



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 30, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FSGBank, National Association
Charter Number: 24425

531 Broad Street
Chattanooga, TN37402-0000

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 CRA Rating

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

The following table indicates the performance level of **FSGBank National Association (FSG)FSGBank, National Association** 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		X
Low Satisfactory		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:

- FSG has extended a good volume of loans that is responsive to its assessment areas needs. Lending volumes are good in each rated areas: the Chattanooga Multistate MSA AA, Tennessee and Georgia.
- Geographic distributions of residential real estate loans and small business loans are good.
- Residential real estate lending to both low- and moderate-income borrowers is good.
- The penetration of small business loans to businesses with revenues less than \$1 million is good.
- FSG has an adequate level of community development investments.
- Retail delivery systems provide reasonable access throughout FSG’s assessment areas, including low- and moderate-income areas. Branch distributions are good in Tennessee and Georgia. In addition, three Tennessee branches are located in distressed middle-income census tracts that are responsive to providing access to financial services in needy areas.
- Community development lending and services are limited, but responsive to community needs.

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/assessment area.

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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on 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 refinancings, 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/assessment area.

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 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 Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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 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

FSGBank, National Association (FSG) is an interstate bank headquartered in Chattanooga, Tennessee. As of June 30, 2009, assets total \$1.26 billion, and deposits total \$1.04 billion. As of June 30, 2009, the Tier 1 Capital ratio is 8.13 percent and shows a declining trend down from 8.34 percent at year-end 2008. The bank operates 39 full-service branches with 32 in Tennessee and 7 in Georgia. FSG is a wholly-owned subsidiary of First Security Group, Inc. (FSGI), a one-bank holding company that is also headquartered in Chattanooga. FSG has several operating subsidiaries involved with leasing, credit life insurance sales, and First Security Investments that holds FSG's investment portfolio. Only activity from First Security Investments is considered at this examination. The holding company has received \$33 million in TARP funds this year, and financial information of the operating subsidiaries does not indicate they have any impact on FSG's ability to meet obligations under CRA for the period under evaluation.

FSG became a national bank in June 2003 as a successor to three state-chartered banks owned by FSGI and experienced rapid growth during its initial years of operations as a national bank. Since the previous CRA evaluation in 2006, the bank has experienced a moderate increase in assets from \$1.1 billion as of June 2006, and since the previous evaluation has not had acquisitions, but has opened three branches, and closed two branches. FSG continues to operate a number of branches with legacy names including all six Dalton branches that use the name Dalton Whitfield, one of the Dalton locations co-brands with Dalton Whitfield and Primer Banco Seguro, and five branches use the name Jackson Bank & Trust. In Dalton, the Spanish branding reflects efforts to attract the Hispanic population and the unbanked. Two branches have closed in Dalton during this evaluation period and were branded with the Primer Banco Seguro name, and the current Primer Banco Seguro location is relatively close to the prior locations.

FSG offers a full range of credit and deposit services throughout its assessment areas (AA). Net loans are approximately 77 percent of assets and the primary loan products include commercial and residential real estate products. The loan portfolio consists of the following: construction and development, 19 percent; commercial and commercial real estate, 39 percent; residential real estate at 30 percent; consumer, 6 percent; and 6 percent other types of loans. The primary lending strategy is commercial lending with an emphasis on small and mid-sized businesses. Deposit services are available to meet a variety of needs for commercial and consumer customers.

No legal or financial factors have impeded FSG's ability to help meet credit needs of its AAs during this evaluation period.

FSG received a Satisfactory rating at the previous examination dated September 6, 2006.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses FSG's performance under the Lending, Investment, and Service Tests. For the lending evaluation, we evaluate residential real estate lending subject to HMDA reporting, small loans to businesses subject to reporting under the CRA, and community development loans. We review community development investments and services. We assess the retail products offered and branch distribution.

Multi-family residential mortgage loans reported under the HMDA and small loans to farms reported under the CRA are not evaluated because the bank does not originate a large volume and a meaningful analysis was not feasible. One exception is loans to farms in the Putnam and Jackson Counties AA. Since FSG originates a significant volume of loans to farms for this AA, we do include analysis of the lending performance. We include the reported loans for multi-family and small loans to farms with the Core Tables in appendix D for each AA with reported loans.

The evaluation period for the Lending Test is January 1, 2007 through July 31, 2009, with the exception of community development lending. All community development activity is evaluated from September 6, 2006 through October 2, 2009.

Data Integrity

This evaluation is based on accurate data. Prior to this evaluation, OCC personnel reviewed HMDA data, data reported under the CRA regulatory requirements and community development activities to determine accuracy of lending-related data supplied by FSG. Data is deemed accurate for HMDA and small loans to businesses and is used in this evaluation.

FSG provided additional data for community development items, and this report includes qualified community development activities.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, a sample of AAs must be reviewed. For FSG a full-scope review includes the Chattanooga MSA AA since it is a multistate MSA. This is the bank headquarters location. The State of Tennessee includes a full-scope review for the Knoxville MSA AA and the Putman and Jackson Counties AA. For Georgia, FSG only has one AA, the Dalton MSA AA, and that is evaluated based on a full-scope review.

Ratings

FSG's overall rating is a blend of the multistate MSA AA and the state ratings. The Tennessee state rating carries more weight than the other rated areas since approximately 52 percent of FSG deposits are within the Tennessee markets. The Chattanooga Multistate MSA AA

contributes significantly to the overall ratings since it accounts for approximately 30 percent of bank deposits and FSG headquarters. Performance in Georgia has the lowest level of impact on overall ratings of the rated areas.

The State of Tennessee rating is based primarily on the AAs that receive full-scope reviews, the Knoxville MSA AA and the Putnam and Jackson Counties AA. Refer to the “Scope” section under the State of Tennessee for details regarding how the Tennessee AAs are weighted in arriving at the overall state rating.

In reaching our conclusions, more weight is given to small business lending than to residential real estate lending since commercial lending is a main business strategy for FSG and loans to small businesses represent 56 percent of loans analyzed in the AAs. Residential real estate lending does impact ratings and represents 39 percent of loans analyzed, while small loans to farms only represented 5 percent of analyzed loans and does not carry significant weight in overall conclusions.

Other

Community credit needs in the AAs are determined by reviewing recent housing and demographic information, and by community contacts conducted by the OCC in conjunction with CRA evaluations for banks operating in the same AAs. We reviewed the Five-Year Consolidated Plan for Knoxville and information available about the Renewal Community for Chattanooga.

Throughout the AAs, the recent economic recession has impacted financial needs, and current needs include mortgage foreclosure relief, financial education, and affordable housing. Refer to appendix C for more details on specific needs of the markets that are reviewed using full-scope procedures.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Multistate Metropolitan Area Rating

Chattanooga, TN-GA

CRA rating for the Chattanooga Multistate MSA assessment area¹: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Low Satisfactory

The major factors that support this rating include:

- FSG has achieved a good level of lending in Chattanooga.
- The geographic distribution of loans analyzed is excellent.
- The borrower distribution of small business loans is good and that has a significant impact on the rating. The borrower distribution is good for residential real estate loans to moderate-income borrowers and adequate for lending to low-income borrowers.
- The level and responsiveness of community development investments is adequate.
- Retail services are adequate, but no branches are located in low- or moderate-income census tracts. The services performance is slightly augmented by community development services in the AA.

Description of Institution's Operations in Chattanooga Multistate MSA Assessment Area

FSG operates 10 locations in the Chattanooga Multistate MSA AA. As of June 30, 2008, this AA has \$287 million in total deposits and that represents approximately 30 percent of total bank deposits. The AA accounts for approximately 21 percent of mortgage and small business loans analyzed for this evaluation.

The Chattanooga Multistate MSA AA includes only part of the MSA, specifically Hamilton County, TN and Catoosa County, GA. As of June 30, 2008 FSG has a deposit market share of 3.8 percent and ranks sixth of 28 financial institutions reporting deposits for the entire MSA.

Refer to the market profile for Chattanooga Multistate AA in appendix C for detailed demographic and performance context information.

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

Scope

A full-scope analysis is conducted for the Chattanooga Multistate MSA AA. This AA accounts for approximately 21 percent of reported loans and 30 percent of overall bank deposits.

Loan products include home purchase, home improvement, and home refinance loans reported under HMDA and small business loans reported under CRA. Loans to small businesses account for a large portion of loans originated in the AA and carry most weight in performance conclusions for the Chattanooga Multistate MSA AA.

