



CRA Performance Evaluation



Office of the Comptroller of the Currency

Midsized Bank Supervision
425 S. Financial Place, Suite 2700
Chicago, IL 60605

April 2, 2019

D. Bryan Jordan
Chief Executive Officer
First Tennessee Bank, N. A.
165 Madison Ave, 23rd Floor
Memphis, TN 38103

Dear Mr. Jordan:

As you know, in February 2019 Examiner-in-Charge (EIC) Terence Mack disclosed our decision to delay publication of the written Community Reinvestment Act (CRA) Performance Evaluation. We conducted the examination in July 2017, and the evaluation covered activities since the bank's last CRA examination dated April 7, 2014.

The delay in publication was due to minor required edits identified by the OCC's internal quality assurance processes. The edits included minor adjustments in narrative relating to the bank's performance under the CRA Plan, and new discussion of affiliate First Tennessee Housing Corporation's (FTHC) positive work in the Knoxville assessment area. The positive work included one CD investment. The other edits were cosmetic and we did not change any ratings.

We assigned an overall "Satisfactory" CRA rating. Please refer to the updated and enclosed Performance Evaluation for a detailed discussion of the bank's CRA performance. The Performance Evaluation is for public disclosure and must be placed in your CRA public file within 30 days of receipt. The bank may place a written response to the Performance Evaluation in the public file.

Please contact EIC Mack at (202) 664-7135 or me at (312) 230-2357 if you have any questions about this examination.

Sincerely,

John Meade
Assistant Deputy Comptroller
Midsized Bank Supervision



PUBLIC DISCLOSURE

July 10, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Tennessee Bank, National Association

**165 Madison Avenue
Memphis, TN 38103**

Charter Number 336

Office of the Comptroller of the Currency

Midsized Bank Supervision
425 South Financial Place Suite 2700
Chicago, IL 60605

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, and should not be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this bank.

Table of Contents

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	8
SCOPE OF THE EVALUATION	10
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	12
FIRST TENNESSEE BANK CRA PLAN	13
CHATTANOOGA (TN-GA) MULTISTATE METROPOLITAN AREA (MMSA)	18
MEMPHIS (TN-MS-AR) MULTISTATE METROPOLITAN AREA (MMSA)	29
STATE RATING	40
STATE OF FLORIDA	40
STATE OF NORTH CAROLINA	47
STATE OF SOUTH CAROLINA	63
STATE OF TENNESSEE	69
STATE OF TEXAS	94
STATE OF VIRGINIA	101
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: SUMMARY OF MULTISTATE METROPOLITAN AREA AND STATE RATINGS	B-1
APPENDIX C: COMMUNITY PROFILES FOR FULL-SCOPE AREAS	C-1
APPENDIX D: TABLES OF PERFORMANCE DATA	D-1

Overall CRA Rating

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

The following table indicates the performance level of **First Tennessee Bank (FTB) National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Tennessee Bank, N.A.		
	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
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:

- The bank originated a high percentage of loans inside its assessment areas (AAs).
- The geographic distribution of loans reflects adequate penetration throughout the bank's AAs.
- The bank's overall borrower income distribution of loans is good, as evidenced by overall good distribution of home mortgage loans by borrower income level and businesses with different revenue sizes.
- The bank has a relatively high level of community development (CD) loans.
- The bank has a significant level of qualified investments and grants, and exhibits good responsiveness to credit and community economic development needs.
- The bank's delivery systems are accessible to essentially all portions of AAs.

- The bank's opening, closing, and acquisition of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences portions of the bank's AAs, particularly low- and moderate- income geographies and/or individuals.
- The bank provides an adequate level of CD services in its AAs.
- The bank's performance under its CRA Plan is satisfactory. During the performance period, the bank met or exceeded the vast majority of lending and investment goals in the plan, while demonstrating adequate adherence to service-related goals.

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): Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan.

This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

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

Home Mortgage Loans: Such loans include home purchase, home improvement and 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 derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, 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 (MSA): 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 (1) Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

First Tennessee Bank, N.A. (FTB) is a \$28.4 billion financial institution headquartered in Memphis, Tennessee. FTB is a wholly owned subsidiary of First Horizon National Corporation, a \$29.6 billion single-bank holding company headquartered in Memphis, Tennessee. FTB is a full-service financial institution that operates 169 branches and 223 deposit-taking automated teller machines (ATMs) throughout the states of Tennessee, Florida, Georgia, Mississippi, North Carolina, South Carolina, Texas, and Virginia. Within these areas, the bank has defined 17 assessment areas. The bank's most significant presence is in Tennessee, where the bank operates 153 branches.

On October 2, 2015, FTB acquired the Trust Atlantic Bank in Raleigh, North Carolina. The acquisition added four branches in the Raleigh-Cary MSA, and an additional branch in Greenville, North Carolina. The acquisition included \$445 million in assets and \$344 million in deposits. The Office of the Comptroller of the Currency (OCC) conditionally approved the acquisition, with FTB required to develop a CRA Plan. Refer to discussions in the First Tennessee Bank CRA Plan section for additional information.

According to the FDIC Deposit Market Share Report dated June 30, 2016, FTB had deposits of \$20.8 billion. In terms of deposit market share, FTB ranks first in the state of Tennessee and first in the Memphis, Tennessee (TN)-Mississippi (MS)-Arkansas (AR) Multistate Metropolitan Area (MMSA). FTB offers a variety of loan and deposit products to businesses and individuals. Deposit products include checking, savings, NOW, money market, certificates of deposits, and other time deposits. Loan products to consumers include conventional mortgages, home equity loans, lines of credit, credit cards, personal loans, and automobile loans. Loans to businesses include term loans, lines of credit, Small Business Administration (SBA) loans, loans for equipment leases, and credit cards.

As of December 31, 2016, FTB had net loans and leases of \$19.5 billion, representing 68.66 percent of total assets. FTB offers alternative retail services including check cashing, direct deposit, online bill payment and funds transfer, mobile banking services, telephone banking services, and reloadable prepaid cards.

FTB provides trust and fiduciary services complemented by the investment advisory capabilities offered by its affiliate, FTB Advisors Incorporated. In addition, FTN Financial Capital Markets, a division of FTB, offers financial services to depository and non-depository institutions including fixed-income capital markets, mortgage and consumer loan trading, and risk analysis. Another FTB subsidiary, First Horizon Insurance Services, Inc. provides insurance products. Additionally, First Tennessee Housing Corporation, a wholly-owned subsidiary of FTB, makes tax credit related investments in affordable housing projects within the bank's assessment area.

Although FTB offers conventional residential mortgages, the bank had no ability to originate government secured mortgage loans or mortgages that require escrow accounts during most of the

evaluation period. The inability was primarily due to limitations in technology systems and bank policies and processes. In 2012, FTB entered into a referral arrangement with Quicken Loans. While this continued to facilitate credit for FTB customers, this lending was not reflected on the FTB HMDA Loan Application Register (LAR), which resulted in a low volume of mortgage loans. To mitigate the low volume, FTB initiated an arrangement with a mortgage partner, Lender Live, in August 2016 that enables FTB to originate government secured residential mortgage loans or mortgages that require escrow accounts; these loans are reflected on the FTB HMDA LAR. From the date of this arrangement, the referral process to Quicken Loans was discontinued.

The following table provides basic bank financial information as of the end of the first year and third year of the evaluation period:

Financial Information					
As of: 12/31/2016	12/31/2014		12/31/2016		% Growth / Decline in Period
Loan Mix	Balance Sheet \$ Amount (000)	% of Total Loans	Balance Sheet \$ Amount (000)	% of Total Loans	
1-4 Family Residential Loans	5,778,995	35.3	5,140,669	26.1	-11.0
Multifamily Residential Loans	150,459	0.9	322,687	1.6	114.5
Nonfarm Nonresidential Loans	2,175,244	13.3	3,091,596	15.7	42.1
Commercial & Industrial Loans	4,294,086	26.2	5,437,445	27.6	26.6
Farmland and Agricultural Loans	4,731	0.0	3,420	0.0	-27.7
Construction and Development	454,825	2.8	630,435	3.2	38.6
Consumer Loans	333,667	2.0	300,155	1.5	-10.0
All Other Loans	3,177,806	19.4	4,773,542	24.2	50.2
Liabilities & Capital (000s)					
Total Assets	25,462,316		28,351,811		11.3
Total Deposits	18,246,167		22,911,760		25.6
Tier One Capital	2,923,875		2,538,382		-13.2

The bank received a Satisfactory rating on its prior CRA Performance Evaluation dated April 7, 2014. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment area.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We analyzed home purchase, home improvement, and home refinance mortgage loans the bank reported under the HMDA and small loans to businesses reported under the CRA, for the period January 1, 2014, through December 31, 2016. Primary loan products for this evaluation are products in which the bank originated at least 20 loans within an AA during the evaluation period. Multifamily loans and small farm loans are not a primary loan product (the bank did not originate or purchase a sufficient volume of loans in any AA to perform a meaningful analysis); therefore, we did not evaluate these products separately. We did consider multifamily loans meeting the CD definition as part of the evaluation of CD lending. Multifamily lending and small farm lending had no material impact on the Lending Test.

Due to merger and acquisition activity during the evaluation period, the following AAs have different evaluation period start dates for all CRA reportable activity.

- Greenville, NC MSA – The evaluation start date is January 1, 2015.
- Jacksonville, FL MSA – The evaluation start date is January 1, 2015.
- Houston, TX MSA – The evaluation start date is March 16, 2016.

The evaluation period for CD loans, the Investment Test, and the Service Test was April 8, 2014, through December 31, 2016.

Selection of Areas for Full-Scope Review

In each state and MMSA where the bank has an office, a sample of assessment areas within that state/MMSA was selected for full-scope reviews. Refer to the “Scope” section under each State and MMSA Rating section (as applicable) for details regarding how the areas were selected.

Ratings

The bank’s overall rating is a blend of the state and MMSA ratings. The state ratings are based primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

The state of Tennessee, Memphis TN-AR MMSA (Memphis MMSA), and Chattanooga TN-GA MMSA (Chattanooga MMSA) carried the greatest weight in our conclusions because these areas represented the bank's most significant markets in terms of deposit concentrations, branch distribution, and reportable HMDA and CRA loans. As of June 30, 2016, the three areas represented 97.28 percent of FTB deposits, 94.58 percent of total branches, and 95.72 percent of loans. The state of Tennessee represented 41.66 percent of total deposits, 62.05 percent of total branches, and 63.42 percent of loans. The Memphis MMSA represented 44.55 percent of total deposits, 21.69 percent of total branches, and 17.94 percent of loans. The Chattanooga MMSA represented 11.07 percent of total deposits, 10.84 percent of total branches, and 14.36 percent of loans.

When evaluating the bank's performance under the Lending Test within each AA, we placed greater weight on loan products with the highest volumes during the evaluation period. Primary loan products with higher volumes included small loans to businesses, home purchase loans, and home refinance loans. Refer to comments in each full scope AA for additional discussion.

Consideration of the First Tennessee Bank National Association CRA Plan

FTB is currently operating under a CRA Plan as part of the conditions of acquiring the Trust Atlantic Bank in October 2, 2015. The FTB Board of Directors approved the CRA Plan on December 20, 2015. The OCC expressed No Supervisory Objection to the plan on March 8, 2016. The plan covers the period of January 2014 through December 2017. FTB's adherence to this plan is reflected within this CRA Public Evaluation for the required AAs of Chattanooga MMSA, Memphis MMSA, Raleigh MSA, Knoxville MSA, and Nashville MSA.

Community Contacts

Refer to the market profiles in Appendix C for community contact information, detailed demographics, and other performance context information for the AA that received full-scope reviews.

Inside/Outside Ratio

This ratio is a bank-wide calculation and not calculated by individual rating area or AA. The analysis is limited to bank origination and purchases and does not include any affiliate data. For the combined three-year evaluation period, FTB originated a high percentage of all loan products inside the bank's AA (88.86 percent). The percentage in number of loans made inside the AA by loan type are as follows: home refinance loans (87.45 percent), home purchase loans (86.04 percent), home improvement loans (88.74 percent), and small loans to businesses (90.87 percent).

Product Innovation and Flexibility

FTB offers government-guaranteed loan products, including SBA loans. These loans are included in the totals for small loans to businesses. Additional lending programs were considered in the bank's overall lending performance, but had a neutral impact on CRA performance.

An innovative and flexible loan program that FTB offers is the Disaster Recovery Assistance Program. The bank's program supports 90-day extensions on existing FTB consumer loans for customers in a federally declared disaster area when there is individual assistance available from the Federal Emergency Management Agency. Longer-term assistance options may also be available depending on the circumstances, if the disaster occurs within the bank's trade area. Generally, borrowers who need immediate assistance or relief will benefit from a short-term extension when eligible. Some factors that could prevent eligibility for an extension include foreclosure, bankruptcy, and a delinquent status of more than 60 days. FTB will not report any adverse information to the various credit bureaus as it relates to delinquent payments on loans that are approved for this program assistance. In addition, no late fees will be assessed on these accounts. The fees and credit bureau reporting will be turned off for a period of 90 days following the disaster declaration date. Assistance options include credit card and line of credit increases, business loan deferrals, and surcharge-free ATM access. Additionally, in the event of a state or federal government shutdown, borrowers with loans serviced directly by FTB and impacted by shutdowns, may request an extension on payments up to 90 days. During the assistance period, all credit reporting from FTB to the credit bureaus will be suspended and no late fees will be assessed on the borrower's account. This program expires 30 business days after the government shutdown has ended. No data was available during this evaluation period to determine the impact on low and moderate-income individuals.

During the evaluation period, the bank participated as part of its loss mitigation efforts with Keep My Tennessee Home program, which is being administered in Tennessee by the Tennessee Housing Development Agency. The program provides mortgage assistance to unemployed or substantially underemployed homeowners in Tennessee who, through no fault of their own, are financially unable to make their mortgage payments. Keep My Tennessee Home will make homeowners' payments on their mortgage and mortgage-related expenses such as property taxes, homeowner insurance, homeowner association dues, and/or past-due mortgage payments that accumulated during a period of unemployment. In 2014, the bank had 43 accounts in the Keep My Tennessee Home Program with a total principal balance over \$1.4 million.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance

with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

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

First Tennessee Bank CRA Plan

On October 2, 2015, FTB acquired Trust Atlantic Bank in Raleigh, NC. The fair value of acquired assets totaled \$445 million, including \$282 million in loans. FTB also assumed \$344 million in deposits.

On September 16, 2015, the OCC conditionally approved the acquisition of Trust Atlantic Bank and required FTB to develop a CRA Plan as part of the approval. The OCC required the plan to contain a description of actions to ensure the bank is helping meet the needs of its AAs, in particular the needs of the Chattanooga MMSA, Memphis MMSA, Raleigh MSA, Knoxville MSA, and Nashville MSA. The approval letter discussed nine items that the plan was to include. The plan contains measurable metrics to ensure adherence to the nine items in the OCC's September 16, 2015 Decision Letter. Unless specifically stated, the performance period for this CRA Plan is 2014 to 2016.

SUMMARY OF FINDINGS

The bank's overall adherence to the CRA Plan is satisfactory based upon the following:

- The bank satisfied all nine conditions of OCC approval during the evaluation period.
- The bank is taking sufficient qualitative steps to adhere to plan requirements. These steps include developing and maintaining a CRA Marketing Plan, supporting communities through a highly active volunteer program, and management's ongoing monitoring of efforts to adhere to the plan. For more information on the bank's volunteer program refer to the respective sections of this Public Evaluation ("Service Test") for the previously referenced five AAs.
- The bank met or exceeded seven of nine measurable metrics in the plan.

- The bank met or exceeded plan metric for mortgage lending in low and moderate-income (LMI) census tracts and/or to LMI borrowers, small business lending, CD lending, investments, spending on minority-owned suppliers, and newly hired CD managers. The bank also exceeded plan requirements for establishing a CD fund, which was used to provide grants to organizations who target community needs and economic development in LMI geographies. Refer to the below performance data for details.
- The bank originated only one SBA loan by the end of the third quarter 2016, which was less than the goal of five in the plan. However, FTB became a SBA certified Preferred Lender and was in the process of closing five additional SBA loans as of the evaluation date. Performance on one metric involving the number of Operation HOPE locations was inconclusive, since the measurement period (2017) expands beyond the December 31, 2016 performance period.
- Refer to the bank's website at www.firsthorizon.com (community tab) for a copy of the plan and the bank's progress report in meeting plan objectives through December 31, 2016.

PERFORMANCE DATA

The OCC's conditional approval requires the CRA Plan to contain measurable annual goals and timetables for the achievement of those goals, for helping to meet the credit needs of First Tennessee's AAs, including the credit needs of LMI individuals and geographies within the AAs. Detailed below is a summary of the bank's performance relative to the established metrics, which primarily relate to lending and qualified investments.

- Commitment of 30 percent or approximately \$135 million of overall HMDA reportable mortgage loans will be in LMI tracts and/or to LMI borrowers.

For the period 2014 through 2016, FTB originated 5,157 HMDA-reportable mortgage loans within all its AAs. LMI lending for all census tracts and borrowers of its AAs totaled 1,629, which is 31.59 percent of HMDA-reportable mortgage lending. See table below for the five AAs mentioned in the CRA Plan.

Mortgage Lending

Assessment Area	(A) Total Loans made in AAs	(B) Total LMI Loans made in AAs	(B/A)percent
Chattanooga MMSA	613	194	31.64%
Memphis MMSA	589	155	26.13%
Raleigh MSA	80	47	58.75%
Knoxville MSA	672	184	27.38%
Nashville MSA	1928	638	33.09%
Total	3,882	1,218	31.37%

Source of Data: PE Tables used for CRA evaluation Jan 2014 thru Dec 2016.

The OCC's October 2, 2015 conditional approval letter (for the acquisition of the Trust Atlantic Bank) required FTB to develop a CRA Plan to ensure it is helping to meet the needs of its AAs, in particular the needs of AAs in the above table. If consideration is given to the five AAs in the above table, LMI lending was 31.37 percent of HMDA-related loans during the performance period. Although LMI lending was less than 30 percent in two AAs, stronger performance in the other three AAs compensated and allowed the overall performance to exceed 30 percent. In addition, there are performance context factors that affected the bank's ability to generate loans in LMI tracts and/or to LMI borrowers in the Memphis MMSA and Knoxville MSA (refer to the Lending Test conclusions for the rating areas in this Public Evaluation for additional discussion).

