the distribution of loans by geography is not as meaningful. CNB's lending strategy focuses on loans to small business and home mortgage loans. Conclusions for the Lending Test were based on both products.

Other

We contacted one community organization to ascertain the community and credit needs in the AA. A County Development Authority (CDA) stated that McMinn County, Tennessee's experiences are close to those of similar sized cities. McMinn County maintains approximately a 50/50 ratio of industrial and agricultural businesses. The CDA stated the credit needs of the county as a whole are being met due to the competition of local financial institutions.

Fair Lending Review

An analysis of public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "**High Satisfactory.**" Based on full-scope review, the bank's performance in the AA is good.

The major factors that support this rating include:

- CNB's lending activity in the AA was good. The bank's volume of small loans to businesses and home purchase loans were the primary factors supporting this conclusion.
- The lending levels as shown by the volumes of all loans generated reflect good responsiveness by CNB to the credit needs of its AA.
- The distribution of loans among borrowers of different income levels for home purchase loans and loans to businesses and farms of different revenue sizes throughout the AA is good.
- The bank's level of community development loans reflects a good responsiveness to community credit needs.

Lending Activity

Refer to **Tables 1, 6, and 7** in **Appendix C** for the facts and data used to evaluate the bank's lending activity.

CNB's lending activity in the AA is good. Since the last public evaluation, the bank has had an average loan-to-deposit ratio of 83.85 percent. The bank has strong market performance in small business and home mortgage loans. Information on deposit market share compiled by the FDIC for the year 2002 shows that the bank ranks first with 20.35 percent of deposits. AmSouth Bank and Branch Banking and Trust are second and third with 12.88 percent and 11.88 percent of deposits, respectively. There are 16 other institutions in the AA. The bank's deposit market share and rank compares very favorably with its market share and rank from the various loan products. Market share information is not available for home mortgage loans, because the bank is not a HMDA reporter. But 2002 aggregate data for small loans to businesses and farms shows the bank ranked first in both loan products, with market shares of 26 percent and 29 percent, respectively. This exceeds its deposit taking activity, indicating excellent lending activity in those two products.

Distribution of Loans by Income Level of the Geography

Because CNB's AA does not include any low-income geographies and only one moderate-income geography, an analysis of geographic distribution of loans is not meaningful.

Lending Gap Analysis

This analysis is not meaningful due to the absence of low-income geographies and only one moderate-income geography in the AA.

Inside/Outside Ratio

A substantial majority of home mortgage loans and small loans to businesses originated or purchased by CNB over the evaluation period are within the AA. We were not able to break out home mortgage loans by product type due to limitations on the available information.

Distribution of Loans by Income Level of the Borrower

CNB's lending reflects a good dispersion among borrowers of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to **Table 8** in **Appendix C** for the facts and data used to evaluate the borrower distribution of the bank's home purchase loans.

The overall borrower distribution of home purchase loans is good in the Athens AA.

The borrower distribution for home purchase loans is good. Home purchase loans (12.59 percent) made to low-income borrowers are below the percentage of low-income families (20.3 percent) in the AA. Opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level. Home purchase loans (12.79 percent) made to moderate-income borrowers are comparable to the percentage of moderate-income families (15.4 percent) in the AA.

Small Loans to Businesses

Refer to **Table 11** in **Appendix C** for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Borrower distribution of small loans to businesses is good. CNB's small loans to businesses with revenues less than \$1 million (63.31 percent) is adequate but less than the percentage of small businesses (77.89 percent) in the AA. The percentage of loans in amounts of \$100 thousand or less (76.62 percent) is substantially the same as the demographic for small businesses. The bank's market share of small business loans exceeds its overall market share for reported small loans to businesses. Overall, the bank's performance in all three areas is adequate.

Small Loans to Farms

Refer to **Table 12** in **Appendix C** for facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

CNB's distribution of small loans to farms with different revenues is good. The bank's percentage of small loans to farms with gross annual revenues of \$1 million or less was below the percentage of farms in the AA with revenues of \$1 million or less. However, CNB's market share of small loans to farms with revenues of \$1 million or less was significantly higher than the bank's overall market share of small loans to farms. Additionally, the bank made a substantial majority of small loans to farms in amounts of \$100 thousand or less.