LENDING TEST

The bank's performance under the lending test in the Chattanooga Multistate MSA AA is rated High Satisfactory. Based on full-scope reviews, the bank's performance is good and is heavily impacted by the borrower distribution performance. Borrower distribution of business loans to businesses with revenues less than one million is good, and residential real estate lending to moderate-income families is good and to low-income families is adequate. Community development lending has a slight positive impact on the lending evaluation. Geographic distributions do not carry as much weight and are excellent for all loan types evaluated.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the Chattanooga Multistate MSA Assessment Area section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity for 2007, 2008, and through July 31, 2009 is considered for this evaluation for mortgage lending and small loans to businesses. Market share analysis indicates a reasonable volume of lending in this AA.

For residential real estate loans the market is very fragmented with many entities reporting HMDA loans originated in the MSA. FSG bank has approximately 1 percent of the market and ranks high for each HMDA product: for home purchase FSG ranks 24 of 274 reporters, for home refinance FSG ranks 11 of 69 reporters, and for home improvement FSG ranks 22 of 995 reporters.

FSG originated approximately 2.6 percent of all small loans to business's reported for 2008 and this ranks 11 of 69 financial institutions that reported data.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Chattanooga Multistate MSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgages in the Chattanooga MSA AA is excellent.

The percentage of home purchase, home refinance and home improvement loans in low- and moderate-income geographies exceed the percentage of owner-occupied housing units in those geographies.

Small Loans to Businesses

Refer to Table 6 in the Chattanooga Multistate MSA AA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in Chattanooga Multistate AA is excellent. In both low- and moderate-income geographies, the percentage of loans exceeds the percentage of AA businesses located in those geographies. FSG's market share in both low- and moderate-income geographies exceeds its overall market share of small loans to businesses in Chattanooga.

Lending Gap Analysis

No unexplained, conspicuous gaps in lending were identified in Chattanooga.

Inside/Outside Ratio

Lending inside the AA analysis is performed at the bank level rather than the state or AA level. For the evaluation period, FSG has a good level of reported loans within its AAs with 85 percent of the number of loans and 84 percent of the dollars loaned within the defined AAs. By loan type, 82 percent by number and 78 percent by dollar are within the AAs for home mortgage loans, and 88 percent by number and 88 percent by dollar are within the AAs for loans to small businesses.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Chattanooga Multistate MSA AA 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.

Home mortgage lending is good based primarily on home purchase and refinance lending that is adequate for low-income borrowers and good for moderate-income borrowers.

The borrower distribution for home purchase loans and refinance loans in the Chattanooga Multistate MSA AA is good. The penetrations in low-income geographies are adequate given the percentage of households living below poverty. The penetrations to moderate-income

borrowers are good and substantially equal to the percentage of AA families that are moderate-income.

Performance for home improvement loans is adequate, with and excellent penetration of loans to low-income borrowers and a weak penetration to moderate-income borrowers. FSG does not make many home improvement loans.

Small Loans to Businesses

Refer to Table 11 in the Chattanooga Multistate MSA AA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FSG has a good penetration of small business loans to businesses with revenues less than one million. The bank achieved an adequate penetration of loans to small businesses based on the number of loans, but FSG's market share of loans to businesses with revenues less than one million well exceeds its overall market share for small loans to businesses.

Community Development Lending

Refer to Table 1 Lending Volume in the Chattanooga Multistate MSA AA section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans.

Community development loans have a positive impact on the overall lending performance for the Chattanooga Multistate MSA AA. During the evaluation period FSG made 17 loans for \$19 million in this AA. Loans were made to eleven different borrowers and primarily provided funding for businesses in the Chattanooga renewal area that help stabilize the area by bringing jobs and businesses to an area designated in need. Several loans to finance single family houses affordable to moderate-income borrowers are also included in CD loans.

Product Innovation and Flexibility

FSG has limited products with flexible terms and has a neutral impact on the overall lending test. FSG is a certified lender for the Tennessee Housing Development Agency down payment program. Under this program loans are originated on the secondary market. FSG originates VA and FHA loans. In 2006, the bank had an affordable housing in-house program, but this was discontinued and that program was only available in Dalton. During the evaluation period the bank originated 17 loans for approximately \$2.8 million in the Chattanooga MSA AA under VA and FHA programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Chattanooga Multistate MSA AA is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Chattanooga Multistate MSA AA is adequate.

Refer to Table 14 in the Chattanooga Multistate MSA AA section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During this evaluation period, FSG made six qualifying investments in this AA that total \$1.7 million. The largest investment is a mortgage backed security secured by residential real estate loans to low- and moderate-income borrowers including properties in the AA. Remaining qualifying investments are grants to organizations that provide affordable housing, provide shelter for needy children, and meet basic needs of low-income people. The greatest portion of the grant money benefits Habitat for Humanity, and FSG is active in the Chattanooga Habitat for Humanity.

The level and number of investments is adequate given the bank's size, capacity and the level of opportunities in the AA. Investments are responsive to area needs, predominantly affordable housing.

FSG also made three investments that serve the entire state of Tennessee, and they are described under the Knoxville MSA AA.

SERVICE TEST

The bank's performance under the service test in the Chattanooga Multistate MSA AA is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Chattanooga Multistate MSA AA is adequate.

Retail Banking Services

Refer to Table 15 in the Chattanooga Multistate MSA AA section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

In the Chattanooga Multistate MSA AA, FSG's retail delivery systems are reasonably accessible to geographies and individuals of different incomes. No branches are located in the low- or moderate-income census tracts of this AA; however only approximately 15 percent of the population and 15 percent of AA businesses reside in the low- and moderate-income geographies, and branches are immediately adjacent to these geographies providing reasonable accessibility.

Branch hours, products, and services are generally consistent within this AA. Branches offer extended Friday hours and one drive-up location offers Saturday hours. FSG offers a variety

of consumer and business deposit products, services and loan products. Throughout its AAs, FSG offers a checking account free of regular service charges and this product helps provide accessibility to banking accounts for the entire population including low- and moderate-income individuals. The account has low opening balance requirements.

Community Development Services

FSG provided an adequate level of qualified community development services in the Chattanooga Multistate MSA AA. Services involved four organizations that provide affordable housing for low-income families, promote small business, and offer financial education. These qualifying services provided financial expertise and were responsive to local needs.

State Rating

State of Tennessee

CRA Rating for Tennessee²:	Satisfactory
The lending test is rated:	<u>High Satisfactory</u>
The investment test is rated:	<u>Low Satisfactory</u>
The service test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- FSG extended a good volume of loans within the Tennessee AAs.
- The geographic distribution of loans is good in Tennessee with an adequate distribution of small business and farm loans, and excellent performance for residential real estate lending.
- Borrower distributions are good for small business loans and residential real estate lending.
- Community development lending had a positive impact especially in the Knoxville MSA AA.
- Community development investments are adequate, with limited investments in several AAs including the Putnam and Jackson Counties AA. Several statewide investments augment performance and are reflected in the overall ratings for Tennessee and the Chattanooga Multistate MSA AA since most of that AA is located in Tennessee.
- Retail services with good retail delivery systems.
- Community development services augment the services test. The number of community development services is somewhat limited, but are responsive to community needs.

Description of Institution's Operations in Tennessee

FSG operates 23 branches in Tennessee, and Tennessee accounts for the largest portion of branches, bank deposits, and loans analyzed during this evaluation. Two new locations were opened in Tennessee during the evaluation period, one in the Putnam and Jackson Counties AA and one in the Cleveland MSA AA.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the market profiles for the state of Tennessee in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Tennessee

Five Tennessee AAs are considered for the Tennessee ratings:

- Putnam and Jackson Counties, Non-MSA
- A portion of the Knoxville MSA, specifically Knox, Loudan and Union Counties.
- A portion of the Cleveland MSA, specifically Bradley County
- A portion of the Morristown MSA, specifically Jefferson County
- McMinn and Monroe Counties, Non-MSA

Full-scope analyses are conducted for the Putnam and Jackson Counties AA and the Knoxville MSA AA. These two areas account for approximately 74 percent of the bank's Tennessee deposits and approximately 67 percent of Tennessee loans evaluated. Both areas contribute overall rating conclusions for Tennessee equally unless otherwise described in this report.

Loan products include home purchase, home improvement, and home refinance loans reported under HMDA and small business loans reported under CRA. For the Putnam and Jackson Counties AA, small farm loans are evaluated since FSG made a significant volume of small farm loans in the AA.

Community contacts for the Tennessee AAs indicate needs for housing related finance including construction financing, first lien home loans, and down payment assistance. Foreclosure relief is also a need although not as significant as other portions of the country.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Tennessee is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Putnam and Jackson Counties AA and the Knoxville MSA AA is good. The volume of lending is good, and the distribution of loans both geographically and based on borrower characteristics are good. Community development lending supports the good performance, especially in the Knoxville MSA AA.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of Tennessee section of appendix D for the facts and data used to evaluate the bank's lending activity.