- Commitment to 30 percent or approximately \$495 million of loans to small business in LMI tracts.

For the five specific AAs discussed in the OCC's conditional approval letter, 1,664 or 35.71 percent of the 4,660 small business loans made during the evaluation period were to businesses in LMI tracts. Refer to data in the below table.

Small Business Lending

<u>AA</u>	<u>Number</u>	<u>Dollars</u> <u>(000)</u>	<u>\$100,000 or less</u>	<u>\$100M-\$250M</u>	<u>\$250M-\$1,000M</u>	<u>Business Rev less than \$1MM</u>	<u>Low Income Tracts</u>	<u>Moderate income Tracts</u>
Chattanooga MMSA	966	\$235,040	391	279	296	224	164	299
Memphis MMSA	1,411	\$358,352	590	361	460	329	143	338
Raleigh MSA	141	\$30,030	54	49	38	35	6	23
Knoxville MSA	877	\$174,426	470	184	223	231	86	162
Nashville MSA	1,265	\$244,864	643	326	296	372	144	299
Total	4,660	\$1,042,712	2,148	1,199	1,313	1,191	543	1,121

Source of Data: PE Tables used for CRA evaluation Jan 2014 thru Dec 2016.

- Commitment to minimum of 6 percent or \$160 million and up to 9 percent or \$240 million of FTB's Tier 1 capital to Community Development loans will be in the FTB CRA AAs.

FTB originated 111 CD loans totaling \$333 million. This represents 13.14 percent of Tier 1 capital as of December 31, 2016.

Community Development Loans

<u>AA</u>	<u>Number</u>	<u>Dollars (000's)</u>
Chattanooga MMSA	25	\$28,166

Memphis MMSA	41	\$176,653
Raleigh MSA	5	\$24,468
Knoxville MSA	20	\$53,016
Nashville MSA	20	\$51,351
Total	111	\$333,654

Source of Data: PE Tables used for CRA evaluation Jan 2014 thru Dec 2016.

- Commitment to minimum of 3 percent or \$80 million and up to 6 percent or \$160 million of FTB's Tier 1 capital to qualified CRA investments.

FTB originated 665 qualified investments totaling \$135 million. This level of investments represents 5.34 percent of Tier 1 capital as of December 31, 2016.

Qualified Investments

<u>AA</u>	<u>Number</u>	<u>Dollars (000's)</u>
Chattanooga MMSA	120	\$13,276
Memphis MMSA	193	\$58,184
Raleigh MSA	40	\$1,744
Knoxville MSA	192	\$32,493
Nashville MSA	120	\$29,824
Total	665	\$135,521

Source of Data: PE Tables used for CRA evaluation Jan 2014 thru Dec 2016.

- Commitment to establish a \$50 million First Tennessee Community Development Fund (FTCDF) with the intent to provide up to \$3 million a year in qualified grants targeted to community needs and economic development.

The bank established the FTCDF in December 2015 with first distributions in 2016. FTCDF provided the following economic development funding within the five assessment areas as of December 2016: Chattanooga MMSA \$495,500; Memphis MMSA \$703,000; Raleigh MSA \$85,000; Knoxville MSA \$247,000; and Nashville MSA \$732,000. The total for these five assessment areas as of December 2016 was \$2,262,500. FTCDF also disbursed funds in FTB's other assessment areas for a total of \$271,000 and corporate CRA (Operation Hope, other Corporate Initiatives) for \$1,016,460.

- Commitment to double FTB's partnership with Operation HOPE to 15 locations by the end of 2017.

Performance through December 31, 2016 is inconclusive, since the proposed scope of bank activities include a time period (2017) not considered in this PE. FTB had six Operation HOPE locations opened as of December 31, 2016.

FTB has collaborated with Operation HOPE to provide financial literacy to individuals in LMI geographies. The collaboration includes the Operation HOPE inside initiative, which has reached 3,519 clients since program inception in 2014. Operation HOPE's financial coaches are currently at seven FTB branches. In addition to the funding commitment, FTB has committed in-kind services through employee participation.

In 2016, FTB made a \$1 million commitment to Operation HOPE to launch the First Tennessee Education & Empowerment Program. This will bring a unique collaborative partnership for financial education and empowerment services and will provide financial education for youth and adults as well as small business owners. As part of this effort, Operation HOPE trained 40 FTB Memphis employees.

- Commitment to 2 percent (approximately \$17 million over three years) of vendor transactions with minority owned businesses.

FTB spent over \$50 million and in excess of two percent from 2014 to 2016 in purchasing and contracting with minority owned businesses for various bank goods and services.

<u>Category</u>	<u>2014 Expenses (000's)</u>	<u>2015 Expenses (000's)</u>	<u>2016 Expenses (000's)</u>
Total Expenditures	\$278,532	\$284,580	\$314,895
Minority Expenditures	\$10,153	\$15,100	\$25,055
Ratio of Minority Expenditures	3.65%	5.31%	7.95%

- Commitment to hire five full-time Community Development Managers (CDMs) in the bank's market.

FTB hired five CDMs, who have responsibility for the five AAs mentioned in the CRA Plan and other major markets. The CDMs' duties include, but are not limited to, ensuring all FTB CRA goals and objectives are accomplished in the respective markets. The CDMs serve as the primary contacts for local community development corporations, government agencies, non-profit organizations, and other community-focused organizations.

Multistate Metropolitan Area Rating

Chattanooga (TN-GA) Multistate Metropolitan Area (MMSA)

CRA rating for the Chattanooga (TN-GA) MMSA: Satisfactory¹

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: Outstanding

The major factors that support this rating include:

- An overall good level of lending, as evidenced by the volume of home mortgage loans and small loans to businesses;
- An overall good responsiveness to AA credit needs, as evidenced by lending levels;
- An overall good geographic distribution of loans, reflecting good penetration throughout the AA;
- An overall poor distribution of loans by borrower income levels, primarily due to very poor performance in small loans to businesses, despite adequate performance in home mortgage loans;
- A relatively high level of CD loans;
- An overall excellent investment performance within the AA;
- Branches that are readily accessible to all portions of the bank's AA and to individuals of different income levels; and,
- An overall excellent responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families.

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.

Description of Institution's Operations in Chattanooga (TN-GA) MMSA

FTB's AA within the Chattanooga TN-GA MMSA consists of Catoosa County in Georgia and Hamilton County in Tennessee. Both counties closely surround the city of Chattanooga. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates 18 branches and 29 ATMs (including 21 deposit-taking ATMs) within the Chattanooga TN-GA MMSA. FTB offers a full range of products and services in the AA.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA total \$2.3 billion or 11.07 percent of the bank's total deposits, making this the bank's fourth largest AA in terms of deposits held. FTB's deposit market share is 28.55 percent, which ranks first out of 19 depository institutions. The next four depository institutions with the largest market share have aggregate deposits totaling 47.45 percent of the market.

Refer to the community profile for the Chattanooga TN-GA MMSA in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in Chattanooga Multistate Metropolitan Area

For the Chattanooga TN-GA MMSA, we performed a full-scope review because the two previously mentioned counties represent the only AA within the MMSA. In addition, the AA represents a significant FTB market in terms of deposit concentrations, branch distribution, and reportable HMDA and CRA loans. The review period was January 1, 2014 through December 31, 2016. Refer to the table in appendix A for more information.

We contacted one community-based organization within the AA during the evaluation. The organization described the following needs:

- Affordable housing, including single and multifamily development and rehabilitation;
- CD activities, including outreach; and,
- A need for banks to volunteer in support of CD organizations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Chattanooga MMSA

LENDING TEST

The bank's performance under the Lending Test in the Chattanooga TN-GA MMSA is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Chattanooga TN-GA MMSA is good. We placed greater weight on small loans to businesses, as it represented a greater volume of the bank's reportable lending activity. Within home mortgage products, home purchase loans received the greatest weight, home refinance loans slightly lesser weight, and home improvement loans lesser weight. These weights are based on the volume of loans FTB originated in each home mortgage loan category during the evaluation period. The level of CD lending also had a positive impact on lending performance when considering the impact of responsiveness and initiatives.

Lending Activity

Refer to Table 1 Lending Volume in the Chattanooga TN-GA MMSA section of appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity is good, considering the strong competition for all types of loans in the AA. The bank's lending activity for home mortgage and small business lending is good.

Based upon 2015 Peer Mortgage Data, the bank achieved a 1.21 percent market share of home purchase loans, ranking 22nd among 273 reporting lenders and is equivalent to being in the top 8.06 percent of lenders. The top five home purchase lenders collectively had 28.67 percent of the total market share. The bank achieved a 3.51 percent market share of home improvement loans, ranking sixth among 79 reporting lenders and is equivalent to being in the top 7.59 percent of lenders. The top five home improvement lenders collectively had 56.68 percent of the total market share. The bank achieved a 1.71 percent market share of home refinance loans, ranking 14th among 268 reporting lenders and is equivalent to being in the top 5.22 percent of lenders. The top five home refinance lenders collectively had 29.18 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 5.10 percent market share of small loans to businesses, ranking sixth among 66 reporting lenders and is equivalent to being in the top 9.09 percent of lenders. The top five small loans to businesses lenders collectively had 57.65 percent of the total market share.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level is good. The geographic distribution is adequate for home mortgage lending and excellent for small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Chattanooga TN-GA MMSA 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.

According to 2010 U.S. Census data, there was only nine low-income CTs in the AA, representing 9.68 percent of the 93 CTs in the AA. In addition, only 3.27 percent of the 106,048 owner-occupied housing units in the AA are located in low-income CTs. The percentage of owner-occupied housing within low-income CTs is also low. Of the 12,985 housing units in low-income CTs, 3,465 or 26.68 percent are owner-occupied. The low number of low-income CTs and owner-occupied housing units can present a challenge for banks when attempting to originate home mortgages in these geographies. As such, the bank's performance in moderate-income CTs carried greater weight when coming to overall product conclusions. Refer to market profiles in appendix C for more discussion.

The overall geographic distribution of home purchase loans is good, when considering the low number of low-income CTs in the AA and low number of owner-occupied housing units in low-income geographies. However, the bank demonstrated excellent responsiveness to affordable housing needs through its lending in moderate-income CTs. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was good during the evaluation period. The percentage of loans in low-income CTs was well below the percentage of owner-occupied units in those geographies, reflecting poor performance. However, the percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied units in those geographies, reflecting excellent performance. Performance against aggregate lending was good. The percentage of loans in low-income CTs was below aggregate lending, but adequate. The percentage of loans in moderate-income CTs exceeded aggregate lending, reflecting excellent performance.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was poor during the evaluation period. The percentage of loans in low-income CTs was excellent and exceeded the percentage of owner-occupied units in those geographies. However, the percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was poor. The percentage of loans in low-income CTs was below aggregate lending, but adequate. However, the

percentage of loans in moderate income CTs was significantly below aggregate lending, reflecting very poor performance.

The overall geographic distribution of home refinance loans is adequate, based primarily on performance in moderate-income CTs, which received greater weight. The previously discussed issues under “Home Mortgage Loans” also present challenges to banks lending in low-income CTs and we considered these factors in our analysis. The bank’s geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in low-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. However, the percentage of loans in moderate-income CTs was below the percentage of owner-occupied units in those geographies, but adequate. Performance against aggregate lending was adequate. The percentage of loans in low-income CTs was significantly below aggregate lending, reflecting very poor performance. However, the percentage of loans in moderate-income CTs was near aggregate lending, reflecting good performance.

Small Loans to Businesses

Refer to Table 6 in the Chattanooga TN-GA MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in LMI CTs was excellent during the evaluation period. The percentage of small loans in both low- and moderate-income CTs was excellent and exceeded the percentage of businesses in those geographies. In addition, the percentage of small loans to businesses exceeded aggregate lending in both low- and moderate-income CTs, reflecting excellent performance. Overall, the geographic distribution of small loans to businesses had a positive impact on the lending conclusions.

Lending Gap Analysis

We evaluated the lending distribution in the Chattanooga TN-GA MMSA to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of loans by income level is poor, based primarily on small loans to businesses, which carried a greater weight in our analysis. The borrower distribution is very poor for small loans to businesses and adequate for home mortgage loans.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Chattanooga TN-GA MMSA 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.

In performing our analysis of home mortgage lending, we considered the general affordability of housing to LMI borrowers. The relatively high housing costs compared to income levels for low-income families somewhat impacts these borrowers' ability to purchase homes. Given the affordability issue for low-income borrowers, we placed more weight on lending to moderate-income borrowers. Refer to the market profile in appendix C for additional information.

The overall borrower distribution of home purchase loans is adequate, when considering the previously discussed affordability issue for low-income borrowers and lending to moderate-income borrowers. In addition, the bank's lending levels reflect adequate responsiveness to affordable housing needs identified by the community contact. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was near the percentage of moderate-income families, reflecting good performance. Performance against aggregate lending was very poor. The percentage of loans to low-income borrowers was significantly below aggregate lending, reflecting very poor performance. In addition, the percentage of loans to moderate-income borrowers was well below aggregate lending, reflecting poor performance.

The borrower distribution of home improvement loans is adequate. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to both low- and moderate-income borrowers was below the percentage of LMI families, but adequate. Performance against aggregate lending was good. The percentage of loans to low-income borrowers was excellent and exceeded aggregate lending. However, the percentage of loans to moderate-income borrowers was well below aggregate lending, reflecting poor performance.

The overall borrower distribution of home refinance loans is adequate, when considering the previously discussed affordability issue for low-income borrowers and performance against aggregate lending.

The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was near the percentage of moderate-income families, reflecting good performance. Performance against aggregate lending was good. The percentage of loans to low-income borrowers was near aggregate lending, reflecting good performance. The percentage of loans to moderate-income borrowers was below aggregate lending, but adequate.

Small Loans to Businesses

Refer to Table 11 in the Chattanooga TN-GA MMSA 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.

In performing our analysis, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the AA. As previously discussed, the top five small loans to businesses lenders collectively had 57.65 percent of the total market share in the AA. The large number of competing institutions and dominance from the top five lenders somewhat affects the bank's ability to make small loans to businesses.

The overall distribution of small loans to businesses is very poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was well below aggregate lending, reflecting poor performance.

Community Development Lending

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

CD lending had a positive impact on lending performance in the AA, when considering the impact of responsiveness and initiatives. During the evaluation period, FTB originated 25 CD loans totaling \$28.1 million or 10.02 percent of Tier 1 capital allocated to the AA. The bank's CD loans demonstrated a high level of responsiveness to CD needs in the AA. A total of \$12.5 million or 44.68 percent of CD loans was for affordable housing, \$6.7 million or 23.63 percent was for economic development, \$5.2 million or

18.68 percent was for revitalization and stabilization, and \$3.7 million or 13.02 percent was for community services.

The community contact identified affordable housing as a need in the AA. The rising costs of home ownership and stagnant wages have led to affordable housing issues. FTB is meeting the needs of affordable housing by providing a majority of FTB CD lending to organizations dedicated to assisting LMI individuals and families obtain access to affordable housing. In addition, FTB allocated \$6.7 million or 23.63 percent of capital in the Chattanooga TN-GA MMSA for economic development. This level of lending is the second highest level of lending in the market. The following is a sample of CD loans originated by FTB. The proceeds from these loans provided affordable housing and created permanent jobs for LMI individuals.

- A \$3.7 million loan to a nonprofit organization for a working capital line to support services provided for adults and children with intellectual disabilities. The organization is located in a medically underserved area. Programs include integrated community-based employment through the Department of Intellectual and Developmental Disabilities and the Division of Rehabilitation Services. In addition, the organization provides job training and readiness, job placement services and money management skills. The organization also provides affordable housing for disabled individuals who are 100 percent LMI income. All of the residents receive government assistance payments. This is a high impact CD loan for an identified community need.
- A \$1.25 million loan to the city aquarium to improve a moderate-income CT designated by the city of Chattanooga for revitalization. The city developed the Downtown Plan in 2006 to prioritize, design and implement public infrastructure improvements and other city capital projects. The aquarium continues to create jobs for LMI individuals. The aquarium recently commissioned a study to assess its economic impact on the community. The results were highlighted as being a high economic impact within the AA.
- A \$250 thousand line of credit renewal to finance working capital for a nonprofit organization that provides affordable housing to LMI families and individuals. The organization is dedicated to eliminating substandard housing in Hamilton County and surrounding areas. The organization has been working in partnership with low-income families in Chattanooga to build and finance 258 new, energy-efficient, affordable homes. The program makes homeownership possible for families who are unable to qualify for traditional home loans but have stable jobs, good or no credit, and the willingness to contribute sweat equity to the building of these homes. The organization works with families whose total income would not otherwise be able to afford a house.
- A \$1 million CD loan for a nonprofit organization that provides job training and job opportunities for low-income and handicapped individuals. The organization provides services to over 10,000 individuals in 23 counties across southeast TN and northwest GA annually. The loan represented the renewal of a line of credit and an increase to finance the purchase of a warehouse where the organization operates.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the Chattanooga TN-GA MMSA. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

Refer to Table 14 in the Chattanooga-TN-GA MMSA section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment test in the Chattanooga-TN-GA MMSA is rated Outstanding. FTB's overall investment performance is excellent in its responsiveness to the needs of the AA. The needs include affordable single and multifamily housing development and rehabilitation. The AA had a good level of investment opportunities. Competition in the AA is moderate, with large interstate, regional savings, and community banks competing for qualified investments in the market.

During the evaluation period, FTB made 119 investments in the Chattanooga-TN-GA MMSA totaling \$10.7 million. In addition, FTB made two investments totaling \$6.1 million in the greater statewide area with benefits to the AA (refer to "Conclusions for Areas Receiving Limited-Scope Reviews" below for more discussion). The total investments made during the evaluation period (\$16.7 million) represented 5.97 percent of Tier 1 capital allocated to the AA. One prior period investment in the AA with a total value of \$2.6 million remained outstanding at the end of the evaluation period. There were no unfunded commitments at the end of the evaluation period.