Community Development Lending

Senior officers have been active and the bank has made loans to two different entities working to improve or building affordable low-income housing.

Refer to **Table 1 Lending Volume** in **Appendix C** for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Product Innovation and Flexibility

The bank did not use and innovative or flexible products during this evaluation period. This had a neutral impact on the lending test rating.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "**Low Satisfactory.**" Based on full-scope-reviews, the bank's performance in the bank's AA is adequate.

- The volume of investments is adequate, consisting primarily of donations to qualifying entities.
- The bank has created a CDC in McMinn County.

CNB made 48 investments totaling \$39,000 in the bank's AA during the evaluation period. The volume of investments is adequate, given the limited CD opportunities in the AA. The impact on the investments on the community is marginal. Many of the investments were grants to not-for-profit organizations serving other community development needs for low- and moderate-income individuals and some of the investments addressed the need for affordable housing.

Refer to **Table 14** in **Appendix C** for the facts and data used to evaluate the bank's level of qualified investments.

McMinn County Community Development Corporation (McCDC) - CNB has taken the initiative to sponsor the formation of a local CDC. The purpose of the CDC is to improve quality of life for residents of McMinn County by developing affordable housing, small business and community development. CNB's investment in McCDC totaled \$1,200.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "**Low Satisfactory.**" Based on full-scope reviews, the bank's performance in its AA is adequate.

- Branches are located throughout the AA and hours are convenient for consumers.
- Bank employees are involved with organizations that support low-income housing and community services directed toward low- and moderate-income individuals.

Retail Banking Services

Refer to **Table 15** in **Appendix C** for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. Since the previous PE, the Vonore Office opened for business in July 1999. There have been no branch closings during this evaluation period. Of the nine banking offices, two are located in the moderate-income geography. This compares favorably to the 4.76 percent of the population located in the same tract. All offices are full-service and have similar hours of operations.

Each bank office with the exception of the Vonore Office provides 24-hour ATM services. Additionally, there are three free standing ATMs. One ATM is located in moderate-income geography. The bank also offers 24-hour telephone banking services.

There are no other alternative delivery systems for retail banking services located in moderate-income census tracts. No special products have been specifically designed for low- and moderate-income individuals in the bank's AA.

Community Development Services

The bank's level of community development services is adequate. This assessment is based on the opportunities in the AA and the type of organizations that benefit from the services provided. Ten employees provide financial services to nine CD organizations. The types of services provided include serving officers or members of organizations that provide affordable housing or community services for low- or moderate-income individuals or 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 non-metropolitan 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”).

Time Period Reviewed	Lending Test (excludes CD Loans): 06/01/98 to 12/31/02 Investment and Service Tests and CD Loans: (06/01/98 to 12/31/03)	
Financial Institution	Products Reviewed	
Citizens National Bank (CNB) Athens, Tennessee	Home mortgage loans, small loans to businesses, and CD loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Athens AA	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

McMinn, Monroe, and Roane Counties, Tennessee	2
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McMinn, Monroe, and Roane Counties, Tennessee

Demographic Information for Full-Scope Area: McMinn, Monroe, and Roane Counties, TN						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	24	0	4.17	71.85	25.00	0
Population by Geography	120,151	0	4.76	71.73	23.51	0
Owner-Occupied Housing by Geography	35,602	0	3.29	71.29	25.41	0
Businesses by Geography	6,204	0	10.28	67.21	22.50	0
Farms by Geography	259	0	3.09	74.13	22.78	0
Family Distribution by Income Level	35,506	20.31	15.44	21.68	42.58	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,691	0	7.10	77.64	15.26	0
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$24,935 = \$41,900 = 18.58%	Median Housing Value Unemployment Rate				\$45,926 3.98%

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

Source: 1990 U.S. Census, and 2002 HUD updated MFI.

CNB has one AA; all of McMinn, Monroe, and Roane Counties. The bank's AA includes 24 census tracts. The bank operates nine branches and eleven ATMs throughout the AA. Six of the nine branches are located in middle-income geography and two are located in the moderate-income geography.