The volume of lending in Tennessee is good. The level of small business lending is reasonable, and the level of residential real estate is good.

In the Knoxville MSA, FSG holds approximately 1.3 percent of the deposits and this ranks 14 of 76 financial institutions. For small loans to businesses, FSG holds a strong market share with 5.7 percent and that ranks 14 of 76 reporters. The market for residential real estate loans is more fragmented with approximately 300 HMDA reporters and FSG ranks 51 for home purchase loans and 34 for home refinance loans.

In the Putnam and Jackson Counties AA, the level of lending is strong. FSG ranks first for refinance loans and 16 of 107 reporters for home purchase loans, this is noteworthy since all higher-ranked reporters are much larger organizations. FSG is especially important to the Jackson County area with approximately 58 percent of the county's deposit market and FSG is one of only two banking institutions in the county. FSG ranks 6 of 14 banking institutions in Putnam County for deposit market share. Lending levels in the limited scope areas represent good lending levels and are consistent with findings in the full-scope AAs.

FSG has an average loan-to-deposit ratio of 96.7 percent since the last examination, and that demonstrates a good level of lending for the whole bank including the Tennessee markets.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is good in Tennessee. Overall, distributions are adequate for small loans to businesses in the full-scope AAs, and for small farm loans in the Putnam and Jackson Counties AA. The geographic distribution of mortgage loans is excellent. Small loans to businesses is weighed slightly more than mortgage lending in the geographic analysis given lending volumes, and the importance of commercial lending as FSG's primary loan focus.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of mortgage loans is excellent based on an excellent penetration in the moderate-income geographies for all evaluated types of home mortgage loans in both the Putnam and Jackson Counties AA and the Knoxville MSA AA.

Putnam and Jackson Counties AA does not have any low-income geographies. FSG exceeded the percentage of families living in moderate-income geographies for home purchase, home improvement and home refinance loans.

In the Knoxville MSA AA, the penetration of home purchase loans, home improvement loans, and home refinance loans in the moderate-income geographies is excellent and exceed the percentage of AA families in the moderate-income geographies. The penetration in low-income geographies is good with an excellent penetration for home purchase loans. Performance in the moderate-income geographies for refinance and home improvement loans is not as strong, but is considered adequate.

Small Loans to Businesses

Refer to Table 6 in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate and influenced equally by performance in both full scope AAs.

In the Putnam and Jackson Counties AA, there are no low-income geographies and the penetration of small business loans in moderate-income geographies is adequate.

In the Knoxville MSA AA, the penetration of small loans to businesses is adequate in low-income census tracts and excellent in the moderate-income geographies.

Small Loans to Farms

Refer to Table 7 in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small farm loans was only analyzed for the Putnam and Jackson Counties AA. Performance is adequate, although the penetration of bank loans in the moderate-income geographies looks weak it is offset somewhat by an adequate market share penetration in these geographies.

Lending Gap Analysis

No unexplained conspicuous lending gaps were identified.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 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.

The borrower distribution for mortgage loans in Tennessee is good. Performance in the Putnam and Jackson Counties AA carries slightly more weight than the Knoxville MSA AA based on higher lending volumes in Putnam and Jackson Counties and FSG's importance in those markets.

In the Putnam and Jackson Counties AA, performance for home purchase loans is good with an adequate penetration to low-income families and a good penetration to moderate-income families. For refinance loans, performance is also good and reflects good performance to low-income families and adequate performance for lending to moderate-income families. FSG has an excellent penetration of home improvement loans to both low- and moderate-income

families. When evaluating performance to low-income families in this AA, the portion of AA households living below poverty is considered and with 18 percent or more of households below poverty, that portion of the population does not represent very many opportunities for FSG to extend mortgage loans.

In the Knoxville MSA AA, performance for mortgage loans is good. This conclusion is based on a good to excellent penetration for all mortgage products to moderate-income families. For low-income families, FSG achieved an adequate penetration for home purchase loans, a good penetration for refinance loans, and an excellent penetration for home improvement loans. The level of households living below poverty is also considered for the Knoxville MSA AA when evaluating the penetration of mortgage loans to low-income families. With approximately 14 percent of households living below poverty, this limits FSG's opportunities to make residential real estate loans to low-income families in the Knoxville MSA AA.

Small Loans to Businesses

Refer to Table 11 in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution for small loans to businesses is good and based equally on performance in both full-scope AAs.

In Putnam and Jackson Counties AA, FSG achieved excellent performance as its penetration of loans to businesses with revenues exceeded the percentage of AA businesses that are small. FSG's market share for loans to businesses with revenues less than \$1 million also exceeded its overall market share for small loans to businesses in this AA.

In Knoxville MSA AA, FSG achieved good performance with a reasonable penetration of loans to businesses with revenues less than \$1 million. FSG's market share for loans to businesses with revenues less than \$1 million exceeded its overall market share for small loans to businesses in this AA.

Small Loans to Farms

Refer to Table 12 in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Small loans to farms are analyzed for the Putnam and Jackson Counties AA only, and performance is good based on the penetration of small farm loans to farms that report revenues less than \$1 million. FSG's market share for small farm loans with revenues less than \$1 million is very strong.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Tennessee section of appendix D 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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

Community development lending for Tennessee has a positive impact on the overall lending test, especially in the Knoxville MSA AA.

In Knoxville, FSG originated 13 loans to 7 entities that total \$22 million. Most of the loans help fund businesses located in the Knoxville Federal Empowerment Zone. Funds help rehabilitate buildings, or help provide qualifying jobs that have a great impact in stabilizing this area. One loan funds residential condominiums and is the first residential project in downtown Knoxville, and the project is intended to help stabilize and revitalize the empowerment area. In addition, three community development loans provide affordable single family housing for low- to moderate-income families outside of the empowerment zone area.

Community development lending in Putnam and Jackson Counties AA is limited. FSG has made several loans for multifamily housing with affordable rental prices. One project qualifies as a CD loan since it targets low- to moderate-income persons.

Product Innovation and Flexibility

FSG has limited flexible lending products. FHA/VA/USDA and a Tennessee program for affordable housing are available with the loans sold on the secondary market. FSG made approximately 13 loans in the Putnam and Jackson Counties AA under these programs for \$1.6 million total, and approximately 30 loans for \$3.4 million in the Knoxville MSA AA. Most of the loans are extended under FHA programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Morristown MSA AA and the McMinn and Monroe Non-MSA AA is not inconsistent with the bank's overall high satisfactory performance under the lending test in Tennessee. In the Cleveland MSA AA the bank's performance is weaker than the bank's overall performance in the state, but is adequate. The penetration of loans to small businesses is good, but performance for home mortgages is weak for home refinance loans, and adequate for home purchase and home improvement loans. Refer to the Tables 1 through 13 in the state of Tennessee section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Tennessee is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Putnam and Jackson Counties AA and the Knoxville MSA AA is adequate.

Refer to Table 14 in the state of Tennessee section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The conclusions for the Investment Test consider the impact of three statewide investments in Tennessee that total \$2.2 million. These include two mortgage backed securities that help provide housing for low- to moderate-income families, and one investment in a low-income credit union in Tennessee. The impact of these investments is positive and augments the level invested in individual AAs.

The level of investments in the Putnam and Jackson Counties AA is relatively low with one grant to Habitat for Humanity for \$5 thousand. The investment has a good impact, and CD opportunities are relatively limited in this AA. This level would not be adequate if the impact of the statewide investments did not augment the level.

In Knoxville MSA AA, performance is adequate. FSG made a limited number of investments in this AA including two prior period investments for an education and housing bond and a mortgage backed security that total \$2 million. The one current period investment, is considered very responsive to AA needs and FSG exhibited leadership in this project. The project helps construct a unique housing project for homeless that will provide quality housing for very low-income people and help transition people away from homelessness. This is a low-income housing tax credit.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Morristown MSA AA is not inconsistent with the bank's overall Low Satisfactory performance under the investment test in Tennessee. In the McMinn and Monroe Combined Counties AA the bank's performance is stronger than the bank's overall performance in the state. The dollar volume is not extensive, but the level of investments is good considering opportunities in this AA and grants were responsive to AA needs. In the Cleveland MSA AA performance is weaker than the bank's overall performance in the state, with no individual investments in the AA. Refer to the Table 14 in the state of Tennessee section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Tennessee is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Putnam and Jackson Counties AA and the Knoxville MSA AA is good.