FTB's investments were centered in \$8 million in low-income housing tax credits (LIHTC) and housing development, and \$2 million for revitalization. The LIHTC investments included \$1.9 million in a mixed used project to meet the need for affordable housing and revitalization in the AA. Over 3,000 jobs were created after the project was completed. The majority of investments in the AA were in Mortgage Backed Securities (MBS); however, economic development and community services were also supported. Finally, the bank was innovative in taking a leadership role by providing a grant for a 50-unit affordable housing development to ensure the project was completed without delay.

During the evaluation period, the bank made two investments totaling \$6.1 million in the greater statewide areas with a purpose, mandate, or function (P/M/F) to serve the AA. Additionally, one prior period P/M/F investment with a total value of \$4.1 million remained outstanding at the end of the evaluation period.

SERVICE TEST

The bank's performance under the Service Test in the Chattanooga TN-GA MMSA is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chattanooga TN-GA MMSA is excellent. CD services had a positive impact on the final rating.

Retail Banking Services

Refer to Table 15 in the "Multistate Metropolitan Area(s)" 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.

FTB's branch distribution in the AA is excellent. Branches are readily accessible to all portions of the AA. Two of 18 branches are located in low-income CTs. The percentage of branches in low-income CTs exceeds the percentage of population in low-income CTs. Five of 18 branches are located in moderate-income CTs. The percentage of branches in moderate-income CTs exceeds the percentage of the population in moderate-income CTs.

Branch opening and closings have not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed three branches during the evaluation period, which were located in middle and upper-income CTs. The branches were closed due to low service volume, decreasing transaction trends, and limited future growth potential. In each instance, there were other branches within five or less miles of the closed location. The bank did not open any branches in the AA during the evaluation period.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

FTB's performance in providing CD services in the Chattanooga TN-GA MMSA is excellent. The bank's efforts demonstrated excellent responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families. The bank participated with organizations that provided affordable housing initiatives in the AA. There were a total of 953.50 hours devoted to CD services to 44 organizations.

There were 120 service opportunities involving board member positions with 686.50 hours served. Of the CD service hours devoted, 89.33 percent were for financial education or providing financial expertise and 10.67 percent were for affordable housing related programs. Some of the more noteworthy services are described below.

- FTB had an employee serve as a board member of a local CD corporation whose mission is to revitalize, stabilize, and provide affordable housing in blighted neighborhoods in the AA. This organization had initiatives to prevent deterioration of existing structures, conserve and expand affordable housing, restore and preserve properties of historical or architectural interest, create jobs, recruit and support small businesses, improve and expand social services, and engage in long-term community planning.
- FTB had an employee serving as a board member of the Chattanooga Food Bank Program. This organization provides food for homeless people in the AA. The bank also provided financial literacy classes to the persons needing assistance.
- FTB had an employee serve as a board member of a local foundation, which provides affordable senior housing with services that promote independence for individuals with limited resources. This organization provides food for homeless people in the AA.
- FTB had an employee serve as a board member of a non-profit organization offering over 20 programs that serve LMI persons.
- The bank plays a leadership role with two employees serving as board members at the Habitat of Humanity of Greater Chattanooga organization, which provides affordable housing to LMI persons.
- FTB had an employee serving as a board member of a local hospital board, which provides uncompensated care for the indigent and uninsured.
- FTB had an employee serving as a board member of the local United Way Chapter.
- The bank also had several employees serving as board members for organizations that provide services to low-income persons, and at-risk youth in the AA.
- The bank devoted 852 total hours to financial literacy or providing financial expertise.

Multistate Metropolitan Area Rating

Memphis (TN-MS-AR) Multistate Metropolitan Area (MMSA)

CRA rating for the Memphis TN-MS-AR MMSA²: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- An overall good level of lending, as evidenced by a good volume of small loans to businesses and adequate volume of home mortgage loans;
- An overall good responsiveness to AA credit needs, as evidenced by lending levels;
- An overall good geographic distribution of loans throughout the AA, due primarily to the excellent distribution for small loans to businesses;
- An overall poor distribution of loans by borrower income levels, primarily due to very poor performance on small loans to businesses despite adequate performance in home mortgage loans;
- A relatively high level of CD loans;
- An overall good investment performance, as evidenced by a significant level of qualified investments in the Memphis TN-MS-AR MMSA; FTB's responsiveness to identified CD needs is good;
- Branches that are accessible to essentially all portions of the bank's AA and to individuals of different income levels; and,

² 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.

- An overall good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families.

Description of Institution's Operations in Memphis TN-MS-AR MMSA

FTB's AA within the Memphis TN-MS-AR MMSA consists of Desoto County and Tate County in Mississippi and Shelby County in Tennessee. Both counties closely surround the city of Memphis. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates 38 branches and 104 ATMs (including 65 deposit-taking ATMs) within the Memphis TN-MS-AR MMSA. FTB offers a full range of products and services in the AA.

According to the June 30, 2016 FDIC Summary of Deposits Report, FTB's deposits in the AA total \$9.3 billion, which represent 44.55 percent of the bank's total deposits. The Memphis TN-MS-AR MMSA is the bank's largest AA in terms of deposits held. FTB's deposits represent 36.37 percent of the market, which ranks first out of 45 depository institutions. There is heavy competition for deposit and lending opportunities, with 45 total depository institutions operating 301 branches in the AA. Competition includes large interstate banks, regional banks, savings banks, and community banks. The next four depository institutions with the largest market share have aggregate deposits totaling 31.26 percent of the market.

Refer to the community profile for the Memphis TN-MS-AR MMSA in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in Memphis TN-MS-AR MMSA

For the Memphis TN-MS-AR MMSA, we performed a full-scope review because the three previously mentioned counties are the only AAs within the MMSA. In addition, the Memphis TN-MS-AR MMSA represents a significant market in terms of deposit concentrations, branch distribution, and reportable HMDA and CRA loans. The review period was January 1, 2014 through December 31, 2016. Refer to the table in appendix A for more information.

We contacted one community-based organization located in the city of Memphis during the evaluation. The organization described the following needs:

- Promoting comprehensive plan-based neighborhood revitalization, especially in the areas of physical, economic, and human capital development;

- Promoting public policies that will reduce the barriers to neighborhood revitalization and improve the quality of life for residents;
- Empowering neighborhood-based organizations through a network of support and assistance; and,
- Securing resources and building partnerships, to support the work of community development.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Memphis TN-MS-AR MMSA

LENDING TEST

The bank's performance under the Lending Test in Memphis TN-MS-AR MMSA is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Memphis TN-MS-AR MMSA is good. We placed greater weight on the small loans to businesses, as it represented a greater volume of the bank's reportable lending activity. Home mortgage lending received a lesser weight. Within home mortgage products, home refinance loans received the greatest weight, home purchase loans somewhat lesser weight, and home improvement loans lesser weight. These weights are based on the volume of loans FTB originated in each home mortgage loan category during the evaluation period. The level of CD lending also had a positive impact on lending performance when considering the impact of responsiveness and initiatives.

Lending Activity

Refer to Table 1 Lending Volume in the Memphis TN-MS-AR MMSA section of appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity is good, considering the strong competition for all types of loans in the AA. The bank's lending activity for home mortgage and small business lending is adequate and good, respectively.

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.42 percent market share of home purchase loans, ranking 53rd among 308 reporting lenders and is equivalent to being in the top 17.21 percent of lenders. The top five home purchase lenders collectively had 29.85 percent of the total market share. The bank achieved a 1.44 percent market share of home improvement loans, ranking 12th among 102 reporting lenders and is equivalent to being in the top 11.76 percent of lenders. The top five home improvement lenders collectively had 58.24 percent of the total market share. The bank achieved a 1.06 percent market share of home refinance loans, ranking 23rd among 318 reporting

lenders and is equivalent to being in the top 7.23 percent of lenders. The top five home refinance lenders collectively had 32.23 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 2.88 percent market share of small loans to businesses, ranking tenth among 95 reporting lenders and is equivalent to being in the top 10.53 percent of lenders. The top five small loans to businesses lenders collectively had 55.44 percent of the total market share.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level is good, due primarily to the excellent performance in small loans to businesses. The geographic distribution of home mortgage loans, however, is poor.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Memphis TN-MS-AR MMSA 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.

According to 2010 U.S. Census data, only 8.29 percent of the 260,811 owner-occupied housing units in the AA are located in low-income CTs. In addition, the percentage of owner-occupied housing units within low-income CTs is low (21,618 or 29.01 percent of the 74,510 housing units are owner-occupied). The low percentage of owner-occupied housing units in low-income CTs can present a challenge for banks when attempting to originate home mortgages in these geographies. Further, the average age of housing units in low-income CTs is 54 years, with a median housing value of \$63,357. Older houses often have higher maintenance costs compared to newer houses, and frequently require significant repairs to ensure the dwelling meets code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase home ownership costs. These additional factors and costs can adversely affect the affordability of mortgage loans for LMI individuals. Given the factors discussed in this paragraph, the bank's performance in moderate-income CTs carried greater weight when coming to overall product conclusions. Refer to market profiles in appendix C for more discussion.

The overall geographic distribution of home purchase loans is very poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was very poor during the evaluation period. The percentage of loans in both low- and moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance.

In addition, performance against aggregate lending was very poor. The percentage of loans in both low- and moderate-income CTs was significantly below aggregate lending.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was poor during the evaluation period. The percentage of loans in low-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. The percentage of loans in moderate-income CTs was well below the percentage of owner-occupied units in those geographies, reflecting poor performance. Performance against aggregate lending was poor. The percentage of loans in low-income CTs was significantly below aggregate lending, reflecting very poor performance. In addition, the percentage of loans in moderate-income CTs was well below aggregate lending, reflecting poor performance.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was very poor during the evaluation period. The percentage of loans in both low- and moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was good. The percentage of loans in both low- and moderate-income CTs was near aggregate lending, reflecting good performance.

Small Loans to Businesses

Refer to Table 6 in the Memphis TN-MS-AR MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in LMI CTs was excellent during the evaluation period. The percentage of small loans to businesses in both low- and moderate-income CTs was excellent and exceeded the percentage of businesses in those geographies. In addition, the percentage of small loans to businesses exceeded aggregate lending in both low- and moderate-income CTs, reflecting excellent performance. Overall, the geographic distribution of small loans to businesses had a positive impact on the lending conclusions.

Lending Gap Analysis

We evaluated the lending distribution in the Memphis TN-MS-AR MMSA to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA.

We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of loans by income level is poor. The borrower distribution of home mortgage loans is adequate. However, the distribution of small loans to businesses is very poor, and carried greater weight in our analysis.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Memphis TN-MS-AR MMSA 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.

In performing our analysis of home mortgage lending, we considered the general affordability of housing to LMI borrowers. The relatively high housing costs compared to income levels for low-income families somewhat affect these borrowers' ability to purchase homes. Given the affordability issue for low-income borrowers, we placed more weight on lending to moderate-income borrowers. Refer to the market profile in appendix C for additional information.

The overall borrower distribution of home purchase loans is poor. The borrower distribution relative to the percent of LMI families in the AA was poor during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. The percentage of loans to moderate-income borrowers was well below the percentage of moderate-income families, reflecting poor performance. Performance against aggregate lending was also poor. The percentage of loans to both low- and moderate-income borrowers was well below aggregate lending, reflecting poor performance.

The overall borrower distribution of home improvement loans is poor. The borrower distribution relative to the percent of LMI families in the AA was poor during the evaluation period. The percentage of loans to low-income borrowers was well below the percentage of low-income families, reflecting poor performance. In addition, the percentage of loans to moderate-income borrowers was poor and well below the percentage of moderate-income families. However, performance against aggregate lending was adequate due to lending to low-income borrowers. The percentage of loans to low-income borrowers was below aggregate lending, but adequate. The percentage of loans to moderate-income borrowers was well below aggregate lending, reflecting poor performance.

The overall borrower distribution of home refinance loans is good, when considering lending to moderate-income borrowers, performance against aggregate lending, and the previously discussed affordability issue for low-income borrowers. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was near the percentage of moderate-income families, reflecting good performance. Performance against aggregate lending was excellent. The percentage of loans to both low- and moderate-income borrowers was excellent and exceeded aggregate lending.

Small Loans to Businesses

Refer to Table 11 in the Memphis TN-MS-AR MMSA 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.

In performing our analysis, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the AA. As previously discussed, the top five small loans to businesses lenders collectively had 55.44 percent of the total market share in the Memphis TN-MS-AR MMSA. The large number of competing institutions and dominance from the top five lenders somewhat affects the bank's ability to make small loans to businesses.

The overall borrower distribution of small loans to businesses is very poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was well below aggregate lending, reflecting poor performance.

Community Development Lending

Refer to Table 1 Lending Volume in the Memphis TN-MS-AR MMSA section of appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes borrower lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

CD lending had a positive impact on lending performance in the AA, when considering the impact of responsiveness and initiatives. During the evaluation period, FTB originated 41 CD loans totaling \$176.7 million, or 15.6 percent of Tier 1 capital allocated to the AA.

The bank's CD loans demonstrated a high level of responsiveness to identified needs. A total of \$95.1 million or 53.83 percent were for revitalization and stabilization, \$59.3 million or 33.59 percent for community services, \$12.5 million or 7.08 percent for economic development, and \$9.7 million or 5.50 for affordable housing. The following is a sample of CD loans originated by FTB.

- A \$9 million loan to a family foundation for community revitalization/stabilization through grants the foundation provides to nonprofit organizations serving LMI individuals throughout the city of Memphis. The foundation identifies, creates and supports high-impact initiatives in Memphis by actively supporting nonprofit partners that focus on three distinct areas of influence: transforming education, positioning authentic assets, and livable communities.
- A \$3.9 million CD loan renewal to finance working capital for a science and engineering charter school. The charter school is a nonprofit school located in a low-income CT. The school provides an alternative education option to students attending a failing school, in an at-risk situation, or those who qualify free or reduced lunch. The school is Tennessee's first charter school founded in 2003. The school is also the first science, technology, engineering, and mathematics charter school in Tennessee. The goal of the school is to help students develop the academic tools they need to become effective and productive members of the 21st century workforce.
- A \$25 million line of credit to a nonprofit fundraising entity for St Jude Children's Hospital. These funds provide 100 percent coverage of medical treatment, services, housing and food for families seeking treatment and for the development of the hospital campus. Individuals are cared for at St. Jude regardless of ability to pay. All St. Jude patients are eligible to participate in the hospital's financial assistance program. In addition, St. Jude is located in an underserved area of the AA and in a low-income CT. The city of Memphis has designated the CT for redevelopment. St. Jude is one of the largest employers in the region, with over 3,600 employees working at the Downtown Memphis campus. Expansion of that campus is currently underway and the number of employees is projected to increase beyond 5,000. Additionally, St. Jude provides care to more than 7,800 patients annually. St. Jude's current economic impact on the Memphis area and the state of TN is very high.
- A \$3.5 million loan to a limited liability corporation for a collaborative project with the United Housing Community Development Financial Institution to purchase 221 single-family affordable housing units in Memphis to be rehabbed and put back into use for LMI families. This loan utilized the state of Tennessee Community Investment Tax Program, which enabled below market financing to facilitate the improvement of this affordable housing project.
- A \$1.3 million loan to a government entity to facilitate the purchase of a building for a meals-on-wheels kitchen and to refinance a current office building. The government entity collaborates with federal, state and community organizations to deliver social services and

resources. The community partner's efforts are designed to enhance the quality of life, promote self-sufficiency, and alleviate the effects of poverty by providing services including Head Start for children, public transportation, assistance for energy needs, employment and training assistance for youth, adults and dislocated workers, meals, in-home services, and other programs and services for individuals and families.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the Memphis TN-MS-AR MMSA. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

Refer to Table 14 in the Memphis-TN-MS-AR MMSA section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test in the Memphis-TN-MS-AR MMSA is rated High Satisfactory. Overall, FTB demonstrated good responsiveness to the needs of the AA. The good responsiveness is based largely on the volume of investments creating affordable housing and grants for community services. The AA needs, as specified by the community contact, include affordable housing programs, CD activities and financial education (particularly in the area of budgeting, savings, and credit). The AA had a high level of investment opportunities. However, competition is high with several large regional and national banks competing for qualified investments.

During the evaluation period, FTB made 179 investments in the AA totaling \$39 million or 3.45 percent of Tier 1 capital allocated to the AA. In addition, there were 14 prior period investments with a total value of \$19.2 million outstanding at the end of the evaluation period. These prior period investments provide continued benefit to the AA. There were no unfunded commitments at the end of the evaluation period. FTB's investment performance included \$26.6 million donated in LIHTC and housing development, \$8.6 million for revitalization and stabilization, and \$2.1 million for economic development. In addition, community services investments were high with \$1.6 million provided to 80 agencies in the AA. Finally, FTB had three prior period investments totaling \$7.8 million in the broader regional area with a purpose, mandate, or function to serve the AA.

SERVICE TEST

The bank's performance under the Service Test in the Memphis TN-AR-MS MMSA is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Memphis TN-AR-MS MMSA is good. CD services had a positive impact on the final rating.

Retail Banking Services

Refer to Table 15 in the Multistate Metropolitan Area(s) 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.

FTB's branch distribution in the Memphis TN-AR-MS MMSA is adequate. Branches are accessible to essentially all portions of the AA. Six of 38 branches are located in low-income CTs. The percentage of branches in low-income CTs exceeds the percentage of population in low-income CTs. Three of 38 branches are located in moderate-income CTs. The percentage of branches in moderate-income CTs is well below the percentage of population in moderate-income CTs.

Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. FTB closed eight branches during the evaluation period (two in moderate-income CTs, two in middle-income CTs, and four in upper-income CTs). The branches were closed due to low service volume and limited future growth potential. In seven of eight cases, there was another FTB branch within three miles or less of the closed location. In the eighth case, there was an FTB branch within five miles of the closed location. Based on the close proximity between closed and other FTB branches, customer accessibility to bank locations was not materially impacted. The bank opened one branch in an upper-income CT during the evaluation period.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

FTB's performance in providing CD services in the Memphis TN-MS-AR MMSA is good. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families. The bank participated with organizations that provided affordable housing initiatives and revitalization efforts in the AA. There were a total of 1,554.50 hours devoted to CD services to 77 organizations. There were 83 service opportunities involving board member positions with 551.50 hours served.