CNB is a major financial institution in the AA with a deposit market share of 20.35 percent. Its primary competitors are AmSouth Bank (12.88 percent of deposits) and Branch Banking and Trust (11.88 percent of deposits). There are 16 other institutions in the AA. CNB's primary business focus is small business and home purchase lending. In terms of business lending, CNB ranks first in the AA for deposits and second in small business loans.

CNB's AA is located between Chattanooga and Knoxville, Tennessee. CNB is headquartered in Athens, Tennessee; the county seat of McMinn County. The local economy of the AA is reasonably diversified. Total employment for the three counties is 47,180. Of that number, 24 percent are in wholesale and retail trade, 35 percent in service industries, 16 percent in government, 5 percent in manufacturing, 8 percent mining and construction, 5 percent in transportation, 4 percent agricultural, and 7 percent banking/insurance/real estate. The unemployment rate as of December 31, 2002 was 6.6 percent, which is higher than the state average.

Appendix C: Tables of Performance Data

Content of Standardized 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: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. Refer to Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of AA,” in the MA/AA column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. 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 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - 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. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/AA column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: TENNESSEE						Evaluation Period: JUNE 1, 1998 TO DECEMBER 31, 2002				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Athens AA	100.00	0	0	1,450	124,587	79	4,883	2	148	1,529	129,470	20.35

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is June 1, 1998 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TENNESSEE				Evaluation Period: June 1, 1998 TO December 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Athens AA	120	100	0	0	3.29	3.39	71.29	85.35	25.41	11.26					

* Peer data is not available.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: TENNESSEE		Evaluation Period: June 1, 1998 to December 31, 2002		
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Athens AA	1,450	100.00	0.00	0.00	10.28	8.34	67.21	63.31	22.50	28.34	25.79	0.00	31.94	25.53	30.17	

* Based on 2002 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2002.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TENNESSEE					Evaluation Period: June 1, 1998 to December 31, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Athens AA	79	100.00	0.00	0.00	3.09	1.27	74.13	91.14	22.78	7.59	29.48	0.00	50.00	29.80	25.00									

* Based on 2002 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2002.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TENNESSEE						Evaluation Period: June 1, 1998 to December 31, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Athens AA	120	100	20.30	12.59	15.40	12.79	21.70	21.08	42.60	53.53					

* Peer Mortgage Data is not available.

** As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: TENNESSEE		Evaluation Period: June 1, 1998 to December 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Athens AA	1,450	100.00	77.89	63.31	76.62	14.76	8.62	25.79	22.04

* Based on 2002 Peer Small Business Data: US.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 28.34% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: TENNESSEE		Evaluation Period: June 1, 1998 to December 31, 2002		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Athens AA	79	100.00	94.21	62.03	82.28	11.39	6.33	29.48	15.86

* Based on 2002 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 37.97% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: TENNESSEE				Evaluation Period: June 1, 1998 to December 31, 2003			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Athens AA	0	0	48	39	48	39	100.00	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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TENNESSEE Evaluation Period: June 1, 1998 to December 31, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Athens AA	100.00	9	100.00	0	2	6	1	1	0	0	0	1	0	0.00	4.76	71.73	23.51

GEOGRAPHY

Demographic Information for Full Scope Area: Athens AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	24	0	4.17	71.85	25.00	0
Population by Geography	120,151	0	4.76	71.73	23.51	0
Owner-Occupied Housing by Geography	35,602	0	3.29	71.29	25.41	0
Business by Geography	6,204	0	10.28	67.21	22.50	0
Farms by Geography	259	0	3.09	74.13	22.78	0
Family Distribution by Income Level	35,506	20.31	15.44	21.68	42.58	0
Distribution of Low and Moderate Income Families throughout AA Geographies	12,691	0	7.10	77.64	15.26	0
Median Family Income		24,935	Median Housing Value		45,926	
HUD Adjusted Median Family Income for 2000		41,900	Unemployment Rate (1990		3.98	
Households Below Poverty Level		18.58	US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 US Census and 2000 HUD updated MFI