Retail Banking Services

Refer to Table 15 in the state of Tennessee section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Branch accessibility is strong in the Putnam and Jackson Counties AA. This AA does not have any low-income geographies. FSG has one location in a moderate-income geography in Putnam County. All three Jackson County locations in middle-income geographies are in distressed middle-income census tracts. These areas have high poverty levels.

In the Knoxville MSA AA, the branch distribution provides good accessibility to individuals of different incomes. While FSG does not have any branches in low-income census tracts, the penetration in moderate-income geographies is excellent with 3 of 7 AA branches in these geographies although only 17 percent of the population lives within the moderate-income geographies. In addition, one offsite ATM helps expand accessibility in this AA and is located in a retail shopping area in a moderate-income geography.

Branch hours, products, and services are generally consistent within this AA. Branches offer extended Friday hours and some locations offer Saturday hours. ATMs are located at the branches that increase accessibility to banking services. FSG offers a variety of consumer and business deposit products, services and loan products. Throughout its AAs, FSG offers a checking account free of regular service charges and this product helps provide accessibility to banking accounts for the entire population including low- and moderate-income individuals. The account has low opening balance requirements.

Community Development Services

FSG has a somewhat limited number of community development services, but all are considered responsive to community needs and augment services test performance.

Community development services activities in the Knoxville MSA AA have a positive impact on the overall services test. Services were provided to three organizations. Two of the organizations are involved in the Empowerment Zone; FSG provided financial services that help meet the goals of the empowerment zone by attracting businesses and promoting revitalization of the area. The other service is very responsive and provides financial expertise to a shelter that strives to transition people from homelessness to permanent housing.

Community development services activities in the Putnam and Jackson Counties AA have a positive impact on the overall services test. Qualifying financial services were provided to three organizations in this AA. Services were provided to two organizations that help meet housing needs for low-income families. Services were provided for one school in a high-poverty location that involved providing financial education to students.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Cleveland MSA, Morristown MSA, and the McMinn and Monroe Counties Combined AAs is not inconsistent with the bank's overall High Satisfactory performance under the service test in Tennessee. Products, services and branch accessibility are consistent with performance in the full scope areas. The number and impact of community development services is more limited in the AAs reviewed under limited scope reviews.

State Rating

State of Georgia

CRA Rating for Georgia³:	Satisfactory
The lending test is rated:	<u>Outstanding</u>
The investment test is rated:	<u>Low Satisfactory</u>
The service test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- Excellent volume of lending activity responsive to AA needs.
- Excellent geographic distribution of loans within the AA.
- Distributions of loans to borrowers of different income levels and businesses of different sizes are excellent.
- Community development loans that have a slightly positive impact on the Lending Test.
- Adequate level of qualified community development investments.
- Retail delivery systems are good.
- The level of community development services is good.

Description of Institution's Operations in Georgia

As of June 30, 2008, FSG reports 6 branches in the state of Georgia AA with approximately \$169 million in deposits. This represents approximately 18 percent of the bank's total deposits. At this examination, approximately 13 percent of residential real estate and small business loans analyzed are attributed to the Dalton MSA AA. In Georgia, FSG operates under the names Dalton Whitfield Bank and Primer Banco Seguro. During this examination period the two Primer Banco Seguro branches were closed. However, one branch is now co-branded to include the Primer Banco Seguro name and is near the two closed locations.

The AA is a portion of MSA 19140 (Dalton, GA), including Whitfield County and it receives a full-scope review. As of June 30, 2008, FSG has a deposit market share of 8.77 percent in Whitfield County and ranks 3rd among 15 financial institutions reporting deposits in the county.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the market profiles for the state of Georgia in appendix C for detailed demographics and other performance context information.

Scope of Evaluation in Georgia

Loan products evaluated include home purchase, home improvement, and home refinance loans reported under the HMDA and small loans to businesses reported under the CRA. The volume of multi-family housing loans reported under the HMDA and small loans to farms reported under the CRA was not sufficient for analysis. We evaluated community development loans, investments, and services.

One community contact, with a quasi-governmental entity that focuses its efforts on economic development, was conducted in the Georgia AA. The contact noted the need for financing of small businesses and start-up businesses due to the rising unemployment and a slowing economy in the AA.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Georgia is rated Outstanding. Based on full-scope reviews, the bank's performance in the Dalton MSA AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity for 2007, 2008, and through July 30, 2009, is used for this evaluation. Lending levels reflects a good responsiveness in relation to the bank's deposit market share and area credit needs. Lending performance reflects a lower impact for residential real estate originations that represent 24 percent of reported loans. Small loans to business represent 75 percent of the reported loans. Small farm lending represents less than 1 percent of the reported loans. Therefore, more weight was assigned in evaluating the performance of small business lending.

As of June 30, 2008 in the Dalton MSA AA, FSG has a deposit market share of 8.77 percent and ranks 3rd in the market for deposits. Based on 2007 HMDA aggregate data, FSG has a strong market share indicating good lending levels ranking between 11th and 14th for each HMDA product out of more than 108 lenders that offer home mortgage products in this AA. FSG ranks 6th for small business loans with 5.97 percent of overall market share. In this market, 40 lenders report small business loan originations.

FSG's market share for both home mortgage and small business loans is lower than its deposit market share, but given the market context the levels are very good. For HMDA a large number of lenders report originations including large banks with a national presence and many

non-bank mortgage companies. Small business numbers include loans reported by large national lenders that include large nationally operating credit card companies.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of loans in the Dalton MSA AA is excellent. The geographic distribution of residential real estate loans is good and the geographic distribution of small loans to businesses is excellent.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of residential real estate loans in the Dalton MSA AA is good. This conclusion is based on performance in moderate-income geographies. There are no low-income geographies in the Dalton MSA AA.

The geographic distribution of home purchase loans in the Dalton MSA AA is excellent. The percent of home purchase loans in moderate-income geographies exceeds the percent of owner-occupied housing units in those geographies.

The geographic distribution of home improvement loans in the Dalton MSA AA is good. The percent of home improvement loans in moderate-income geographies is adequate compared to the percent of owner-occupied housing units in those geographies. However, due to the low volume of loans (12), this is considered good and the percentage is not very meaningful.

The geographic distribution of refinance loans in the Dalton MSA AA is good. The percent of refinance loans in moderate-income geographies is adequate compared to the percent of owner-occupied housing units in those geographies. However, the bank's market share of refinance loans in moderate-income geographies is excellent and exceeds the overall market share of refinance loans, and therefore, is considered good overall.

Small Loans to Businesses

Refer to Table 6 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Dalton MSA AA is excellent. The percent of loans in moderate-income geographies exceeds the percent of businesses in moderate-income geographies. The bank's market share of small loans to businesses in moderate-income geographies exceeds its overall market share of small loans to businesses.

Lending Gap Analysis

No unexplained, conspicuous gaps were identified. We evaluated the lending distributions in the Dalton MSA AA to determine if any unexplained conspicuous gaps existed including reports detailing the volume of HMDA and small loans to businesses in moderate-income geographies.

Distribution of Loans by Income Level of the Borrower

Overall, the borrower distribution of loans in Dalton MSA AA is excellent. The borrower distribution of residential real estate loans is good and the borrower distribution of small loans to businesses is excellent. Consideration is given to the poverty level in the AA, which negatively impacts the ability of low-income families to own a home. In the Dalton MSA AA, approximately 17 percent of households are below the poverty level.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Georgia 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.

The borrower distribution of residential real estate loans in the Dalton MSA AA is good. Our conclusion is based on home purchase, home improvement, and refinance loan performance.

The borrower distribution of home purchase and refinance loans in the Dalton MSA AA is good, given the poverty level in the AA. The percent of home purchase and refinance loans to low-income borrowers is lower than the percent of low-income families residing in the Dalton MSA AA. The percent of home purchase and refinance loans to moderate-income families is near or exceeds the percent of moderate-income families in the AA.

The borrower distribution of home improvement loans in the Dalton MSA AA is excellent. The percent of loans to both low-income and moderate-income families significantly exceeds the percent of such families residing in the Dalton MSA AA.

Small Loans to Businesses

Refer to Table 11 in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Borrower distribution of small loans to businesses in the Dalton MSA AA is excellent. The percent of small loans to small businesses significantly exceeds the percent of small businesses operating in the Dalton MSA AA. The bank's market share for loans to small businesses significantly exceeds its overall market share of small loans to businesses.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Georgia section of appendix D 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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

Community development lending had a slightly positive, but not significant, impact on the Lending Test conclusions. During the evaluation period, the bank originated and renewed one community development loan in the Dalton MSA AA for \$950 thousand. The loan funds a non-profit organization that targets low- and moderate-income individuals and families in various ways that meet requirements to qualify as community development activities. These loans provide an adequate responsiveness to the AA needs.