Of the CD service hours devoted, 92.55 percent were for financial education or providing financial expertise; 6.03 percent were for affordable housing related programs; and 1.42 percent were for revitalizing and stabilizing areas in the AA. Some of the more noteworthy services are described below.

- FTB had an employee serve as a board member of the Bank-On Memphis Program. This is an initiative designed to encourage the unbanked population to establish accounts with financial institutions. FTB participates in the initiative as a local bank partner and serves on the advisory committee. The program also provides health and social service needs to at-risk low-income children and families in Memphis.
- FTB had an employee serve as a board member of the Mid-South Food Bank Program. This organization provides food for homeless people in the AA. The bank also provided financial literacy classes to the persons needing assistance.
- The bank plays a leadership role with board membership of the Habitat of Humanity of Greater Memphis, which provides affordable housing to LMI persons.
- FTB had a representative on a Homebuyer Education Committee for a local non-profit organization. The organization targets its services to families that are under served by the traditional homeownership industry.
- FTB had an employee serving as a board of the local United Way Chapter.
- FTB employees provided financial expertise for fundraisers for organizations that meet the CD purpose, i.e. Salvation Army.
- The bank also had several employees serving as board members of organizations that provide services and financial literacy training to low-income persons, and at-risk youth in the AA.
- The bank devoted 1,439 total hours to financial literacy or providing financial expertise.

State Rating

State of Florida

CRA Rating for Florida³:	Satisfactory
The lending test is rated:	Low Satisfactory
The investment test is rated:	Low Satisfactory
The service test is rated:	Low Satisfactory

The major factors that support this rating include:

- The bank's limited time (24 months) in Florida, with an initial branch opening in January 2015.
- An insufficient volume of mortgage and small loans to businesses to perform a meaningful analysis of the geographic distribution of loans and distribution of loans by borrower income levels;
- A relatively high level of CD loans;
- An adequate level of CD investments, reflecting adequate responsiveness to CD needs within the AA;
- An adequate branch distribution (one branch in the Jacksonville MSA, located in a moderate-income CT); and,
- An overall poor responsiveness and a lack of commitment to community needs and the needs of LMI families in the Jacksonville MSA.

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.

Description of Institution's Operations in Florida

FTB's AA in Florida include Duval County within the Jacksonville MSA. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates one branch as a private client office within the AA. Private client offices provide limited consumer transactions, which are available to all consumers visiting the location. However, traditional services such as instant issuance of debit cards and cash advances are not provided.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB had \$989 thousand in deposits in the AA. FTB's deposit market share and ranking in the AA was 0.01 percent and 26th, respectively. There are 29 deposit-taking institutions in the AA operating 197 branches. FTB has operated one branch and no deposit-taking ATMs in the AA since January 2015. The institutions with the largest deposit market share include Bank of America, N.A. (43.28 percent) and EverBank (32.19 percent). The next three depository institutions with the largest market share have aggregate deposits totaling 15.55 percent of the market.

Refer to the community profiles for the state of Florida in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

Scope of Evaluation in Florida

We performed a full-scope review on the Jacksonville MSA, since the bank's only AA in the state of Florida is located within this MSA. The review period was from January 1, 2015, through December 31, 2016. Refer to the table in appendix A for more information. We contacted one local organization within the AA during the evaluation. The organization described the following needs:

- Banking outreach and credit educational needs; and,
- Banks and local organizations working together to provide LMI houses and community development within the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

The bank's performance under the Lending Test in the state of Florida is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Jacksonville MSA is adequate. CD lending was good and was a major factor in the adequate performance, despite the bank's limited presence and time of operation in the MSA. The bank did not generate a sufficient volume of loans to perform a meaningful analysis of specific lending products.

Lending Activity

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

The bank's overall lending activity is poor, given the limited presence and strong competition for all types of loans. The bank's lending activity for home mortgage is very poor, while small business lending is poor.

Based upon 2015 Peer Mortgage Data, the bank did not achieve a market share of home purchase loans, home improvement loans, and home refinance loans.

Based upon 2015 Peer CRA Data, the bank achieved a 0.01 percent market share of small loans to businesses, ranking 61st among 98 reporting lenders and is equivalent to being in the top 62.24 percent of lenders. The top five small loans to businesses lenders collectively had 63.42 percent of the total market share. Individual market shares of these national banks ranged from 7.63 percent to 26.58 percent.

Distribution of Loans by Income Level of the Geography

The bank did not achieve a sufficient volume of home mortgage or small business loans to perform a meaningful analysis within the AA.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Florida 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.

Small Loans to Businesses

Refer to Table 6 in the state of Florida 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.

Lending Gap Analysis

We evaluated the lending distribution in the state of Florida to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank did not achieve a sufficient volume of home mortgage or small business loans to perform a meaningful analysis within the AA.

Home Mortgage Loans

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

Small Loans to Businesses

Refer to Table 11 in the state of Florida 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.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Florida section of appendix D for the facts and data used to evaluate the bank's CD 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.

CD lending had a positive impact on lending performance in the Jacksonville MSA, when considering the impact of responsiveness and initiatives. During the evaluation period, FTB originated two CD loans totaling \$3.2 million or 2,625 percent of Tier 1 capital allocated to the AA. Both loans were made to a nonprofit foundation in support of affordable housing to LMI families. Funds from this transaction were used to acquire affordable housing multi-family properties located in moderate-income geographies.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of Florida. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

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

The bank's performance under the Investment Test in the state of Florida is rated Low Satisfactory. The bank's performance in the Jacksonville MSA was adequate based on the level of investments, responsiveness to identified needs, and the short time period (the bank opened a branch in the Jacksonville MSA in January 2015). Competition in the AA is high as several financial institutions, including multiple nationwide banks with greater capacity and expertise, compete for qualified investments.

During the evaluation period, the bank made seven investments in the Jacksonville MSA totaling \$14 thousand. The investments represented 0.01 percent of Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period.

The majority of the investments supported community services targeted to LMI individuals, with some focusing on homelessness and others focusing on children and education. Representatives from the bank identified homelessness and education initiatives as community needs, based on their discussions with community contacts in the AA. Notable investments include a \$5 thousand grant and a \$1.25 thousand grant to Jacksonville's largest provider of comprehensive services including temporary shelter and wrap-around services such as healthcare to homeless men, women and children in Northeast Florida. Investments also supported affordable housing.

SERVICE TEST

The bank's performance under the Service Test in the state of Florida is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Jacksonville MSA is adequate.

Retail Banking Services

Refer to Table 15 in the state of Florida 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.

FTB's branch distribution in the Jacksonville MSA is adequate. The one branch is located in a moderate-income CT, and is reasonably accessible to all portions of the AA. Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank opened one branch (private client office) in a moderate-income CT during the evaluation period. This branch represents 0.59 percent of FTB branches, and has only nominal deposits (\$989 thousand). Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

FTB's performance in providing CD services in the Jacksonville MSA is poor. The bank's efforts demonstrated poor responsiveness and a lack of commitment to community needs and the needs of LMI families. The bank participated with two organizations that provided community services in the AA. There were a total of 16 hours devoted to CD services to the two organizations. Of the CD service hours devoted, 100 percent were for financial education or providing financial expertise. The two CD

services are described below.

- A bank officer served as a board member of The Performers Academy (TPA). This organization targets LMI youth in the AA. The TPA provides scholarships to those who cannot afford classes, and offers free or reduced rates for studio space for programs to benefit the under-served populations.
- One employee volunteered for a local organization, which provides housing and shelter, food and nutrition to the homeless population.

State Rating

State of North Carolina

CRA Rating for North Carolina⁴:	Satisfactory
The lending test is rated:	Low Satisfactory
The investment test is rated:	High Satisfactory
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- An overall adequate level of lending for home mortgage loans and small loans to businesses;
- An overall adequate responsiveness to AA credit needs, as evidenced by lending levels;
- An overall good geographic distribution of loans, reflecting good penetration throughout the AA;
- An overall adequate borrower income distribution, due primarily to good performance in home mortgage lending, despite the very poor income distribution for small loans to businesses;
- A relatively high level of CD loans;
- A significant level of CD investments, reflecting good responsiveness to identified needs within the AA;
- Branches that are readily accessible to essentially all portions of the bank's AAs and to individuals of different income levels; and,

⁴ 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.

- An overall good responsiveness and a commitment to community needs in the full scope AAs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families.

Description of Institution's Operations in North Carolina

FTB has three AAs in the state of North Carolina. The AAs are located in the Raleigh-Cary, Winston-Salem, and Greenville MSAs. The two AAs that received full-scope reviews are described below.

FTB's AA within the Raleigh-Cary MSA consists of Wake County. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates four branches, four deposit-taking ATMs, and offers a full range of products and services in the AA. According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$399.3 million. FTB's deposit market share and ranking in the AA was 1.56 percent and 13th out of 30 deposit-taking institutions. The 30 deposit-taking institutions operate 254 branches. The top five depository institutions account for 72.83 percent of deposits in the AA, and Wells Fargo Bank has the largest share at 27.93 percent.

FTB's AA within the Winston-Salem MSA consists of Forsyth County. FTB operates one branch, two deposit-taking ATMs, and offers a full range of products and services in the AA. According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$102 million, which is 0.31 percent of the market. The deposit volume places FTB at 11th out of 18 depository institutions. The top five depository institutions account for 95.77 percent of deposits in the AA, and Branch Banking and Trust Company has the largest share at 83.29 percent.

Refer to the community profiles for the state of North Carolina in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in North Carolina

We performed full-scope reviews of the Raleigh-Cary and Winston-Salem MSAs. We performed a limited review on the Greenville MSA. Our rating is based primarily on the bank's performance in the full-scope AAs. Performance in the Raleigh-Cary MSA carried the greatest weight in our conclusions, because it represented the bank's most significant North Carolina market in terms of deposits, number of branches, and reportable loans. Performance in the Winston-Salem MSA received a slightly lesser weight. The review period was from January 1, 2014, through December 31, 2016. Refer to the table in appendix A for more information.

We contacted one local organization and one county government office within the AAs during the evaluation. The two organizations described the following needs:

- Affordable multifamily housing in rural areas;
- Food security (local grocery stores) and financial education for the LMI households; and,
- Greater access to bank branches for LMI families in financially depressed areas, as banks are consolidating, closing, or shifting to an internet-focused business model.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the state of North Carolina is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Raleigh-Cary and Winston-Salem MSAs is good and adequate, respectively. The overall level of small business and mortgage lending were the primary factors supporting our conclusions. The level of CD lending also had a positive impact on lending performance when considering the impact of responsiveness and initiatives. We placed equal weight on home mortgage lending and small loans to businesses, due to the comparable volume of loans from these products during the evaluation period. Within mortgage products, home purchase loans received the greatest weight, home refinance loans somewhat lesser weight, and home improvement loans lesser weight. These weights were based on the volume of loans FTB originated in each home mortgage loan category over the evaluation period. In addition, we placed more weight on performance in Raleigh-Cary, given the bank's higher presence and higher overall loan volume in this market.

Lending Activity

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

The bank's overall lending activity is adequate, considering the strong competition for all types of loans in the AA. The bank's lending activity for home mortgage and small business lending is adequate.

Raleigh-Carey MSA

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.09 percent market share of home purchase loans, ranking 110th among 384 reporting lenders and is equivalent to being in the top 28.65 percent of lenders. The top five home purchase lenders collectively had 30.39 percent of the total market share. The bank achieved a 0.28 percent market share of home improvement loans, ranking 49th among 123 reporting lenders and is equivalent to being in the top 39.84 percent of lenders. The top five home improvement lenders collectively had 54.25 percent of the total market share. The bank achieved a 0.05 percent market share of home refinance loans, ranking 145th among 391 reporting lenders and is equivalent to being in the top 37.08 percent of lenders. The top five home refinance lenders collectively had 33.97 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 0.16 percent market share of small loans to businesses, ranking 26th among 96 reporting lenders and is equivalent to being in the top 27.08 percent of lenders. The top five small loans to businesses lenders collectively had 56.67 percent of the total market share.

Winston-Salem MSA

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.37 percent market share of home purchase loans, ranking 51st among 225 reporting lenders and is equivalent to being in the top 22.67 percent of lenders. The top five home purchase lenders collectively had 35.45 percent of the total market share. The bank did not achieve a market share of home improvement loans. The top five home improvement lenders collectively had 66.47 percent of the total market share. The bank achieved a 0.17 percent market share of home refinance loans, ranking 76th among 207 reporting lenders and is equivalent to being in the top 36.71 percent of lenders. The top five home refinance lenders collectively had 37.31 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 0.11 percent market share of small loans to businesses, ranking 31st among 68 reporting lenders and is equivalent to being in the top 45.59 percent of lenders. The top five small loans to businesses lenders collectively had 61.03 percent of the total market share.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level is good. The geographic distribution is adequate for home mortgage loans, and good for small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of North Carolina 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.

Raleigh-Cary MSA

In evaluating the geographic distribution of home loans in Raleigh-Cary MSA, it is important to note that only 4,237 or 1.97 percent of owner-occupied housing units in the AA are located in low-income CTs. This can present a challenge for banks when attempting to originate home mortgages in low-income geographies. As such, the bank's performance in moderate-income geographies carried greater weight when coming to overall product conclusions.

The overall geographic distribution of home purchase loans is excellent. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was excellent during the evaluation period. The percentage of loans in both low- and moderate-income CTs exceeded the percentage of owner-occupied units in those geographies, reflecting excellent performance. Performance against aggregate lending was also excellent, as the percentage of loans in both low- and moderate-income CTs exceeded aggregate lending. The performance under home purchase lending had a positive impact on the overall home mortgage conclusions.

The bank did not originate or purchase a sufficient volume of home improvement loans to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is good, when considering performance in moderate-income CTs and the low number of owner-occupied units in low-income CTs. As previously stated, the latter presents greater challenges for banks attempting to originate home mortgages in low-income geographies. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was good during the evaluation period. The percentage of loans in low-income CTs was significantly below the percentage of owner-occupied units in those geographies. This exhibited very poor performance. However, the percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied units in those geographies, reflecting excellent performance. Performance against aggregate lending was good. The percentage of loans in low-income CTs was significantly below aggregate lending, reflecting very poor performance. However, the percentage of loans in moderate-income CTs exceeded aggregate lending, reflecting excellent performance.

Winston-Salem MSA

In evaluating the geographic distribution of home loans in the Winston-Salem MSA, it is important to note that only 3,115 or 3.46 percent of owner-occupied housing units in the AA are located in low-income CTs. This can present a challenge for banks when attempting to originate home mortgages in low-income geographies. As such, the bank's performance in moderate-income geographies carried greater weight when coming to overall product conclusions.

The overall geographic distribution of home purchase loans is very poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was very poor during the evaluation period. The percentage of loans in both low- and moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was also very poor, as the percentage of loans in both low- and moderate-income CTs was significantly below aggregate lending.

The bank did not originate or purchase a sufficient volume of home improvement loans to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was very poor during the evaluation period. The percentage of loans in both low- and moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was also very poor. The percentage of loans in low-income CTs was significantly below aggregate lending, reflecting very poor performance. The percentage of loans in moderate-income CTs was well below aggregate lending, reflecting poor performance.

Small Loans to Businesses

Refer to Table 6 in the state of North Carolina 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.

Raleigh-Cary MSA

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in LMI CTs was excellent during the evaluation period. The percentage of loans in low-income CTs was excellent and exceeded the percentage of businesses in those geographies. The percentage of loans in moderate-income CTs was near the percentage of businesses in those geographies, reflecting good performance. In addition, the percentage of small loans to

businesses in both low- and moderate-income CTs was excellent and exceeded aggregate lending. Overall, the geographic distribution of small loans to businesses had a positive impact on the lending conclusion for this AA.

Winston-Salem MSA

The overall geographic distribution of small loans to business is adequate, due primarily to performance in moderate-income CTs. Performance relative to the number of businesses in LMI CTs was adequate during the evaluation period. The percentage of loans in low-income CTs was significantly below the percentage of businesses in those geographies, reflecting very poor performance. However, the percentage of small loans to businesses in moderate-income CTs was excellent and exceeded the percentage of businesses in those geographies. The percentage of small loans to businesses in low-income CTs was significantly below aggregate lending. This exhibited very poor performance. However, the percentage of small loans to businesses in moderate-income CTs was excellent and exceeded aggregate lending.

Lending Gap Analysis

We evaluated the lending distribution in the state of North Carolina to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of loans by income level is adequate. The borrower distribution for small loans to businesses is very poor. However, the very poor performance in small business lending is sufficiently mitigated by the overall good performance on home mortgage loans. The good performance on home mortgage loans is also bolstered by excellent performance in the Raleigh-Cary AA, which represents the bank's most significant North Carolina market in terms of deposits, number of branches, and reportable loans.

Home Mortgage Loans

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

In performing our analysis of home mortgage lending, we considered the general affordability of housing to LMI borrowers. The relatively high housing costs compared to family income levels somewhat affected the borrowers' ability to purchase homes. The affordability factor was pertinent for LMI borrowers in the Raleigh-Cary MSA and low-income borrowers in the Winston-Salem MSA. In addition, the median housing value in the Raleigh-Cary AA increased significantly (38.30 percent) during the evaluation period. We also considered this in the affordability analysis for home purchase loans in Raleigh-Cary. Refer to the market profile in appendix C for additional information.

Raleigh-Cary MSA

The overall borrower distribution of home purchase loans is excellent when considering the affordability issue for LMI borrowers, the significant increase in home values, lending to moderate-income borrowers, and performance against aggregate lending. The borrower distribution relative to the percent of LMI families in the AA was good during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families. Performance against aggregate lending was excellent, as the percentage of loans to both low- and moderate-income borrowers exceeded aggregate lending.

The bank did not originate or purchase a sufficient volume of home improvement loans to perform a meaningful analysis.