Product Innovation and Flexibility

Beginning in March 2006 and ending in June 2007, the bank initiated a flexible Affordable Housing Mortgage product in the Dalton MSA AA. This was the first such product the bank had offered and the marketing of the product was limited to the Dalton area on a test basis. The program offered more liberal debt-to-income ratios, expanded loan-to-value ratios, and the acceptance of alternative credit history. An Affordable Combo Mortgage was also available that combined first and second mortgages and allowed financing for settlement expenses. The product was targeted to low- and moderate-income borrowers and borrowers purchasing property in low- and moderate-income geographies. The product is no longer offered and no similar program has been adopted by the bank. The program ceased due to high default rates on the loans and lack of profitability of the product line. During this evaluation period, the bank originated 10 loans under the program, totaling \$425 thousand in the Dalton MSA AA.

Other flexible products offered include FHA/VA/USDA loans which are sold on the secondary market and help provide loans to low- and moderate-income families for housing. In the Dalton MSA AA, 22 loans were originated for a total dollar amount of approximately \$2.8 million. These flexible products had a positive impact on the Lending Test conclusion for the Dalton MSA AA.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Georgia is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Dalton MSA AA is adequate.

Refer to Table 14 in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, the bank made four investments totaling \$1.1 million in the Dalton MSA AA. The majority represents one large mortgage-backed security, and the remainder represents three small grants to non-profit organizations that meet the definition of community development. Opportunities are somewhat limited in the AA, nonetheless opportunities do exist. For a discussion of investment opportunities, see the Market Profile in appendix C.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Georgia is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Dalton MSA AA is good.

Retail Banking Services

Refer to Table 15 in the state of Georgia section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

In the Dalton MSA AA, branch delivery systems are accessible to all income geographies. Of the bank's branches in the AA, 50 percent are located in moderate-income geographies. This provides good access to the approximately 24 percent of the population that resides in moderate-income geographies. No low-income geographies exist in the AA. During the evaluation period, two branches were closed and none were opened in the Dalton MSA AA. Both closed branches were located in moderate-income geographies.

Closing the two branches has not significantly adversely affected the accessibility of retail delivery systems. The two branches were Primer Banco Seguro (PBS) facilities. One branch closed in March 2008, and the other in March 2009. The branches were closed because they were losing money. FSG tried to continue to operate one branch, which also proved to be unprofitable. Since the two closings, the Bryman's Plaza branch that is located near the closed branches in a moderate-income geography has been co-branded with PBS, and has proven accessible to the existing customers of the closed locations. This branch is located relatively close to the other branches and will continue to serve the low- and moderate-income community and will offer almost all of the same products targeted to low- and moderate-income individuals. Due to the new co-branded branch offering accessibility to customers of the PBS branches, the branch closings have a neutral impact on retail banking service performance.

Branch hours, products, and services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. All of the Dalton Whitfield facilities provide consistent hours, products, and services. All branches offer ATM facilities and lobby facilities and provide extended hours on Friday. Drive-up facilities offer extended hours on Thursday, Friday, and Saturday morning.

Community Development Services

A good level of community development services are noted in the Dalton MSA AA. FSG officers have worked with several organizations whose activities focus on helping low- and moderate- income families find affordable housing, provide economic development activities that will help expand jobs by attracting small businesses to the area, and providing financial education services targeted to low- and moderate-income individuals and families. The most prominent activity is participation with a community development center that facilitates small business development through business financing assistance. A bank officer has provided financial expertise regarding new and existing business development and expansion in the area. In addition, several other bank employees are involved with providing technical and financial expertise to non-profit organizations that assist low- and moderate-income individuals.

Throughout all of its AAs, FSG offers a checking account free of regular service charges. The account, with a low opening balance requirement, increases access to financial services for low- and moderate-income individuals and families.

FSG offers additional services targeting primarily low- and moderate-income customers and small businesses at the PBS branches, including the stand alone branches prior to closing and currently the co-branded branch. These are located in moderate-income geographies and offer low-cost services beyond products the other FSG locations offer to increase financial access for low- and moderate-income individuals. At these locations low-cost check cashing, money orders, and international remittance services are offered. The branches provide individual financial literacy training in an effort to move clients into mainstream banking. A new service offered through PBS includes ITIN accounts for non-resident aliens. FSG has become an agent with the IRS to process ITIN requests. Once a customer is a member of the PBS branch, they can become an account holder with more traditional banking services.

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”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2007 to 07/31/2009) Investment and Service Tests and CD Loans: (09/06/2006 to 10/02/2009)	
Financial Institution	Products Reviewed	
FGSBank, National Association (FSG) Chattanooga, TN	Home purchase, improvement and refinance; small business, community development	
Affiliate(s)	Affiliate Relationship	Affiliate(s)
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> First Security Investments FSG Reinsurance Company Kenesaw Leasing, Inc. J&S Leasing, Inc. First Securities Intangible Properties, Inc. First Securities Holdings	Bank operating subsidiaries	<i>[Instructions: Provide only if affiliate products are reviewed.]</i> First Security Investments FSG Reinsurance Company Kenesaw Leasing, Inc. J&S Leasing, Inc. First Securities Intangible Properties, Inc. First Securities Holdings
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Assessment Area
Chattanooga, TN-GA Multi-State Tennessee Knoxville (MSA 28940) Cleveland (MSA 17420) Morristown (MSA 34100) Putnam and Jackson Non-MSA McMinn/Monroe Non-MSA Georgia Dalton (MSA 19140)	Full Full Limited Limited Full Limited Full	Chattanooga, TN-GA Multi-State Tennessee Knoxville (MSA 28940) Cleveland (MSA 17420) Morristown (MSA 34100) Putnam and Jackson Non-MSA McMinn/Monroe Non-MSA Georgia Dalton (MSA 19140)

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		FSGBank National Association		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
FSG	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Chattanooga, TN-GA Multistate MSA	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Tennessee	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Georgia	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

Chattanooga TN-GA Multistate Assessment Area

FSG’s assessment area includes a portion of the Chattanooga Multistate MSA, specifically Hamilton County in Tennessee and Catoosa County in Georgia. The AA meets the legal requirements of the CRA and does not arbitrarily exclude low- or moderate-income geographies. The following table provides detailed information about the demographic characteristics of the AA. FSG is headquartered in Chattanooga, and this market has a significant impact on the bank’s overall CRA assessment.

Demographic Information for Full Scope Area: Chattanooga Multistate						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	7.79	18.18	48.05	25.97	0.00
Population by Geography	361,178	5.05	10.44	53.88	30.62	0.00
Owner-Occupied Housing by Geography	97,792	1.91	8.53	55.09	34.48	0.00
Business by Geography	37,346	4.69	11.57	57.55	26.19	0.00
Farms by Geography	636	0.94	7.08	54.87	37.11	0.00
Family Distribution by Income Level	99,685	18.14	16.68	21.86	43.32	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,708	9.78	16.17	55.25	18.80	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below Poverty Level		44,787 56,100 12%	Median Housing Value Unemployment Rate (2000 US Census)		93,765 2.63%	

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

Source: 2000 US Census and 2009 HUD updated MFI

Chattanooga is located in the Southeastern corner of Tennessee. According to the 2000 Census, the total population for this AA is approximately 361,000, and about half of the population resides in Chattanooga. Chattanooga is the fourth-largest city in Tennessee behind Memphis, Nashville, and Knoxville. Within the AA, all of the low- and moderate-income census tracts are located in the Chattanooga area.

Housing is generally affordable in the AA, with a median house price of \$149,900 based on Zillow information as of August 2009 and prices have shown a decline over prior recent years. The median price is lower than the overall Tennessee median housing value, and has been declining at a faster rate than other large metropolitan areas in Tennessee. Low-income families, and to a lesser extent moderate-income families do face housing affordability issues and low-income families may have more limited opportunities to benefit from subsidy programs to help achieve home ownership.

Unemployment in the Chattanooga Multistate MSA is estimated at 9.6 percent for August 2009 and is similar to the national level; an estimated 9.7 percent according to the Bureau of Labor Statistics.

Chattanooga enjoys a diversified economy that includes manufacturing, health care, retail, tourism, and services. Blue Cross Blue Shield is opening a new campus in Chattanooga and Volkswagen is opening a manufacturing plant with opening scheduled in 2011. These indicate that Chattanooga may rebound more quickly than some parts of the nation from the current economic challenges.

Banking competition is strong in the AA. FSG ranked sixth in deposit market share as of June 2008, with 28 financial institutions operating 172 locations in the entire MSA. Competition includes national, regional, and community banks, and many non-bank financial service providers. FSG also competes with small business and mortgage lenders that do not take deposits in the market.