The overall borrower distribution of home refinance loans is excellent when considering the affordability issue for LMI borrowers, lending to moderate-income borrowers, and performance against aggregate lending. The borrower distribution relative to the percent of LMI families in the AA was good during the evaluation period. The percentage of loans to low-income borrowers was well below the percentage of low-income families, reflecting poor performance. However, the percentage of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families. Performance against aggregate lending was excellent, as the percentage of loans to both low- and moderate-income borrowers exceeded aggregate lending.

Winston-Salem MSA

The overall borrower distribution of home purchase loans is very poor. The borrower distribution relative to the percent of LMI families in the AA was very poor during the evaluation period. The percentage of loans to both low- and moderate-income borrowers was very poor, and significantly below the percentage of LMI families in the AA. In addition, the percentage of loans to both low- and moderate-income borrowers was significantly below aggregate lending, reflecting very poor performance.

The bank did not originate or purchase a sufficient volume of home improvement loans to perform a meaningful analysis.

The overall borrower distribution of home refinance loans is very poor. The percentage of loans to both low- and moderate-income borrowers was very poor, and significantly below the percentage of LMI families in the AA. In addition, the percentage of loans to both low- and moderate-income borrowers was significantly below aggregate lending, reflecting very poor performance.

Small Loans to Businesses

Refer to Table 11 in the state of North Carolina 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.

In performing our analysis, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the full scope AAs. As previously discussed, the top five small loans to businesses lenders have significant market share in the AAs, with the concentration more pronounced in the Winston-Salem AA (61.03 percent). The large number of competing institutions and dominance from the top five lenders somewhat affects the bank's ability to make small loans to businesses.

Raleigh-Cary MSA

The overall borrower distribution of small loans to businesses is very poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was well below aggregate lending, reflecting poor performance.

Winston-Salem MSA

The overall borrower distribution of small loans to businesses is very poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in those geographies, reflecting very poor performance. The percentage of loans to small businesses was well below aggregate lending, reflecting poor performance.

Community Development Lending

Refer to Table 1 Lending Volume in the state of North Carolina section of appendix D for the facts and data used to evaluate the bank's level of CD 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.

Raleigh-Carey MSA

CD lending had a positive impact on lending performance in the Raleigh-Carey MSA, when considering the bank's responsiveness and initiatives. During the evaluation period, FTB originated five CD loans totaling \$24.5 million, or 50.32 percent of Tier 1 capital allocated to the AA. The lending included economic development \$22.4 million (91.4 percent) and affordable housing-related loans at \$2 million (8.2 percent). The community contacts identified affordable housing as a need. The following is a sample of CD loans originated by FTB.

- A \$1 million line of credit to provide pre-development support for affordable housing construction by the Downtown Housing Investment Corporation (DHIC). DHIC is the largest affordable housing provider in the Raleigh area. This is a high impact loan for this market providing a source of capital for DHIC to continue its important work.
- A \$1 million high impact loan to a nonprofit organization that builds affordable housing in Wake County. The funds were used to finance mortgage receivables and for general corporate purposes. The organization builds and repairs homes for families living on modest incomes. Families invest hours into the construction of their homes and their neighbors, make a reasonable down payment to receive an affordable mortgage, and complete financial and homeownership training classes.
- A \$15 million loan to a corporation to promote economic development. The corporation is a certified business development company and Small Business Investment Company that assists businesses with capital needs.

Winston-Salem MSA

CD lending had a positive impact on lending performance in the Winston-Salem NC MSA, when considering the bank's responsiveness and initiatives. During the evaluation period, FTB originated two CD loans totaling \$3.5 million, or 27.73 percent of Tier 1 capital allocated to the AA. The CD lending

included a \$2.9 million loan to a commercial real estate developer to acquire an approximately 7.7-acre parcel in Wilson, NC to be developed for use as a Wal-Mart Neighborhood Market grocery store. This CD loan serves multiple purposes as it revitalizes and stabilizes an underserved/distressed non-metropolitan middle-income geography by helping to attract new and retain existing businesses or residents. The new grocery store will create long-term job opportunities, with an estimated 95 full and part-time jobs. The impact to the AA include permanent jobs to LMI individuals.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of North Carolina. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Greenville MSA is weaker than the bank's overall High Satisfactory rating performance under the Lending Test in North Carolina. The weaker performance is related to a low volume of home mortgage loans and small loans to business, and no CD loans. Performance in the limited-scope area did not have a material impact on the Lending Test rating in the state. Refer to the Tables 1 through 12 in the state of North Carolina section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

The bank's performance under the Investment Test in the state of North Carolina is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Raleigh-Cary MSA is adequate, while performance in the Winston Salem MSA is excellent.

Raleigh-Cary MSA

During the evaluation period, the bank made 40 investments totaling \$1.7 million or 3.59 percent of Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period. The majority of the investments supported affordable housing. Investments also supported community services targeted to LMI individuals. Affordable housing is a need identified by a community contact. Several investments included MBS supporting affordable housing for LMI individuals and geographies. Notable investments included two grants for \$60 thousand and \$10 thousand in a housing improvement corporation located in the downtown Raleigh. The corporation is a nonprofit organization dedicated to the development of high quality housing communities in the Research Triangle of North Carolina, and is focused on revitalization efforts in southeast Raleigh.

Competition in the Raleigh-Cary MSA is high as several financial institutions including multiple nationwide banks with greater capacity and expertise compete for qualified investments. The bank's level of CD investment in the AA was adequate based on the level of investments and responsiveness to the identified needs of affordable housing and services targeted to LMI individuals.

Winston Salem MSA

During the evaluation period, the bank made 46 investments totaling \$844 thousand or 6.80 percent of Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period. The majority of investments supported affordable housing. Investments also supported community services targeted to LMI individuals. Affordable housing is a community need identified by a community contact.

Notable investments include a \$5 thousand grant to a Housing Foundation that promotes housing for LMI families. The foundation provides an integrated program that includes long-term housing, food, and other supportive services to LMI families. The foundation serves populations that are at high-risk of becoming homeless. Another notable investment include a \$3 thousand grant to an area food bank. The food bank is a nonprofit organization that provides a number of special programs to address specific needs and support longer-term solutions to the hunger problem. The food bank collects and provides food for other non-profit organizations serving as the major distributor of food and grocery products for food pantries, shelters, soup kitchens and special feeding programs or children and senior across northwest North Carolina.

Competition in the AA is high with large interstate, regional, savings and community banks competing for qualified investments. The bank's level of CD investment in the AA was excellent based on the level of investments and responsiveness to the identified needs of affordable housing and services targeted to LMI individuals.

Conclusions for Area Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the Investment Test in the Greenville MSA is weaker than the bank's overall performance in the state of North Carolina. The weaker performance is due to a lower volume of investments and limited time in this market. The bank entered the Greenville MSA market on March 31, 2016, during the last year of the three-year evaluation period.

During the evaluation period, the bank made one investment totaling \$5 thousand in the Greenville MSA. There were no prior period investments outstanding nor unfunded commitments at the end of the evaluation period. Performance in the limited-scope area did not have a material impact on the Investment Test rating in the state. Refer to Table 14 in the state of North Carolina section of appendix D for the facts and data that supports this conclusion.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the state of North Carolina is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Raleigh-Cary MSA is good. Performance in the Winston-Salem MSA is adequate. CD services had a positive impact on the final rating.

Retail Banking Services

Refer to Table 15 in the state of North Carolina 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.

Raleigh-Cary MSA

FTB's branch distribution in the Raleigh-Cary MSA is good. Branches are accessible to essentially all portions of the AA. The bank has no branches located in low-income CTs. One of the four branches is located in a moderate-income CT. The percentage of branches in moderate-income CTs exceeds the percentage of population in moderate-income CTs.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed one branch in an upper-income CT during the evaluation period. The closed branch operated as a private client office with limited ability to conduct consumer

transactions. The branch was closed due to the acquisition of a full service branch less than four miles away. The bank opened four branches during the evaluation period, including one in a moderate-income CT, one in a middle-income CT, and two in upper income CTs.

Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Winston-Salem MSA

Branch distribution in the Winston-Salem MSA is adequate. The bank has only one branch, located in a middle-income CT. The branch is reasonably accessible to essentially all portions of the AA.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. The bank did not have any openings or closings during the evaluation period.

Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

Raleigh-Cary NC MSA

FTB's performance in providing CD services in the Raleigh-Cary MSA is good. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, and LMI persons and families. The bank also participated with organizations that provided affordable housing initiatives in the AA. The bank devoted 286.65 hours to CD services involving 12 organizations.

There were 36 service opportunities involving board member positions with 199.15 hours served. Of the CD service hours devoted, 97.03 percent were for financial education or providing financial expertise and 2.97 percent were for affordable housing related programs. Some of the more noteworthy services are described below.

- FTB had an employee serve as a board member of a local center that provides after school services to low-income children in Southeast Raleigh. FTB employees teach financial literacy classes at the center twice a month.
- FTB had a board member in two organizations that provide affordable housing to LMI families in the Raleigh-Cary MSA.
- FTB had an employee serve as a board member of the local United Way Chapter.
- The bank had several employees serve as board members of organizations that provide services to low-income persons, and at-risk youth in the AA.
- FTB had an employee serve as a board member of an inter-faith food service that provides food for families in need.
- FTB had an employee serve as a board member of a local non-profit organization with a mission to assist small businesses owners in underserved communities.
- The bank devoted 278 total hours to financial literacy or providing financial expertise.

Winston-Salem NC MSA (Winston-Salem AA)

FTB's performance in providing CD services in the Winston-Salem MSA is good. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families. The bank devoted 149.30 hours to CD services involving 17 organizations. There were 50 service

opportunities involving board member positions with 76.30 hours served. Of the CD service hours devoted, the majority were for financial education or providing financial expertise. Some of the more noteworthy services are described below.

- The bank plays a leadership role with board membership for a local homeless shelter for persons with very low-income.
- FTB had an employee serve as a board member of a local enrichment center, which provides services to adults with disabilities. It is the only organizations of its kind in Forsyth County with 93 percent of those receiving services are on Medicaid.
- The bank also has several board members of organizations that provide services to low-income persons, and at-risk youth in the AA.
- FTB employees taught financial literacy at local schools with majority of students receiving free or reduced lunch.
- FTB employees taught financial literacy to persons incarcerated.
- FTB had an employee serve as a board member of the local United Way Chapter.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Greenville MSA is weaker than the overall High Satisfactory rating in North Carolina. The Greenville MSA has one branch located in a moderate-income CT; however, there were no CD services provided by bank employees in this area. Performance in the limited-scope area did not have a material impact on the Service Test rating in the state. Refer to the Table 15 in the state of North Carolina section of appendix D for the facts and data that support these conclusions.

State Rating

State of South Carolina

CRA Rating for South Carolina⁵:	Needs to Improve
The lending test is rated:	Needs to Improve
The investment test is rated:	Low Satisfactory
The service test is rated:	Needs to Improve

The major factors that support this rating include:

- An overall poor responsiveness to AA credit needs, as evidenced by low volumes of home mortgage and small business lending;
- An insufficient volume of mortgage and small loans to businesses to perform a meaningful analysis of the geographic distribution of loans and distribution of loans by borrower income levels;
- No CD loans in the AA during the evaluation period, reflecting no response to community needs;
- An overall adequate level of CD investments, reflecting adequate responsiveness to identified CD needs within the AA;
- Poor branch distribution, as evidenced by the one branch in an upper-income CT within the Charleston-North Charleston MSA; and,
- Poor responsiveness and a lack of commitment to community needs and the needs of LMI families in the Charleston-North Charleston, MSA.

⁵ 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.

Description of Institution's Operations in South Carolina

FTB's AA within the Charleston-North Charleston MSA consists of Charleston County. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates one branch as a private client office within the AA. Private client offices provide limited consumer transactions, which are available to all consumers visiting the location. However, traditional services such as instant issuance of debit cards and cash advances are not provided.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$11.1 million, representing 0.11 percent of the market. FTB is ranked 25th out of 28 institutions. The top five depository institutions account for 66.77 percent of deposits in the AA, and Wells Fargo Bank, N.A. has the largest share at 27.74 percent.

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

Scope of Evaluation in South Carolina

We performed a full-scope review on the Charleston-North Charleston MSA since the bank's only AA in South Carolina is located within this MSA. The review period was January 1, 2014, through December 31, 2016. Refer to the table in Appendix A for more information. We contacted one local organization within the AA during the evaluation. The organization described the following needs:

- bank programs to provide funding for start-up businesses and mortgages; and,
- bank programs to provide credit assistance to new and small local businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SOUTH CAROLINA

LENDING TEST

The bank's performance under the Lending Test in the state of South Carolina is rated Needs to Improve. Based on a full-scope review, the bank's performance in the Charleston-North Charleston MSA is poor. Overall lending levels were low with an insufficient volume to perform a meaningful analysis. The limited branch presence is also a factor in the poor performance.

Lending Activity

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

The bank's overall lending activity is poor. The bank's lending activity for home mortgages is poor, and small business lending activity is very poor.

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.07 percent market share of home purchase loans, ranking 105th among 313 reporting lenders and is equivalent to being in the top 33.55 percent of lenders. The top five home purchase lenders collectively had 26.52 percent of the total market share. The bank did not achieve a market share of home improvement loans. The top five home improvement lenders collectively had 46.74 percent of the total market share. The bank achieved a 0.05 percent market share of home refinance loans, ranking 145th among 301 reporting lenders and is equivalent to being in the top 48.17 percent of lenders. The top five home refinance lenders collectively had 31.99 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 0.01 percent market share of small loans to businesses, ranking 66th among 91 reporting lenders and is equivalent to being in the top 72.53 percent of lenders. The top five small loans to businesses lenders, which are comprised of national lenders, collectively had 64.81 percent of the total market share. Individual market shares of these national banks ranged from 4.44 percent to 32.43 percent.

Distribution of Loans by Income Level of the Geography

The bank did not achieve a sufficient volume of home mortgage or small business loans to perform a meaningful analysis within the AA.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of South Carolina 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.

Small Loans to Businesses

Refer to Table 6 in the state of South Carolina 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.

Lending Gap Analysis

We evaluated the lending distribution in the state of South Carolina to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank did not achieve a sufficient volume of home mortgage loans or small business loans to perform a meaningful analysis within the AA.

Home Mortgage Loans

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

Small Loans to Businesses

Refer to Table 11 in the state of South Carolina 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.

Community Development Lending

Refer to Table 1 Lending Volume in the state of South Carolina section of appendix D for the facts and data used to evaluate the bank's CD 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.

CD lending had a neutral impact on lending performance in the Charleston-North Charleston MSA, when considering the responsiveness, and initiatives. During the evaluation period, FTB did not originate any CD loans in the AA.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of South Carolina. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

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

The bank's performance under the Investment Test in the state of South Carolina is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Charleston-North Charleston MSA is adequate. The bank's CD investments in the AA reflect adequate responsiveness in the form of services targeted to LMI individuals. Competition in the AA is high as several financial institutions, including multiple nationwide banks with greater capacity and expertise, compete for qualified investments.

During the evaluation period, the bank made 12 investments in the Charleston-North Charleston MSA totaling \$47 thousand or 3.51 percent of Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period.

The majority of the investments supported community services targeted to LMI individuals, many of which focused on children and education. Investments of note are three grants totaling \$20 thousand to an organization that provides academic guidance, athletic training, community service opportunities, and mentoring to prepare low-resource kids for wide-reaching success. The organization is an enrichment partner for two Title 1 at-risk Charleston schools.

SERVICE TEST

The bank's performance under the Service Test in the state of South Carolina is rated Needs to Improve. Based on the full-scope review, the bank's performance in the Charleston-North Charleston MSA is poor. CD services had a neutral impact on the final rating.

Retail Banking Services

Refer to Table 15 in the state of South Carolina 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.

FTB's branch distribution in the Charleston-North Charleston MSA is poor. The bank's only branch in the AA is located in an upper-income CT. As previously discussed, the branch operates as a private client office that offers a limited number and type of consumer transactions (refer to discussions under "Description of Institution's Operations in South Carolina"). The branch is only accessible to limited portions of the AA, and the bank has no branches in LMI CTs. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA, as the bank did not open or close any branches during the evaluation period.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

FTB's performance in providing CD services in the Charleston-North Charleston MSA is poor. The bank's efforts demonstrated poor responsiveness and a lack of commitment to community needs and the needs of LMI families. The bank participated with two organizations that provided community services in the AA. There were a total of 20 hours devoted to CD services to the two organizations. Some of the more noteworthy services are described below.

- Financial literacy and financial expertise was offered to area organizations that provide services to LMI families.
- Two bank employees served on the board of an organization that partners with College of Charleston to provide access to community services targeted to LMI individuals or areas. This organization collaborates with two Title-1, at risk, schools in Charleston.

State Rating

State of Tennessee

CRA Rating for Tennessee⁶:	Satisfactory
The lending test is rated:	High Satisfactory
The investment test is rated:	High Satisfactory
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- An overall excellent level of lending, as evidenced by an excellent level of home mortgage loans and good level of small loans to businesses;
- An overall good responsiveness to AA credit needs, as evidenced by lending levels;
- An overall good geographic distribution of loans, reflecting good penetration throughout the AA;
- An overall adequate distribution of loans by borrower income levels, due primarily to adequate performance for home mortgage loans;
- A relatively high level of CD loans;
- An overall good investment performance, as evidenced by the level of qualified investments in the Knoxville and Nashville-Davidson-Murfreesboro-Franklin (Nashville) MSAs, which were excellent. The Non-MSA Tennessee areas' qualified investments were adequate;
- Branches that are readily accessible to essentially all portions of the bank's AAs and to individuals of different income levels; and,

⁶ 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.

- An overall good responsiveness and a commitment to community needs in the full scope AAs by providing technical assistance on financial and banking related matters to community groups, LMI persons, and families.

Description of Institution's Operations in Tennessee

The bank operates in five limited scope and three full-scope AAs. The limited scope AAs include Cleveland MSA (Bradley County), Jackson MSA (Madison County), Johnson City TN/VA MSA (Unicoi and Washington Counties in TN), Kingsport Bristol-Bristol TN/VA (Sullivan County-TN portion only) and Morristown MSA. The bank's operations in the three full-scope AAs are described below. The AAs meet the requirement of the regulation and do not arbitrarily exclude LMI geographies.