Chattanooga offers a variety of opportunities for community development throughout the AA, although the level of opportunities has declined along with the economic downturn as some organizations involved in community development projects have smaller budgets or lost funding. Chattanooga has designated the Chattanooga Urban Renewal Community in the heart of downtown. The city has housing and community development programs, that were created with the 2000 Community Renewal Tax Relief Act which established the Renewal Community Initiative that will encourage public-private collaboration to generate economic development in 40 distressed communities around the country. A community contact conducted for this examination identified needs for affordable housing, especially down payment assistance for moderate-income families; consumer financial education; small business lending; and foreclosure prevention classes as the biggest financial needs in the area.

State of Tennessee

Knoxville MSA Assessment Area

FSG's AA includes a portion of the Knoxville MSA consisting of Knox, Loudon, and Union Counties. Within the State of Tennessee the Knoxville AA carries significant weight in the bank's CRA rating. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. The following table provides details about the demographic characteristics of the AA:

Demographic Information for Full Scope Area: Knoxville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	94	15.96	23.40	38.30	21.28	1.06
Population by Geography	438,926	7.89	16.91	46.41	28.74	0.05
Owner-Occupied Housing by Geography	123,663	4.09	15.15	50.53	30.23	0.00
Business by Geography	42,511	10.22	15.61	38.37	35.78	0.02
Farms by Geography	965	4.04	12.75	52.75	30.47	0.00
Family Distribution by Income Level	117,988	20.00	17.31	21.10	41.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	44,021	13.11	24.42	48.93	13.55	0.00
Median Family Income		46,594	Median Housing Value		99,806	
HUD Adjusted Median Family Income for 2009		58,800	Unemployment Rate (2000 US Census)		2.40%	
Households Below Poverty Level		14%				

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

Source: 2000 US Census and 2009 HUD updated MFI

Knoxville is the third largest city in Tennessee, and the MSA has experienced population growth through most of the 2000's. Approximately 40 percent of the Knoxville MSA population resides in the city of Knoxville. The economy in Knoxville has declined in recent years. August unemployment is estimated at 9.3 percent, and although the level has increased it remains slightly below the national rate and below the overall state unemployment rate.

The economy in Knoxville is tied to High-tech and includes the University of Tennessee, the Oak Ridge National Laboratory, the National Transportation Research Center, and the Tennessee Valley Authority. Many warehouse and distribution operations are located in the area.

Housing in Knoxville is relatively affordable with an estimate median home value of \$110,000 as of August 2009 from Zillow.com, and housing prices have declined slightly over the past year after experiencing steady increases from 2000 through 2006.

Banking competition is strong in the Knoxville MSA AA. FDIC data as of June 30, 2008 shows 43 banking institutions with 255 offices operating throughout the entire MSA. Competition for mortgages and small business loans is even stronger and includes mortgage and credit card companies that do not take deposits in Knoxville. Many non-bank financial services companies operate in Knoxville in addition to banks and credit unions.

Ample community development opportunities exist in the Knoxville MSA AA. These include organizations involved with affordable housing and economic development. Within the city of Knoxville, a Federal Empowerment Zone has been designated that provides opportunities for community development projects.

State of Tennessee

Putnam and Jackson Counties Nonmetropolitan Assessment Area

FSG has identified all of Jackson County and all of Putnam County. These rural counties are contiguous and are combined for this evaluation. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. The following table provides detailed demographic information about the AA:

Demographic Information for Full Scope Area: Putnam and Jackson Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	17	0.00	17.65	70.59	11.76	0.00
Population by Geography	73,299	0.00	13.17	79.60	7.23	0.00
Owner-Occupied Housing by Geography	19,925	0.00	7.28	85.79	6.93	0.00
Business by Geography	6,574	0.00	19.30	70.44	10.25	0.00
Farms by Geography	144	0.00	7.64	86.81	5.56	0.00
Family Distribution by Income Level	19,633	18.97	17.74	23.61	39.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	7,207	0.00	14.08	81.64	4.27	0.00
Median Family Income		36,945	Median Housing Value		86,079	
HUD Adjusted Median Family Income for 2009		46,300	Unemployment Rate (2000 US Census)		2.57%	
Households Below Poverty Level		18%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 US Census and 2009 HUD updated MFI

Gainesboro is the county seat of Jackson County and is located approximately 80 miles east of Nashville. Jackson County has three distressed middle-income census tracts due to high levels of poverty and the fourth census tract in Jackson County is moderate-income. The county has a high level of need for basic services and jobs. The median housing value increased in the county to \$98 thousand as of 2007.

Putnam County’s main cities include Cookeville, Algood, Baxter, and Monterey. Cookeville is a popular place for retirement due to an affordable cost of living and variety of activities available. Cookeville is approximately 79 miles east of Nashville. Cookeville serves as a regional center for retail, healthcare, and recreation. The median housing value for Putnam County has increased since the 2000 US Census to \$126 thousand in 2007; although evidence indicates that home prices have recently declined.

The economic downturn throughout the country has impacted this rural area of Tennessee. Unemployment rates have been increasing and for Jackson County the rate of 8.5 percent for 2008 has increased to 14.5 percent in August 2009. For Putnam County the economy is not

quite as bleak with unemployment at 6.4 percent for 2008 and increasing to 10.4 percent for August 2009. The State has a 10.8 percent unemployment rate for August 2009. These numbers are from the Bureau of Labor Statistics.

FSG is an especially important financial services provider in Jackson County since only two banks have branches in that county.

State of Georgia

Dalton MSA Assessment Area

FSG's AA includes a portion of the Dalton MSA consisting of Whitfield County. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies. The following table provides detailed demographic information about the AA.

Demographic Information for Full Scope Area: Dalton MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0.00	22.22	61.11	16.67	0.00
Population by Geography	83,525	0.00	24.38	59.85	15.76	0.00
Owner-Occupied Housing by Geography	19,862	0.00	13.31	69.32	17.36	0.00
Business by Geography	8,163	0.00	32.10	50.03	17.87	0.00
Farms by Geography	167	0.00	12.57	70.06	17.37	0.00
Family Distribution by Income Level	22,293	17.76	19.28	22.72	40.24	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,259	0.00	31.53	55.73	12.74	0.00
Median Family Income		43,713	Median Housing Value		87,388	
HUD Adjusted Median Family Income for 2009		51,900	Unemployment Rate		1.77%	
Households Below Poverty Level		11%	(2000 US Census)			

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

Source: 1990 U.S. Census and 2009 HUD updated MFI.

According to the 2008 Census estimate, the total population of the AA is approximately 94,000. About 35 percent of the population resides in the city of Dalton, the seat of Whitfield County. The AA has no low-income geographies. All four moderate-income geographies are within the city of Dalton. According to the U.S. Census in 2007 approximately 17 percent of individuals in the AA live below the poverty level. This is similar to the 16 percent of individuals in the city of Dalton who live below the poverty level.

Overall, the level of owner-occupied housing in the AA is 68 percent. However, in the moderate-income geographies, the level of owner-occupancy is much lower at only 13 percent.

Housing in the AA is generally affordable when comparing income with housing costs, particularly for moderate-income families. The HUD estimated Median Family Income for the AA is \$51,900 for 2009. According to Zillow.com, as of August 2009, the median housing value is approximately \$91,000. Having the funds for down payment and closing costs are the biggest barriers to home ownership.

The economy is suffering and the unemployment level is on the rise. As of August 2009, the unemployment rate for the Dalton MSA AA is 12.5 percent according to the Bureau of Labor Statistics. This unemployment rate is currently higher than the state and national unemployment rate. This is primarily due to significant job losses in the Dalton area. The

slowing in the floor covering industry has led to 2,900 job cuts, with an overall loss of over 4,000 jobs in the Dalton area within one year. The economy in Dalton and Whitfield County is primarily driven by the carpet industry.

Based on FDIC data as of June 30, 2008, there are 15 institutions operating 45 banking offices in the Dalton MSA AA. Competition for mortgage and small business loans is much stronger since many lenders, such as mortgage and credit card companies lend in the AA, but do not take deposits. Based on 2007 aggregate data, there are approximately 108 HMDA loan reporters and 40 small business loan reporters in the Dalton MSA AA.

The range is limited for community development opportunities related to lending, investments, and services in the Dalton MSA AA. Community development opportunities include working with and providing financing to the several organizations whose mission is to provide affordable housing and/or community services for low- and moderate-income persons, as well as organizations with a mission of economic development. Types of community development investments available include participation in several local community development corporations, the purchase of mortgage-backed and SBA loan-backed securities, and opportunities to contribute to qualified non-profit organizations whose missions are focused on providing affordable housing, community services for low- and moderate-income persons, and economic development.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 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/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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. [Note: Do not renumber the tables.]

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

- 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/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. 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 assessment area.
- 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/assessment area. 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/assessment area.

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 assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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.

Tables of Performance Data

Chattanooga Multistate MSA

State of Tennessee

State of Georgia

Table 1. Lending Volume

LENDING VOLUME		Geography: CHATTANOOGA MULTISTATE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:												
Chattanooga Multistate	100.00	349	57,570	856	141,097	6	1,972	17	19,1620	1,228	219,801	100.00

* Loan Data as of July 31, 2009. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2008.

*** Deposit Data as of October 09, 2009. 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: CHATTANOOGA MULTISTATE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total** %	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Chattanooga Multistate	187	100.00	1.91	2.67	8.53	10.70	55.09	44.92	34.48	41.71	0.91	0.00	0.60	0.97	0.95

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: CHATTANOOGA MULTISTATE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Chattanooga Multistate	28	100.00	1.91	3.57	8.53	14.29	55.09	32.14	34.48	50.00	1.41	5.26	1.74	0.38	2.69

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: CHATTANOOGA MULTISTATE					Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Chattanooga Multistate	131	100.00	1.91	3.05	8.53	14.50	55.09	44.27	34.48	38.17	0.84	1.10	1.30	0.68	0.97						

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CHATTANOOGA MULTISTATE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Chattanooga Multistate	3	100.00	16.24	0.00	8.26	0.00	57.91	100.00	17.60	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: CHATTANOOGA MULTISTATE					Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Chattanooga Multistate	856	100.00	4.69	5.37	11.57	14.60	57.55	58.88	26.19	21.14	2.68	4.64	4.54	2.88	1.82						

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2009).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: CHATTANOOGA MULTISTATE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
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:															
Chattanooga Multistate	6	100.00	0.94	0.00	7.08	0.00	54.87	100.00	37.11	0.00	16.67	0.00	0.00	30.77	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2009).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2009		Geography: CHATTANOOGA MULTISTATE								Evaluation Period: JANUARY 1, 2007 TO JULY 31,					
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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Chattanooga Multistate	187	100.00	18.14	6.12	16.68	16.33	21.86	19.73	43.32	57.82	0.88	1.03	0.64	0.67	1.07

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 21.4% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: CHATTANOOGA MULTISTATE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
Assessment Area:	Total Home Improvement 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Chattanooga Multistate	28	100.00	18.14	16.00	16.68	4.00	21.86	20.00	43.32	60.00	1.25	1.92	0.46	0.00	2.31

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 10.7% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: CHATTANOOGA MULTISTATE					Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
Assessment Area:	Total Home Mortgage Refinance 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****	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Chattanooga Multistate	131	100.00	18.14	4.17	16.68	16.67	21.86	18.33	43.32	60.83	0.85	0.50	0.57	0.53	1.23						

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 8.4% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CHATTANOOGA MULTISTATE			Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Chattanooga Multistate	856	100.00	76.00	58.18	55.96	24.42	19.63	2.68	5.55

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2009).

**** 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 3.62% 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: CHATTANOOGA MULTISTATE			Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Chattanooga Multistate	6	100.00	97.96	33.33	16.67	0.00	83.33	16.67	6.67

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2009).

**** 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 33.33% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CHATTANOOGA MULTISTATE				Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Chattanooga Multistate	0	0	6	1,661	6	1,661	100.00	0	0

* 'Prior Period Investments' means investments made in a previous 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: CHATTANOOGA MULTISTATE																	
Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009																	
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:																	
Chattanooga Multistate	100.00	10	100.00	0.00	0.00	50.00	50.00	1	0	0	0	0	1	5.05	10.44	53.88	30.62

Table 1. Lending Volume

LENDING VOLUME		Geography: TENNESSEE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:												
Putnam and Jackson Counties	40.10	810	65,100	582	46,263	193	4,143	1	119	1,586	115,625	30.27
Knoxville MSA	26.69	435	36,599	607	103,821	13	312	13	22,405	1,068	163,137	29.09
Limited Review:												
Cleveland MSA	8.02	119	15,186	186	39,212	12	1,375	0	0	317	55,773	2.66
McMinn and Monroe Counties	13.86	202	18,087	312	37,171	34	3,448	0	0	548	58,706	18.48
Morristown MSA	11.33	195	23,353	234	21,757	19	779	0	0	448	45,889	19.50

* Loan Data as of July 31, 2009. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2008.

*** Deposit Data as of October 29, 2009. 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: JANUARY 1, 2007 TO JULY 31, 2009				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	182	39.82	0.00	0.00	7.28	15.38	85.79	80.77	6.93	3.85	4.65	0.00	14.63	4.11	3.54
Knoxville MSA	123	26.91	4.09	8.13	15.15	29.27	50.53	34.15	30.23	28.46	0.30	0.44	0.94	0.18	0.22
Limited Review:															
Cleveland MSA	43	9.41	1.27	6.98	7.97	6.98	71.02	72.09	19.75	13.95	1.34	6.06	1.26	1.47	0.65
McMinn and Monroe Counties	48	10.50	0.00	0.00	4.61	4.17	85.29	79.17	10.11	16.67	1.78	0.00	1.18	1.57	3.77
Morristown MSA	61	13.35	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.32	0.00	0.00	3.32	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: TENNESSEE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	150	47.02	0.00	0.00	7.28	20.00	85.79	78.00	6.93	2.00	24.70	0.00	76.92	20.55	14.29
Knoxville MSA	104	32.60	4.09	0.96	15.15	77.88	50.53	15.38	30.23	5.77	2.06	0.00	9.93	0.58	0.21
Limited Review:															
Cleveland MSA	7	2.19	1.27	0.00	7.97	14.29	71.02	42.86	19.75	42.86	0.85	0.00	0.00	0.57	2.38
McMinn and Monroe Counties	35	10.97	0.00	0.00	4.61	0.00	85.29	97.14	10.11	2.86	7.87	0.00	0.00	8.75	0.00
Morristown MSA	23	7.21	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.62	0.00	0.00	4.62	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TENNESSEE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	461	48.12	0.00	0.00	7.28	11.71	85.79	85.68	6.93	2.60	9.30	0.00	15.71	9.12	5.80
Knoxville MSA	207	21.61	4.09	3.38	15.15	49.28	50.53	22.71	30.23	24.64	0.69	0.72	2.44	0.33	0.52
Limited Review:															
Cleveland MSA	64	6.68	1.27	6.25	7.97	6.25	71.02	64.06	19.75	23.44	1.57	10.71	1.90	1.44	1.35
McMinn and Monroe Counties	116	12.11	0.00	0.00	4.61	4.31	85.29	87.93	10.11	7.76	2.62	0.00	2.13	2.82	1.00
Morristown MSA	110	11.48	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	2.94	0.00	0.00	2.94	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TENNESSEE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	17	62.96	0.00	0.00	30.24	23.53	48.49	64.71	21.27	11.76	63.64	0.00	50.00	83.33	33.33
Knoxville MSA	1	3.70	22.11	0.00	25.81	100.00	30.23	0.00	21.84	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Cleveland MSA	5	18.52	14.22	0.00	20.51	0.00	50.16	80.00	15.11	20.00	9.09	0.00	0.00	12.50	0.00
McMinn and Monroe Counties	3	11.11	0.00	0.00	40.08	33.33	52.12	33.33	7.80	33.33	66.67	0.00	100.00	100.00	0.00
Morristown MSA	1	3.70	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: TENNESSEE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	582	30.30	0.00	0.00	19.30	10.48	70.44	79.04	10.25	10.48	10.66	0.00	7.73	12.10	9.35
Knoxville MSA	607	31.60	10.76	6.75	16.16	17.63	38.61	29.00	34.44	46.62	1.42	0.70	2.15	1.13	1.66
Limited Review:															
Cleveland MSA	186	9.68	1.40	0.00	11.99	12.37	66.63	61.29	19.97	26.34	2.94	0.00	4.92	2.58	3.64
McMinn and Monroe Counties	312	16.24	0.00	0.00	12.46	14.10	78.30	74.04	9.24	11.86	6.62	0.00	7.73	6.97	6.80
Morristown MSA	234	12.18	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	9.40	0.00	0.00	10.18	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2008).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: TENNESSEE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:															
Putnam and Jackson Counties	193	71.22	0.00	0.00	7.64	1.55	86.81	98.45	5.56	0.00	63.96	0.00	50.00	64.49	0.00
Knoxville MSA	13	4.80	4.60	0.00	11.25	69.23	52.05	30.77	32.10	0.00	8.57	0.00	33.33	6.06	0.00
Limited Review:															
Cleveland MSA	12	4.43	1.75	0.00	4.68	0.00	69.59	91.67	23.98	8.33	18.52	0.00	0.00	20.00	20.00
McMinn and Monroe Counties	34	12.55	0.00	0.00	4.43	0.00	88.18	94.12	7.39	5.88	23.08	0.00	0.00	23.40	50.00
Morristown MSA	19	7.01	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	52.38	0.00	0.00	55.00	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: TENNESSEE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	182	39.82	18.97	5.03	17.74	16.35	23.61	17.61	39.68	61.01	4.34	4.84	3.40	2.69	5.45
Knoxville MSA	123	26.91	20.00	9.09	17.31	13.64	21.10	18.18	41.59	59.09	0.31	0.36	0.18	0.21	0.40
Limited Review:															
Cleveland MSA	43	9.41	18.88	5.00	17.48	12.50	22.88	25.00	40.76	57.50	1.49	0.93	1.08	1.39	1.87
McMinn and Monroe Counties	48	10.50	19.37	4.88	18.76	21.95	22.54	12.20	39.34	60.98	1.83	1.05	1.29	0.62	2.91
Morristown MSA	61	13.35	18.02	10.00	18.32	16.67	23.98	21.67	39.69	51.67	3.63	6.82	3.25	4.29	3.13