Knoxville MSA

FTB's AA consists of Blount County, Knox County, and Roane County within the Knoxville MSA. FTB operates 28 branches and 60 ATMs (including 36 deposit-taking ATMs) within the Knoxville MSA. FTB offers a full range of products and services in the AA.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB'S deposits in the AA totaled \$2.625 billion, which represents 11.46 percent of the bank's total deposits. FTB deposits represent 19.13 percent of the market, which ranks second out of 37 depository institutions in the AA. The 37 depository institutions operate 215 branches in the AA. The top depository institution in the AA is Sun Trust Bank, with 19.49 percent market share. The next three institutions with the largest market share, excluding FTB, have deposits aggregating 31.71 of the market.

Nashville MSA

FTB's AA consists of six counties (Davidson, Maury, Rutherford, Sumner, Williamson, and Wilson) within the Nashville MSA. FTB operates 41 branches and 55 ATMs (including 47 deposit-taking ATMs) within the Nashville MSA. FTB offers a full range of products and services in the Nashville MSA.

According to the June 30 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$3.4 billion, which represents 14.84 percent of the bank's total deposits. FTB deposits represent 7.01 percent of the market, which ranks fifth out of 60 depository institutions in the AA. The 60 depository institutions operate 519 branches in the AA. There is a strong competition for deposits from large national and regional banks. The top four institutions account for 54.42 percent of deposits in the AA, and Bank of America, N.A. has the largest share at 17.22 percent.

Non-MSA Tennessee

The FTB Non-MSA AAs are composed of seven counties in Tennessee (Greene, Sevier, Putnam, Marshall, Lawrence, Humphreys, and White). FTB operates 12 branches and 27 ATMS (including 17 deposit-taking ATMs) within the AAs. FTB offers a full range of products and services in the Non-MSA of Tennessee.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AAs totaled \$779 million, representing 11.93 percent of the market. In the aggregate, FTB's deposit market share is ranked first in the AAs. The next four depository institutions with the largest market share have aggregate deposits totaling 25.95 percent of the market.

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

Scope of Evaluation in Tennessee

We performed full-scope reviews on the Knoxville MSA, Nashville MSA, and Non-MSA Tennessee AAs. The Knoxville and Nashville MSAs represent significant FTB markets in terms of deposit concentrations, branch distribution, and reportable HMDA and CRA loans. We performed limited reviews of the remaining five AAs. The review period was January 1, 2014, through December 31, 2016. Our rating is primarily based on the bank's performance in the full-scope AAs. Refer to the table in appendix A for more information.

We contacted three organizations within the AAs during the evaluation. The three organizations described the following needs:

- Residential loans for all residents of the AAs, including LMI families;
- Agricultural and small business loans; and,
- Small business and credit counseling.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the state of Tennessee is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Knoxville MSA, Nashville MSA, and Non-MSA Tennessee AAs is good. We placed greater weight on home mortgage lending, as this represented the product with the highest lending volume. Within home mortgage products, we placed equal weight on home purchase and home refinance loans, and lesser weight on home improvement loans. These weights are based on the volume of loans FTB originated in each home mortgage loan category during the evaluation period. Small business lending also received significant consideration, as the overall volume of these loans was slightly lower than home mortgage loans. Based on overall loan volumes, the Nashville MSA received the heaviest weight in our conclusions, the Knoxville MSA received a somewhat lesser weight, and Non-MSA TN areas an even lesser weight. The level of CD lending also had a positive impact on lending performance when considering the impact of responsiveness and initiatives.

Lending Activity

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 lending activity.

The bank's overall lending activity is excellent, considering the strong competition for all types of loans in the AAs. The bank's lending activity is excellent for home mortgage loans and good for small business lending. This level of mortgage lending was achieved, despite the bank's inability to originate government secured loans or mortgages requiring escrow accounts throughout most of the evaluation period (refer to discussions in the Description of Institution section of this Public Evaluation).

Knoxville MSA

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.79 percent market share of home purchase loans, ranking 24th among 309 reporting lenders and is equivalent to being in the top 7.77 percent of lenders. The top five home purchase lenders collectively had 41.28 percent of the total

market share. The bank achieved a 1.39 percent market share of home improvement loans, ranking 15th among 103 reporting lenders and is equivalent to being in the top 14.56 percent of lenders. The top five home improvement lenders collectively had 45.24 percent of the total market share. The bank achieved a 1.47 percent market share of home refinance loans, ranking 19th among 289 reporting lenders and is equivalent to being in the top 6.57 percent of lenders. The top five home refinance lenders collectively had 29.60 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 3.21 percent market share of small loans to businesses, ranking 12th among 74 reporting lenders and is equivalent to being in the top 16.22 percent of lenders. The top five small loans to businesses lenders collectively had 53.84 percent of the total market share.

Nashville MSA

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.59 percent market share of home purchase loans, ranking 44th among 511 reporting lenders and is equivalent to being in the top 8.61 percent of lenders. The top five home purchase lenders collectively had 21.53 percent of the total market share. The bank achieved a 2.0 percent market share of home improvement loans, ranking 10th among 167 reporting lenders and is equivalent to being in the top 5.99 percent of lenders. The top five home improvement lenders collectively had 48.69 percent of the total market share. The bank achieved a 1.23 percent market share of home refinance loans, ranking 22nd among 453 reporting lenders and is equivalent to being in the top 4.86 percent of lenders. The top five home refinance lenders collectively had 25.28 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 1.52 percent market share of small loans to businesses, ranking 13th among 128 reporting lenders and is equivalent to being in the top 10.16 percent of lenders. The top five small loans to businesses lenders collectively had 54.84 percent of the total market share.

Non-MSA Tennessee MSA

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.80 percent market share of home purchase loans, ranking 31st among 319 reporting lenders and is equivalent to being in the top 9.72 percent of lenders. The top five home purchase lenders collectively had 30.63 percent of the total market share. The bank achieved a 2.37 percent market share of home improvement loans, ranking 12th among 77 reporting lenders and is equivalent to being in the top 15.58 percent of lenders. The top five home improvement lenders collectively had 41.31 percent of the total market share. The bank achieved a 1.92 percent market share of home refinance loans, ranking 13th among 262 reporting lenders and is equivalent to being in the top 4.96 percent of lenders. The top five home refinance lenders collectively had 26.50 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 2.48 percent market share of small loans to businesses, ranking 13th among 67 reporting lenders and is equivalent to being in the top 19.40 percent of lenders. The top five small loans to businesses lenders collectively had 55.97 percent of the total market share.

Distribution of Loans by Income Level of the Geography

The bank's overall geographic distribution of loans by income level is good. The bank's geographic distribution of home mortgage loans is good, while the distribution for small loans to businesses is excellent.

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 and purchases.

According to 2010 U.S. Census data, there are only nine low-income CTs in the Knoxville AA. The nine represents 5.96 percent of the 151 CTs in the Knoxville AA. In addition, the Knoxville and Nashville AAs have a low number of owner-occupied housing units in low-income CTs. Of the 17,639 housing units in low-income CTs within the Knoxville AA, 3,846 or 21.80 percent are owner-occupied. For low-income CTs within the Nashville AA, 14,140 or 28.59 percent of the 49,453 housing units are owner-occupied. The low number of low-income CTs (Nashville AA) and low percentage of owner-occupied housing units (Knoxville and Nashville AAs) in low-income geographies can present a challenge for banks when attempting to originate home mortgages in these areas. In addition, there are no low-income CTs in the Non-MSA Tennessee AA. We considered the factors discussed in this paragraph in our analysis of home mortgage lending. Refer to market profiles in appendix C for more discussion.

Knoxville MSA

The overall geographic distribution of home purchase loans is adequate when considering lending in low-income CTs and performance against aggregate lending. The positive performance in low-income CTs occurred, despite the low percentage of owner-occupied units in low-income geographies. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in low-income CTs was below the percentage of owner-occupied units in those geographies, but adequate. However, the percentage of loans in moderate-income CTs was well below the percentage of owner-occupied units in those

geographies, reflecting poor performance. Performance against aggregate lending was good. The percentage of loans in low-income CTs was excellent and exceeded aggregate lending. The percentage of loans in moderate-income CTs was well below aggregate lending, reflecting poor performance.

The overall geographic distribution of home improvement loans is adequate when considering lending in low-income CTs and performance against aggregate lending. The positive performance in low-income CTs occurred, despite the low percentage of owner-occupied units in low-income geographies. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in low-income CTs was excellent and exceeded the percentage of owner-occupied units in those geographies. However, the percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was adequate. The percentage of loans in low-income CTs was excellent and exceeded aggregate lending. However, the percentage of loans in moderate-income CTs was significantly below aggregate lending, reflecting very poor performance.

The overall geographic distribution of home refinance loans is adequate, when considering lending in moderate income CTs and performance against aggregate lending. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in low-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. However, the percentage of loans in moderate-income CTs was below the percentage of owner-occupied units in these geographies, but adequate. Performance against aggregate lending was adequate. The percentage of loans in low-income CTs was below aggregate lending, but adequate. The percentage of loans in moderate-income CTs was near aggregate lending, reflecting good performance.

Nashville MSA

The overall geographic distribution of home purchase loans is good, when considering the low percentage of owner-occupied units in low income CTs and performance against aggregate lending. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in both low- and moderate- income CTs was below the percentage of owner-occupied units in those geographies, but adequate. Performance against aggregate lending was good. The percentage of loans in both low- and moderate-income CTs was near aggregate lending, reflecting good performance.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was poor during the evaluation period. The percentage of loans in low-income CTs was below the percentage of owner-occupied units in those geographies, but adequate. However, the percentage of loans in moderate-income CTs was well below the percentage of owner-occupied units in those geographies, reflecting

poor performance. Performance was also poor when compared to aggregate lending. The percentage of loans in both low- and moderate-income CTs was well below aggregate lending, reflecting poor performance.

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was adequate during the evaluation period. The percentage of loans in both low- and moderate-income CTs was below the percentage of owner-occupied units in those geographies, but adequate. Performance against aggregate lending was good. The percentage of loans in both low- and moderate-income CTs was near aggregate lending, reflecting good performance. The good performance against aggregate lending was a driving factor in our conclusions. The good performance occurred despite the low number of low-income CTs and low number of owner-occupied housing units in low-income geographies.

Non-MSA TN

In evaluating the geographic distribution of home loans in the AA, it is important to note there were no low-income CTs in the AA during the evaluation period.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution relative to the percentage of owner-occupied units in moderate-income CTs was very poor during the evaluation period. The percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in those geographies, reflecting very poor performance. Performance against aggregate lending was poor, as the percentage of loans in moderate-income CTs was well below aggregate lending.

The overall geographic distribution of home improvement loans is excellent. The bank's geographic distribution relative to the percentage of owner-occupied units in moderate-income CTs was excellent during the evaluation period. The percentage of loans in moderate-income CTs was excellent and exceeded the percentage of owner-occupied units in those geographies. Performance against aggregate lending was also excellent, as the percentage of loans in moderate-income CT exceeded aggregate lending.

The overall geographic distribution of home refinance loans is excellent. The bank's geographic distribution relative to the percentage of owner-occupied units in moderate-income CTs was excellent during the evaluation period. The percentage of loans in moderate-income CTs was excellent and exceeded the percentage of owner-occupied units in these geographies. Performance against aggregate lending was also excellent, as the percentage of loans in moderate-income CT exceeded aggregate lending.

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 overall geographic distribution of small loans to businesses is excellent in all three full-scope AAs. Overall, the geographic distribution of small loans to businesses had a positive impact on the lending conclusions.

Knoxville MSA

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in LMI CTs was excellent. Performance relative to the number of businesses in LMI CTs was excellent. The percentage of loans to businesses in both low- and moderate-income CTs was excellent and exceeded the percentage of businesses in those geographies. Performance against aggregate lending was also excellent, as the percentage of small loans to businesses in both low- and moderate-income CTs exceeded aggregate lending.

Nashville MSA

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in LMI CTs was excellent. The percentage of loans to businesses in both low- and moderate-income CTs was excellent and exceeded the percentage of businesses in those geographies. Performance against aggregate lending was also excellent, as the percentage of small loans to businesses in both low- and moderate-income CTs exceeded aggregate lending.

Non-MSA TN

In evaluating the geographic distribution of home loans in the AA, it is important to note there were no low-income census tracts in the AA during the evaluation period.

The overall geographic distribution of small loans to businesses is excellent. Performance relative to the number of businesses in moderate-income CTs was excellent. The percentage of loans to businesses in moderate-income CTs was excellent and exceeded the percentage of businesses in these geographies. Performance against aggregate lending was also excellent, as the percentage of small loans to businesses in moderate-income CTs exceeded aggregate lending.

Lending Gap Analysis

We evaluated the lending distribution in the state of Tennessee to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank's overall borrower distribution of loans by income level is adequate. The bank's borrower distribution of home mortgage loans is adequate, while the borrower distribution for small loans to businesses is poor. More weight was placed on home mortgage lending, given the higher product volume.

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.

In performing our analysis of home mortgage lending, we considered the general affordability of housing to LMI borrowers. The relatively high housing costs compared to family income levels somewhat affects these borrowers' ability to purchase homes. This is particularly relevant for low-income borrowers in the Knoxville AA and LMI borrowers in the Nashville AA. In addition, home values increased 52.83 percent in the Nashville AA during the evaluation period, which affects LMI borrowers' ability to purchase homes and obtain affordable mortgages. Finally, the poverty rate in the Non-MSA Tennessee AA is high at 17 percent, which affects the affordability of mortgages for low-income borrowers. Refer to the market profile in appendix C for additional information.

Knoxville MSA

The overall borrower distribution of home purchase loans is poor. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period, based on lending to moderate-income borrowers and the previously discussed affordability issue for low-income borrowers. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income

borrowers was below the percentage of moderate-income families, but adequate. Performance against aggregate lending was very poor. The percentage of loans to both low- and moderate-income borrowers was significantly below aggregate lending, reflecting very poor performance.

The overall borrower distribution of home improvement loans is adequate, when considering performance to low-income borrowers and performance against aggregate lending. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was near the percentage of low-income families, reflecting good performance. The percentage of loans to moderate-income borrowers was below the percentage of moderate-income families, but adequate. Performance against aggregate lending was adequate. The percentage of loans to low-income borrowers was excellent and exceeded aggregate lending. The percentage of loans to moderate-income borrowers was significantly below aggregate lending, reflecting very poor performance.

The overall borrower distribution of home refinance loans is good when considering lending to moderate-income borrowers, the affordability issue for low-income borrowers, and performance against aggregate lending. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was near the percentage of moderate-income families, reflecting good performance. Performance against aggregate lending was good. The percentage of loans to low-income borrowers was near aggregate lending, reflecting good performance. The percentage of loans to moderate-income borrowers was below aggregate lending, but adequate.

Nashville MSA

The overall borrower distribution of home purchase loans is adequate, when considering the affordability issue for LMI borrowers and the significant increase in home values. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was below the percentage of moderate-income families, but adequate. Performance against aggregate lending was poor. The percentage of loans to low and moderate-income borrowers was well below aggregate lending, reflecting poor performance.

The overall borrower distribution of home improvement loans is poor. The borrower distribution relative to the percent of LMI families in the AA was poor during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. The percentage of loans to moderate-income borrowers was below the percentage of moderate-income families, but adequate. Performance against aggregate lending was poor. The percentage of loans to low-income borrowers was significantly below aggregate lending, reflecting very

poor performance. The percentage of loans to moderate-income borrowers was below aggregate lending, but adequate.

The overall borrower distribution of home refinance loans is adequate, when considering lending to moderate-income borrowers and performance against aggregate lending. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was near the percentage of moderate-income families, reflecting good performance. Performance against aggregate lending was good. The percentage of loans to low-income borrowers was below aggregate lending, but adequate. The percentage of loans to moderate-income borrowers was near aggregate lending, reflecting good performance.

Non-MSA TN

The overall borrower distribution of home purchase loans is adequate, when considering lending to moderate-income borrowers and the high poverty rate in the AA. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families. Performance against aggregate lending was adequate. The percentage of loans to low-income borrowers was well below aggregate lending, reflecting poor performance. However, the percentage of loans to moderate-income borrowers was near aggregate lending, reflecting good performance.

The overall borrower distribution of home improvement loans is good, when considering lending to low income borrowers despite the high poverty rate in the AA. The borrower distribution relative to the percent of LMI families in the AA was good during the evaluation period. The percentage of loans to low-income borrowers was excellent and exceeded percentage of low-income families. However, the percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families, reflecting very poor performance. Performance against aggregate lending was adequate. The percentage of loans to low-income borrowers was excellent and exceeded aggregate lending. However, the percentage of loans to moderate-income borrowers was significantly below aggregate lending, reflecting very poor performance.

The overall borrower distribution of home refinance loans is good when considering lending to moderate-income borrowers, the high poverty rate in the AA, and performance against aggregate lending. The borrower distribution relative to the percent of LMI families in the AA was adequate during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families. Performance against aggregate lending was excellent, as the percentage of loans to both low- and moderate-income borrowers exceeded aggregate lending.

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.

In performing our analysis, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the Knoxville, Nashville, and Non-MSA TN AAs. The large number of competing institutions and dominance from top lenders in these markets somewhat affects the bank's ability to make small loans to businesses.

Knoxville MSA

The overall borrower distribution of small loans to businesses is poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was below aggregate lending, but adequate.

Nashville MSA

The overall borrower distribution of small loans to businesses is poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was below aggregate lending, but adequate.

Non-MSA TN

The overall borrower distribution of small loans to businesses is poor. The percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, reflecting very poor performance. The percentage of loans to small businesses was below aggregate lending, but adequate.

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 CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. 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.

Knoxville MSA

CD lending had a positive impact on lending performance in the Knoxville MSA, when considering the responsiveness to CD needs and initiatives. During the evaluation period, FTB originated 20 CD loans totaling \$53 million, or 16.58 percent of Tier 1 capital allocated to the AA.

A total of \$41.7 million or 78.82 percent of CD loans were for community services, \$6.5 million or 12.27 percent for affordable housing, and \$4.7 million or 8.91 percent for revitalization and stabilization. FTB representatives, through outreach efforts to community groups, identified homelessness and financial well-being as critical needs in the Knoxville area. This explains the large percentage of CD lending for community services.