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 15.1% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TENNESSEE								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
Assessment Area:	Total Home Improvement 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	150	47.02	18.97	20.95	17.74	22.97	23.61	21.62	39.68	34.46	24.38	42.86	42.31	21.31	15.25
Knoxville MSA	104	32.60	20.00	29.00	17.31	31.00	21.10	18.00	41.59	22.00	2.05	5.02	4.33	1.72	0.28
Limited Review:															
Cleveland MSA	7	2.19	18.88	0.00	17.48	14.29	22.88	14.29	40.76	71.43	0.86	0.00	0.00	1.54	1.02
McMinn and Monroe Counties	35	10.97	19.37	30.30	18.76	30.30	22.54	18.18	39.34	21.21	7.60	27.78	20.00	1.12	4.50
Morristown MSA	23	7.21	18.02	4.35	18.32	17.39	23.98	34.78	39.69	43.48	4.68	8.33	10.53	2.44	2.50

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.5% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: TENNESSEE						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Mortgage Refinance 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam and Jackson Counties	461	48.12	18.97	9.69	17.74	12.06	23.61	23.40	39.68	54.85	9.55	13.51	6.74	9.66	9.92
Knoxville MSA	207	21.61	20.00	15.76	17.31	16.85	21.10	25.00	41.59	42.39	0.72	1.41	0.62	0.53	0.75
Limited Review:															
Cleveland MSA	64	6.68	18.88	0.00	17.48	6.45	22.88	24.19	40.76	69.35	1.76	0.00	0.56	0.91	3.10
McMinn and Monroe Counties	116	12.11	19.37	5.45	18.76	18.18	22.54	13.64	39.34	62.73	2.88	3.45	3.06	1.30	3.54
Morristown MSA	110	11.48	18.02	5.61	18.32	19.63	23.98	18.69	39.69	56.07	3.22	1.75	1.85	4.00	3.43

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 7.5% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TENNESSEE			Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Putnam and Jackson Counties	582	30.30	56.51	81.44	79.55	13.40	7.04	10.66	26.67
Knoxville MSA	607	31.60	61.70	55.68	59.31	20.26	20.43	1.42	2.69
Limited Review:									
Cleveland MSA	186	9.68	58.99	65.05	53.23	18.82	27.96	2.94	5.28
McMinn and Monroe Counties	312	16.24	54.96	66.03	71.15	15.38	13.46	6.62	12.23
Morristown MSA	234	12.18	57.38	79.06	76.92	14.96	8.12	9.40	20.49

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2008).

**** 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 3.49% 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: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Putnam and Jackson Counties	193	71.22	100.00	90.67	96.89	2.07	1.04	63.96	79.78
Knoxville MSA	13	4.80	97.06	76.92	100.00	0.00	0.00	8.57	9.62
Limited Review:									
Cleveland MSA	12	4.43	97.08	58.33	58.33	25.00	16.67	18.52	20.00
McMinn and Monroe Counties	34	12.55	98.52	76.47	67.65	26.47	5.88	23.08	20.00
Morristown MSA	19	7.01	96.63	84.21	89.47	10.53	0.00	52.38	58.82

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2008).

**** 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 11.44% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: TENNESSEE				Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Putnam and Jackson Counties	0	0	1	5	1	5	0.12	0	0
Knoxville MSA	2	417	1	1,577	3	1,994	47.05	0	0
Limited Review:									
Cleveland MSA	0	0	0	0	0	0	0.00	0	0
McMinn and Monroe Counties	0	0	6	5	6	5	0.12	0	0
Morristown MSA	0	0	2	0	2	0	0.00	0	0
Statewide	1	756	2	1,478	3	2,234	52.71	0	0

* 'Prior Period Investments' means investments made in a previous 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: JANUARY 1, 2007 TO JULY 31, 2009			
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:																							
Putnam and Jackson Counties	30.27	6	26.09	0.00	16.67	83.33	0.00	1	0	0	0	1	0	0.00	13.17	79.60	7.23						
Knoxville MSA	29.09	7	30.43	0.00	42.86	28.57	28.57	0	0	0	0	0	0	7.89	16.91	46.41	28.74						
Limited Review:																							
Cleveland MSA	2.66	2	8.70	0.00	0.00	50.00	50.00	1	0	0	0	0	1	2.83	11.44	66.03	19.69						
McMinn and Monroe Counties	18.48	6	26.09	0.00	16.67	83.33	0.00	0	0	0	0	0	0	0.00	7.13	83.56	9.31						
Morristown MSA	19.50	2	8.70	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00						

Table 1. Lending Volume

LENDING VOLUME		Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**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:												
Dalton MSA	100.00	241	25,905	538	82,303	10	823	2	950	791	109,981	100.00

* Loan Data as of July 31, 2009. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2008.

*** Deposit Data as of October 14, 2009. 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: GEORGIA								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009					
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	82	100.00	0.00	0.00	13.31	14.63	69.32	64.63	17.36	20.73	2.46	0.00	0.61	2.59	4.35

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	12	100.00	0.00	0.00	13.31	8.33	69.32	75.00	17.36	16.67	1.90	0.00	0.00	2.07	3.13

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: GEORGIA				Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	142	100.00	0.00	0.00	13.31	9.86	69.32	71.83	17.36	18.31	2.97	0.00	3.08	2.71	3.87

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009								
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Dalton MSA	5	100.00	0.00	0.00	60.23	80.00	8.65	20.00	31.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	538	100.00	0.00	0.00	32.10	37.92	50.03	43.87	17.87	18.22	7.47	0.00	8.91	8.10	5.79

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2009).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
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:															
Dalton MSA	10	100.00	0.00	0.00	12.57	0.00	70.06	80.00	17.37	20.00	28.57	0.00	0.00	44.44	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** 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 (2009).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: GEORGIA								Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	82	100.00	17.76	5.48	19.28	24.66	22.72	20.55	40.24	49.32	2.64	1.22	1.51	2.99	4.42

* Based on 2007 Peer Mortgage Data (Eastern)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 11.0% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Improvement 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	12	100.00	17.76	33.33	19.28	33.33	22.72	8.33	40.24	25.00	1.93	5.26	5.77	0.00	0.00

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: GEORGIA						Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009						
Assessment Area:	Total Home Mortgage Refinance 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Dalton MSA	142	100.00	17.76	7.69	19.28	17.69	22.72	25.38	40.24	49.23	3.10	5.88	2.30	4.20	2.56

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 8.5% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: GEORGIA			Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Dalton MSA	538	100.00	73.97	70.63	61.52	21.00	17.47	7.47	16.25

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2009).

**** 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 2.60% 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: GEORGIA			Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009				
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:									
Dalton MSA	10	100.00	97.01	80.00	80.00	10.00	10.00	28.57	33.33

* Based on 2008 Peer Small Business Data -- US and PR

** 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 - 2009).

**** 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 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: GEORGIATA				Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Dalton MSA	0	0	4	1,114	4	1,114	100.00	0	0

* 'Prior Period Investments' means investments made in a previous 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: GEORGIA		Evaluation Period: JANUARY 1, 2007 TO JULY 31, 2009			
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:																						
Dalton MSA	100.00	6	100.00	0.00	50.00	33.33	16.67	0	2	0	- 2	0	0	0.00	24.38	59.85	15.76					