The following is a sample of CD loans originated by FTB. The proceeds from these loans provided affordable housing and helped LMI individuals obtain employment.

- Two loans totaling \$1.96 million to a Knoxville-based real estate development firm to support affordable housing projects for LMI families. The two loans included: (1) a renewal of a \$1.75 million line of credit to fund short-term capital needs associated with residential development projects that qualify for low income housing tax credits; and (2) a \$210 thousand letter of credit to support the renovation of a 200 unit Section 8 apartment complex in Knoxville.
- A \$2.9 million loan to support renovation of an apartment complex designed to accommodate affordable housing for LMI families.
- A \$500 thousand line of credit renewal to a Blount County organization that provides affordable housing for LMI families. The organization is dedicated to eliminating substandard housing locally through constructing, rehabilitating and preserving homes, and by providing training and access to resources to help families improve their shelter conditions.

- A \$250 thousand loan renewal for a nonprofit organization to finance working capital for the center that assists adults with intellectual disabilities. The center is located in a low-income geography and serves approximately 100 adults with intellectual disabilities by offering a comprehensive program of vocational training, life skills training, job placement and residential services. Though income is not a factor for enrolling in this program, the individual's income is noted and approximately 95 percent are on disability and eligible for state assistance.

Nashville MSA

CD lending had a positive impact on lending performance in the Nashville MSA, when considering the responsiveness to CD needs and initiatives. During the evaluation period, FTB originated 20 CD loans totaling \$52.9 million or 12.90 percent of Tier 1 capital allocated to the AA.

A total of \$20.5 million or 38.87 percent of CD loans were for community services, \$19.1 million or 36.12 percent for economic development, \$9.5 million or 18.03 percent for revitalization and stabilization, and \$3.7 million or 6.98 percent for affordable housing. FTB representatives, through outreach efforts to community groups identified affordable housing, identified financial education and youth development as community needs in the Nashville market. FTB's CD lending aligns with these needs. Loans to provide upgraded school facilities in Murfreesboro, and affordable housing with a loan to an apartment complex indicate FTB's focus on these specific community needs.

The following is a sample of CD loans originated by FTB. The proceeds from these loans created permanent jobs to LMI individuals, and supported other critical CD services.

- Project financing totaling \$19.1 million for the redevelopment of a defunct mall located in a low-income CT. The new facility will house the Bridgestone Corporation for tire manufacturing and will employ 450 workers, of which a majority is LMI individuals. This project was critical for the redevelopment of this empty facility and met an identified need for jobs and revitalization in the area.
- A \$10.4 million loan to the city of Murfreesboro that supported various public works projects. Murfreesboro City Schools (MCS) used \$5.2 million of the loan proceeds to purchase computer equipment for the city schools' technology programs and to address other critical needs of the community. Murfreesboro is a HUD-designated entitlement city and these proceeds will benefit the growth of the city. Of the current existing 12 schools in the MCS district, 66.6 percent qualify in the free and/or reduced lunch program, which help provide nourishment to children of LMI households.

- A \$300 thousand CD loan to a nonprofit childcare center. The nonprofit organization offers daycare and early childhood education to youth, with ages ranging from 6 weeks to 12 years. The organization's targeted clientele is LMI families.
- A \$249 thousand CD loan to a non-profit organization that provides after school educational support, career development, job training, financial education, and other life skills training to children from LMI households. The organization used the loan proceeds to purchase three school buses.

Non-MSA TN

CD lending had a positive impact on lending performance in the Non-MSA TN when considering the responsiveness to CD needs, and initiatives. During the evaluation period, FTB originated 11 CD loans totaling \$35.5 million or 35.53 percent of Tier 1 capital allocated to the AA. A total of \$32 million or 90 percent were for revitalization and stabilization, and \$3.5 million or 9.9 percent for community services. The following is a sample of CD loans originated by FTB.

- A \$1 million line of credit renewal for a local college to provide financing for working capital needs, including seasonal needs related to timing of tuition receipt. The college is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award baccalaureate and master's degrees. The majority of the students who attend the college are from the distressed areas of Appalachian TN and/or low-income households.
- A \$525 thousand loan to a nonprofit foundation for scholarship and leadership programs. The foundation is an operating foundation conducting its own programs primarily to improve education in East Tennessee, with LMI individuals as primary beneficiaries. Scholarship recipients are chosen primarily for their leadership potential and commitment to the betterment of themselves and their home communities. Scholarship recipients participate in leadership programs and commit to return to the region for work and service in their chosen professions upon graduation. The partnership projects of the foundation are designed to help rural school districts become more successful, with emphasis placed on schools facing economic, leadership and substandard student performance challenges.
- A \$250 thousand loan renewal to provide working capital to a nonprofit organization that offers childcare programs, including after school and summer programs for children in its distressed area. The organization is the largest provider of childcare services in the United States.

Outside Delineated AA

FTB originated 19 CD loans totaling \$48 million outside the delineated AA benefitting other areas within the state of Tennessee.

The following is a sample of CD loans originated by FTB. The proceeds from these loans helped the development of distressed areas and supported employment of LMI individuals.

- A \$2 million loan to the City of McMinnville to finance renovation of a blighted city-owned theatre building, located in a middle-income, poverty-distressed CT that will benefit the citizens of Warren County, support the Main Street McMinnville efforts and contribute to the financial growth of McMinnville. The City's use of loan proceeds include but are not limited to serving as a venue for community theatre, children's theatre, music/dance performances, touring companies, classic films/children's films, teen activities, and senior citizens activities.
- A \$13 million line of credit (\$10 million working line of credit renewal and a \$3 million equipment line of credit renewal) for a manufacturer of household furniture. The manufacturing facility is approximately one million square feet and employs 375 employees in the Morristown area. According to the Bureau of Labor Statistics, the mean annual wage of Production Occupations in Morristown, TN is \$30,160, which is less than 80 percent of the median family income of \$51,500 for the Morristown MSA. Hamblen County, where the manufacturer is located, has been identified as an economic at-risk county by the Appalachian Regional Commission. Although this company sits in a middle-income CT, it is contiguous to two moderate-income CTs and would employ LMI residents from those tracts.
- A \$1.5 million loan to the City of Martin to finance a portion of the costs related to the city's Downtown Enhancement Project. The city will be constructing and equipping a building at the City's Farmers Market. Funds will be used for construction, renovation and improvement of sidewalks and the City's Greenway. Proceeds will also provide the acquisition, construction and equipping of a Safe Room/Senior Citizen Center and street and road improvements. The property is located in a distressed/underserved CT.
- A \$360 thousand loan to the City of Shelbyville with funds used to purchase essential community service equipment. Bedford County is a distressed/underserved community.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of Tennessee. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Cleveland, Johnson City, Kingsport Bristol-Bristol TN/VA, and Morristown MSAs is weaker than the bank's overall High Satisfactory performance under the Lending Test in Tennessee. The weaker performance is related to the home mortgage lending and small loans to businesses. In the Jackson MSA, the bank's performance is much weaker than the bank's overall performance in the state. The much weaker performance in the Jackson MSA is related to the home mortgage, small loans to businesses, and CD lending. Performance in the limited-scope areas did not have a material impact on the Lending Test rating in the state. Refer to the Tables 1 through 12 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

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 bank's performance under the Investment Test in the state of Tennessee is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Knoxville and in Nashville MSAs is excellent. The bank's performance in Non-MSA Tennessee is adequate.

Knoxville MSA

During the evaluation period, FTB made 190 investments in the Knoxville MSA totaling \$30.3 million. In addition, there were two prior period investments with a total value of \$2.1 million outstanding at the end of the evaluation period. These prior period investments provide continued benefit to the AA. Total investments of \$32.4 million represented 9.50 percent of Tier 1 capital allocated to the AA. There were no unfunded commitments at the end of the evaluation period. The majority of investments were associated with \$18.9 million in three LIHTCs supporting the development of three affordable housing complexes for LMI families and individuals with disabilities. The \$18.9 million included a \$6.2 million LIHTC investment by the First Tennessee Housing Corporation to support access to affordable housing through the construction of an 299 unit apartment complex. Investments in community services were also notable with \$5 thousand granted to 87 agencies in the AA.

Although the Knoxville MSA had a large number of investment opportunities, competition is moderate-to-high with large regional banks competing for qualified investments in this market. The bank's

responsiveness to the CD needs was excellent based on the volume of investments related to affordable housing.

Nashville MSA

During the evaluation period, FTB made 117 investments in the Nashville MSA totaling \$27.7 million. In addition, there were three prior period investments with a total value of \$2.1 million outstanding at the end of the evaluation period. These prior period investments provide continued benefit to the AA. Total investments of \$29.8 million represented 6.69 percent of Tier 1 capital allocated to the AA. There were no unfunded commitments at the end of the evaluation period. The majority of investments were associated with \$23 million in LIHTC and bonds to support two affordable housing complexes for LMI families. Investments in community services were also notable with \$1.2 million granted to 82 agencies in the AA.

Although the Nashville MSA had a large number of investment opportunities, competition is very high with large national and regional banks competing for qualified investments in this market. The bank's responsiveness to the CD needs in the AA was excellent based on the volume of investments associated with providing for affordable housing.

Non-MSA Tennessee

During the evaluation period, FTB made 36 investments in the Non-MSA Tennessee totaling \$1.7 million or 1.82 percent Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period. The majority of investments were centered in MBS supporting the development of affordable housing complexes for LMI families. Non-MSA Tennessee had a reasonable number of investment opportunities. Competition is moderate with local community banks competing for qualified investments in this market. The bank's responsiveness to the CD needs in the AA was adequate based on the volume of investments associated with construction of affordable housing.

Conclusions for Area Receiving Limited-Scope Reviews

The bank's investment performance in the limited scope AAs, statewide Tennessee, and Broader Region was weaker than the bank's overall High Satisfactory performance in the full scope AAs under the Investment Test. The weaker performance is due to a much lower volume of investments. Performance in these areas did not have a material impact on the Investment Test rating in the state.

Limited Scope Reviews

Performance in the Jackson, Johnson City, Kingsport-Bristol-Bristol TN/VA and Morristown MSAs was impacted by limited investment opportunities. The investments during the evaluation period in these markets were as follows: Jackson MSA – 19 investments totaling \$1.31 million (zero prior period investments outstanding); Johnson City MSA – 30 investments totaling \$1.87 million (zero prior period investments outstanding); Kingsport-Bristol-Bristol TN/VA – 33 investments totaling 1.54 million (one prior period investment with a negative \$218 thousand value); and Morristown MSA – 21 investments totaling \$1.62 million (one prior period investment valued at \$315 thousand). In addition, the bank made 12 investments in the Cleveland MSA totaling \$283 thousand (one prior period investment was valued at \$1.35 million). Due to accounting rules for low-income housing tax credits, a prior period investment in the Kingsport-Bristol-Bristol TN/VA MSA had a negative value of \$218 thousand at December 31, 2016. The bank had contributed an initial \$100 equity contribution as of the evaluation date, with plans to make additional contributions when construction is completed. The additional contributions will positively impact the value. The prior period investments in all limited scope AAs provide continued benefit. Refer to Table 14 in the state of Tennessee section of appendix D for the facts and data that supports this conclusion.

Tennessee Statewide

During the evaluation period, FTB made four investments totaling \$5.3 million in the greater statewide area with a purpose, mandate, or function to serve the AA. Additionally, four prior period investments with a total value of \$2.4 million remained outstanding at the end of the evaluation period. In the greater statewide area, there were no unfunded commitments at the end of the evaluation period. Refer to the Table 14 in the state of Tennessee section of appendix D for the facts and data that support these conclusions.

Broader Regional with a Purpose, Mandate, or Function (P/M/F)

P/M/F represents investments made outside of the bank's AA that has the potential to benefit one or more of the bank's AA. During the evaluation period, FTB had 14 investments totaling \$4.0 million in the broader regional area with a purpose, mandate, or function to serve the AA. In the broader regional area, there were no unfunded commitments at the end of the evaluation period. 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 the state of Tennessee is rated High Satisfactory. Based on the full-scope reviews, the bank's performance in the Knoxville and Nashville MSAs is good. Performance in the Non-MSA Tennessee markets is excellent.

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.

Knoxville MSA

FTB's branch distribution in the Knoxville MSA is excellent. Branches are readily accessible to all portions of the AA. Two of the 28 branches are located in low-income CTs. The percentage of branches in low-income CTs exceeds the percentage of population in low-income CTs. Seven branches are located in moderate-income CTs. The percentage of branches in moderate-income CTs exceeds the percentage of population in moderate-income CTs.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. During the evaluation period, the bank closed three branches, one in a moderate-income CT, one in a middle-income CT, and one in an upper-income CT. The closure of branches in the moderate- and middle-income CTs were due to low service volume, decreasing transaction trends, and limited future growth potential. The closed branch in the upper income CT was previously designed as a temporary location to establish a presence in the area until a new location was identified; the bank opened a new branch in an upper-income CT seven miles away within seven months of the branch closing. The bank opened three branches during the evaluation period. In addition to the previously discussed new branch in an upper-income CT, the bank opened one branch in a moderate-income CT and another branch in a middle-income CT.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI geographies or individuals. Services offered and hours of operation are comparable among locations regardless of income level of geography.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Nashville MSA

FTB's branch distribution in the Nashville MSA is good. Branches are accessible to essentially all portions of the AA. Two of 41 branches are located in low-income CTs. The percentage of branches in low-income CTs is below the percentage of population in low-income CTs. The bank has nine of 41

branches located in moderate-income CTs. The percentage of branches in moderate-income CTs exceeds the percentage of population in moderate-income CTs.

Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed four branches during the evaluation period. One closed branch was in a moderate-income CT, while three were in upper-income CTs. The branches were closed due to low service volume, decreasing transaction trends, and limited future growth potential. In all four cases, there were other FTB branches within 3.5 miles or less of the closed location. The bank opened two branches during the evaluation period, with both locations in moderate-income CTs.

Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Non-MSA Tennessee

FTB's branch distribution in the Non-MSA Tennessee AA is excellent. Branches are readily accessible to all portions of the AA. There are no low-income CTs in the AA. The bank has three of 12 branches in moderate-income CTs. The percentage of branches in moderate-income CTs exceeds the percentage of population in moderate-income CTs.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed seven branches during the evaluation period. Four closed branches were located in middle-income CTs, while three were in upper-income CTs. The closures were due to a consolidation of business activity in branches within the AA. In five of the seven cases, other FTB branches were within five miles or less of the closed branches. Low service volume, decreasing transaction trends, and limited future growth potential were also factors in the closures. During the evaluation period, the bank opened six branches. Five of the branches were located in middle-income CTs while one was in an upper-income CT.

Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

Knoxville MSA

FTB's performance in providing CD services in the Knoxville MSA is good. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families. The bank participated with organizations that provided affordable housing initiatives in the AA. There were a total of 1,317.75 hours devoted to CD services to 43 organizations. There were 131 service opportunities involving board member positions with 387.75 hours served. Of the CD service hours devoted, 98.29 percent were for financial education or providing financial expertise and 1.71 percent was for affordable housing related programs. Some of the more noteworthy services are described below:

- FTB had an employee serve as a board member of a local CDC whose mission is to provide affordable housing for LMI persons in Blount, Monroe, Loudon and Sevier counties. Persons with income as low as \$20,000 could qualify for a home.
- FTB had employees serve as a board member in two different organizations that provide affordable housing and services such as free food delivery to senior citizens.
- FTB had an employee serve as a board member of the local United Way Chapter.
- FTB employees provided financial expertise for fundraisers for organizations that meet the CD purpose, i.e. Salvation Army.
- The bank also had several employees serve as board members of organizations that provide services to low-income persons, and at-risk youth in the AA.
- The bank devoted 1,295.25 total hours to financial literacy or providing financial expertise.

Nashville MSA

FTB's performance in providing CD services in the Nashville MSA is good. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families.

The bank participated with organizations that provided affordable housing initiatives in the AA. There were a total of 1,036.30 hours devoted to CD services to 57 organizations. There were 140 service opportunities involving board member positions with 886.25 hours served. Of the CD service hours devoted, 94.43 percent were for financial education or providing financial expertise and 5.57 percent were for affordable housing related programs. Some of the more noteworthy services are described below.

- The bank plays a leadership role with board membership for the Habitat of Humanity of Memphis, which provides affordable housing to LMI persons.
- FTB employees hold board membership positions in other local affordable housing programs.
- FTB employees had board membership and devoted many hours to a local civic club which donated eyeglasses to LMI persons.
- FTB employees had several board membership positions for organizations that provide services to low-income persons, and at-risk youth in the AA.
- FTB employees had board membership position and volunteer hours for the oldest childcare organization in Middle Tennessee. This is a 501(c)(3) non-profit which provides many services to LMI persons.
- FTB employees had board membership in a local hospital foundation that provides health services to LMI persons
- FTB had an employee serve as a board member of the local United Way Chapter.
- FTB had an employee serve as a board member of a local organization that provides housing and other community services to low-income elderly and disabled person.
- The bank devoted 978.50 hours to financial literacy or providing financial expertise.

Non-MSA Tennessee

FTB's performance in providing CD services in the Non-MSA Tennessee AA is good. This area is part of the Appalachian region that has historically been poverty-stricken and a focus of government programs to improve financial situations in the area. There are some CD opportunities in the area. The bank's efforts demonstrated good responsiveness and a commitment to community needs by providing technical assistance on financial and banking related matters to community groups, LMI persons and families. The bank participated with organizations that provided revitalization and stabilization initiatives in the Non-MSA AA. There were a total of 930 hours devoted to CD services to 20 organizations. There were 37 service opportunities involving board member positions with 834.5 hours served. Of the CD service hours devoted, 74.14 percent were for financial education or providing financial expertise, and

25.86 percent were for revitalization and stabilization related programs. Some of the more noteworthy services are described below.

- FTB employees devoted 240.50 hours and one officer served on the board for CityScape. This is a non-profit tax-exempt organization created to establish a partnership between public and private sectors dedicated to the revitalization of the Historic Downtown Cookeville business district. As an official Main Street program, CityScape is certified on the state and national levels by the National Trust for Historic Preservation.
- FTB employees devoted hours on a similar project for the revitalization of Historic Downtown Sevierville, which is located in a LMI census tract.
- The bank also had several employees serve as board members of organizations that provide services to low-income persons, and at-risk youth in the AA.
- FTB employees held board membership positions in The Highlands Economic Partnership. This initiative is providing jobs in the region, by attracting new business into the city of Cookeville, county of Putnam area.
- FTB employees provided financial expertise for projects of the local United Way Chapter.

Conclusions for Areas Receiving Limited-Scope Reviews

The bank's performance in limited-scope AAs did not impact the overall conclusions for the Service Test. The bank's performance under the Service Test in the Morristown MSA is stronger than the bank's overall performance under the Service Test in the state of Tennessee due to a stronger branch distribution. The bank's performance in the Cleveland and Kingsport Bristol-Bristol TN/VA MSAs is consistent with the bank's overall High Satisfactory performance. The bank's performance in the Jackson and Johnson City MSAs is weaker than the bank's overall performance due to a weaker branch distribution. Refer to Table 15 in the state of Tennessee section of appendix D for the facts and data that support these conclusions.

State Rating

State of Texas

CRA Rating for Texas⁷:	Satisfactory
The lending test is rated:	Low Satisfactory
The investment test is rated:	Low Satisfactory
The service test is rated:	Needs to Improve

The major factors that support this rating include:

- Limited overall performance due to the bank's short period of operation in Texas (March 16, 2016, through December 31, 2016) and limited presence with one branch in the Houston MSA;
- An insufficient volume of home improvement, home refinance, and small loans to businesses to perform a meaningful analysis of these products;
- An overall adequate geographic distribution of home purchase loans throughout the AA;
- An overall adequate distribution of home purchase loans by borrower income levels;
- No CD loans in the AA during the evaluation period, which was impacted by the limited evaluation period;
- An adequate level of CD investments, reflecting adequate responsiveness to CD needs within the AA;
- Poor branch distribution, as evidenced by the one branch in an upper-income CT within the

⁷ 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.

Houston MSA; and,

- No responsiveness to community needs, with no CD services rendered during the evaluation period. The short evaluation period was a factor in the conclusions for CD services and overall rating under the Service Test.

Description of Institution's Operations in Texas

FTB's AA within the state of Texas consists of the Houston MSA. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. FTB operates one branch within the Houston MSA as a private client office. The bank opened the branch on March 16, 2016. Private client offices provide limited consumer transactions, which are available to all consumers visiting the location. However, traditional services such as instant issuance of debit cards and cash advances are not provided. Operating hours are condensed when compared to other FTB branches. FTB does not have any deposits in this market. The top five depository institutions account for 73.25 percent of deposits in the AA, and JPMorgan Chase Bank has the largest share at 42.95 percent.

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

Scope of Evaluation in Texas

We performed a full-scope review on the Houston MSA since this geography represents the bank's only AA in the state of Texas. The review period was March 16, 2016, through December 31, 2016. Refer to the table in Appendix A for more information.

We contacted two local organizations within the AA during the evaluation. The two organizations described the following needs:

- A need for general financing for small business, affordable housing, workforce development, and financial education specifically for potential homebuyers; and,
- A need for affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The bank's performance under the Lending Test in the state of Texas is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Houston MSA is adequate. We placed the greatest weight on home purchase loans, as this represented the vast majority of lending activity during the short performance period. Much less weight was placed on other lending products due to very low or no volumes.

Lending Activity

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

The 2016 Peer Mortgage and CRA Data was not available for review during the CRA evaluation in July 2017. Data for 2015 was of no value, since the bank opened the branch in March 2016. However, the bank's overall lending activity is adequate, considering the strong competition for all types of loans in the AA and short duration of the evaluation period. The volume of home mortgage loans in a reasonably short period represent the primary basis for the adequate conclusion.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level is adequate, based on performance for home mortgage lending which is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Texas 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.

According to 2010 U.S. Census data, only 5.75 percent of the 793,400 owner-occupied housing units in the AA are located in low-income CTs. In addition, only 20.95 percent (45,582) of the 217,531 housing units in low-income CTs are owner-occupied housing. The low percentage of owner-occupied housing

units in low-income CTs can present challenges for banks when attempting to originate home mortgages in low-income geographies. Given the challenges, the bank's performance in moderate-income CTs carried greater weight when coming to overall product conclusions.

The geographic distribution of home purchase loans is good, when considering performance in moderate-income CTs and performance against aggregate lending. The bank's geographic distribution relative to the percentage of owner-occupied units in LMI CTs was good during the evaluation period. The percentage of loans in low-income CTs was well below the percentage of owner-occupied units in those geographies, reflecting poor performance. However, the percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied units in those geographies, reflecting excellent performance. Performance against aggregate lending was excellent. The percentage of loans in both low- and moderate-income CTs exceeded aggregate lending, reflecting excellent performance.

The bank did not originate or purchase a sufficient volume of home improvement and home refinance loans to perform a meaningful analysis.

Small Loans to Businesses

Refer to Table 6 in the state of Texas 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 bank did not originate a sufficient volume of small loans to businesses to perform a meaningful analysis.

Lending Gap Analysis

We evaluated the lending distribution in the state of Texas to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of loans by income level is adequate, due primarily to performance in home purchase lending.

Home Mortgage Loans

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

In performing our analysis of home mortgage lending, we considered the general affordability of housing to LMI borrowers. The relatively high housing costs compared to LMI family income levels somewhat affects these borrowers' ability to purchase homes. In addition, home values increased 44.79 percent in the Houston MSA during the period 2014 to 2016. The escalating values affects LMI borrowers' ability to purchase homes and obtain affordable mortgages. In addition, a significant number of families (26.75 percent) in the Houston MSA are in the low- income category. Given the affordability issue and significant number of low-income families, lending to moderate-income borrowers carried more weight. Refer to the market profile in appendix C for additional information.

The borrower distribution of home purchase loans is good, when considering the affordability issue for LMI borrowers and lending to moderate-income borrowers. The borrower distribution relative to the percent of LMI families in the AA was good during the evaluation period. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, reflecting very poor performance. However, the percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families, reflecting excellent performance. Performance against aggregate lending was excellent. The percentage of loans to low-income borrowers was below aggregate lending but adequate. The percentage of loans to moderate-income borrowers exceeded aggregate lending, reflecting excellent performance.

The bank did not originate or purchase a sufficient volume of home improvement loans or home refinance loans to perform a meaningful analysis.

Small Loans to Businesses

Refer to Table 11 in the state of Texas 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 bank did not originate a sufficient volume of small loans to businesses to perform a meaningful analysis.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Texas 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.

CD lending had a neutral impact on lending performance in the Houston MSA, when considering the responsiveness, and initiatives. During the evaluation period, FTB did not originate any CD loans in the AA.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of Texas. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

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

The bank's performance under the Investment Test in the state of Texas is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Houston MSA is adequate. The bank's CD investments in the AA reflect adequate responsiveness to the identified needs of affordable housing and services targeted to LMI individuals. Competition in the Houston MSA is high with multiple nationwide financial institutions competing for qualified investments.

During the evaluation period, the bank made three investments in the Houston MSA totaling \$23 thousand. No Tier 1 capital was allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period. The majority of investments supported affordable housing. The investments included a \$10 thousand grant to an

organization endeavoring to transform lives of disadvantaged youth through skills training, meaningful internships and impactful relationships.

SERVICE TEST

The bank's performance under the Service Test in the state of Texas is rated Needs to Improve. Based on the full-scope review, the bank's performance in the Houston MSA is poor. CD services had a neutral impact on the final rating.

Retail Banking Services

Refer to Table 15 in the state of Texas 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.

FTB's branch distribution in the Houston MSA is poor. The bank's only branch in the AA is located in an upper-income CT. As previously discussed, the branch operates as a private client office that offers a limited number and type of consumer transactions (refer to discussions under "Description of Institution's Operations in Texas"). Operating hours are also limited or reduced, compared to hours at other FTB branches. The branch is only accessible to limited portions of the AA. Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank opened one branch in an upper-income CT during the evaluation period, and did not close any branches.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

There were no CD services performed in the Houston MSA.

State Rating

State of Virginia

CRA Rating for Virginia⁸:	Needs to Improve
The lending test is rated:	Needs to Improve
The investment test is rated:	Low Satisfactory
The service test is rated:	Low Satisfactory

The major factors that support this rating include:

- An overall poor responsiveness to AA credit needs based on poor lending levels, as evidenced by low volumes of home mortgage and small business lending;
- An insufficient volume of small loans to businesses, home purchase loans, home improvement loans, or home refinance loans during the three year evaluation period to perform a meaningful analysis;
- No CD loans in the AA during the evaluation period, reflecting no response to community needs;
- An adequate level of CD investments, reflecting adequate responsiveness to identified CD needs in the AA;
- An adequate branch distribution, with the only branch in a moderate-income CT reasonably accessible to essentially all portions of the bank's AA; and,
- A poor level of CD Services that were not responsive to community needs.

⁸ 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.

Description of Institution's Operations in Virginia

FTB has one AA within the state of Virginia, which is Henrico County within the Richmond MSA. FTB operates one branch (which is in a moderate-income CT, tract), one deposit-taking ATM, and a full range of products and services in the AA.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB has deposits totaling \$14.5 million and its market rank is 127th out of 136 deposit-taking institutions in the AA. FTB's market share of deposits within this AA is 0.01 percent. The top five depository institutions account for 97.36 percent of deposits in the AA, and Capital One Bank, NA has the largest share at 91.39.

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

Scope of Evaluation in Virginia

We performed a full-scope review on the Richmond MSA, since Henrico County within this MSA is the only AA in the state of Virginia. The review period was January 1, 2014, through December 31, 2016. Refer to the table in Appendix A for more information.

We contacted one local organization within the AA during the evaluation. The one organization described the following needs:

- A need for affordable housing of less than \$100 thousand for LMI residents; and,
- A need for financial education for residents within the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS in VIRGINIA

LENDING TEST

The bank's performance under the Lending Test in the state of Virginia is rated Needs to Improve. Based on the full-scope review, the bank's performance in the Richmond MSA is poor. Overall lending levels were low with an insufficient volume to perform a meaningful analysis. The limited branch presence is also a factor in the poor performance.

Lending Activity

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

The bank's overall lending activity is poor. The bank's lending activity for both home mortgage and small business lending is poor.

Based upon 2015 Peer Mortgage Data, the bank achieved a 0.08 percent market share of home purchase loans, ranking 89th among 226 reporting lenders and is equivalent to being in the top 39.38 percent of lenders. The top five home purchase lenders collectively had 31.02 percent of the total market share. The bank did not achieve a market share of home improvement loans. The top five home improvement lenders collectively had 64.72 percent of the total market share. The bank achieved a 0.08 percent market share of home refinance loans, ranking 132nd among 261 reporting lenders and is equivalent to being in the top 50.57 percent of lenders. The top five home refinance lenders collectively had 39.12 percent of the total market share.

Based upon 2015 Peer CRA Data, the bank achieved a 0.06 percent market share of small loans to businesses, ranking 39th among 74 reporting lenders and is equivalent to being in the top 52.70 percent of lenders. The top five small loans to businesses lenders collectively had 64.65 percent of the total market share. Individual market shares of these national banks ranged from 7.04 percent to 24.04 percent.

Distribution of Loans by Income Level of the Geography

The bank did not achieve a sufficient volume of home mortgage and small loans to businesses within the AA to perform a meaningful analysis.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Virginia 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.

Small Loans to Businesses

Refer to Table 6 in the state of Virginia 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.

Lending Gap Analysis

We evaluated the lending distribution in the state of Virginia to determine if any unexplained, conspicuous gaps existed. We used basic dot density maps and other reports on HMDA and CRA loan data to compare the geographies where loans were made to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank did not achieve a sufficient volume of home mortgage loans or small business loans to perform a meaningful analysis within the AA.

Home Mortgage Loans

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

Small Loans to Businesses

Refer to Table 11 in the state of Virginia 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.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Virginia 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.

CD lending had a neutral impact on lending performance in the Richmond MSA, when considering the responsiveness, and initiatives. During the evaluation period, FTB did not originate any CD loans in the AA.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the state of Virginia. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

INVESTMENT TEST

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

The bank's performance under the Investment Test in the state of Virginia is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Richmond MSA is adequate. The bank's CD investments reflect adequate responsiveness to the identified needs of services targeted to LMI individuals and affordable housing. Competition in the AA is high as several financial institutions, including multiple nationwide banks with greater capacity and expertise, compete for qualified investments.

During the evaluation period, the bank made 23 investments in the Richmond MSA totaling \$68 thousand or 3.99 percent of Tier 1 capital allocated to the AA. There were no prior period investments outstanding, nor unfunded commitments at the end of the evaluation period.

The majority of investments supported community services targeted to LMI individuals, many of which focused on children and education. One notable investment included a \$5 thousand grant to a non-profit organization that provides a safe learning environment for at-risk youth in one of the most economically disadvantaged areas of Richmond. The investments also included a \$10 thousand grant to the local chapter of a nationwide organization that provides affordable housing to individuals who would not qualify for a traditional mortgage and individuals from unsafe and/or substandard living situations.

SERVICE TEST

The bank's performance under the Service Test in the state of Virginia is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the Richmond MSA is adequate, due primarily to performance under Retail Banking Services.

Retail Banking Services

Refer to Table 15 in the state of Virginia 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.

FTB's branch distribution in the Richmond MSA is adequate. The one branch, which is located in a moderate income CT, is reasonably accessible to all portions of the AA. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours at the one branch in the AA are comparable to other FTB branches. Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank did not open or close any branches during the evaluation period.

Bank-wide, in all markets, management complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these services, as no data was available to determine their impact on LMI individuals.

Community Development Services

FTB's performance in providing CD services in the Richmond MSA is poor. The bank's efforts demonstrated poor responsiveness and a lack of commitment to community needs and the needs of LMI families. The bank participated with seven organizations that provided community services in the Richmond MSA, which resulted in 16 CD service hours. There were five services involving board member positions with 11.5 hours served. Of the CD service hours devoted, 94 percent were for financial education or providing financial expertise and 6 percent was for initiatives providing affordable housing. Some of the more noteworthy services are described below.

- Financial literacy and financial expertise was offered to organizations that provide services to LMI families. In addition, several bank employees served as board members for organizations that provide services to low-income persons, and at-risk youth in the AA.

- FTB also had an employee serve on the board for the Virginia Small Business Financing Authority. This is a 501 (c) (3) non-profit organization. This entity offers loans to businesses and non-profit organizations, credit enhancements to banks that are lending to businesses and non-profit organizations, and bond financings to benefit for-profit businesses.

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): 01/1/14 to 12/31/16 (Florida- 01/01/15 to 12/31/16: Texas - 03/16/16 to 12/31/16) Investment and Service Tests and CD Loans: 04/08/14 to 12/31/16 (refer to above dates under Lending Test for Florida and Texas)	
Financial Institution		Products Reviewed
First Tennessee Bank, NA Memphis, Tennessee 38103		Home Mortgage, Small Business, Community Development Loans, Retail and Community Development Services, and Qualified Investments
Affiliate(s)	Affiliate Relationship	Products Reviewed
First Tennessee Housing Corporation (FTHC)	Affiliate	Community Development Investments
First Tennessee New Markets Tax Corporation (FTNMC)	Bank Subsidiary	
First Horizon Foundation	Affiliate	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Chattanooga TN-GA-MMSA	Full Scope	Catoosa County, GA (047), Hamilton County, TN (065)
Memphis TN-MS-AR MMSA	Full Scope	Desoto County, MS (33); Tate County, MS (137) and Shelby Country, TN (157)
<u>State of Florida</u>		
Jacksonville MSA	Full Scope	Duval County, FL (031)

<p><u>State of North Carolina</u></p> <p>Raleigh-Cary MSA</p> <p>Winston-Salem MSA</p> <p>Greenville MSA</p> <p><u>State of South Carolina</u></p> <p>Charleston-North Charleston</p> <p><u>State of Tennessee</u></p> <p>Knoxville MSA</p> <p>Nashville-Davidson-Murfreesboro-Franklin MSA</p> <p>Non-MSA Tennessee</p> <p>Cleveland MSA</p> <p>Jackson MSA</p>	<p>Full Scope</p> <p>Full Scope</p> <p>Limited Scope</p> <p>Full Scope</p> <p>Full Scope</p> <p>Full Scope</p> <p>Limited Scope</p> <p>Limited Scope</p>	<p>Wake County, NC (183),</p> <p>Forsyth County, NC (067),</p> <p>Pitt County, NC (147)</p> <p>Charleston County, SC (019)</p> <p>Blount County (009), Knox County (093), Roane County (145)</p> <p>Davidson County (037), Maury County (119), Rutherford County (149), Summer County (165), Williamson County (187), Wilson County (189).</p> <p>Greene County, TN (059), Sevier County (155), Putnam County (141), Marshall County (117), Lawrence County (099), Humphreys County (085) White County (185).</p> <p>Bradley County (011)</p> <p>Madison County (113)</p> <p>Unicoi County (171) Washington County (179)</p> <p>Sullivan County (163)</p>
---	--	---

Johnson City, TN VA MSA	Limited Scope	Hamblen County (063) Jefferson County (089)
Kingsport Bristol-Bristol, TN VA MSA	Limited Scope	
Morristown.TN	Limited Scope	
<u>State of Texas</u>		Harris County, TX (201)
Houston MSA	Full Scope	
<u>State of Virginia</u>		Henrico County, VA (087)
Richmond MSA	Full Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS First Tennessee Bank, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multistate Rating
First Tennessee Bank, NA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Chattanooga MMSA (TN-GA)	High Satisfactory	Outstanding	Outstanding	Satisfactory
Memphis (TN-MS-AR) MMSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State of North Carolina	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of South Carolina	Needs to Improve	Low Satisfactory	Needs to Improve	Needs to Improve
State of Tennessee	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Texas	Low Satisfactory	Low Satisfactory	Needs to Improve	Satisfactory
State of Virginia	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve

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

Appendix C: Community Profiles for Full-Scope Areas

Chattanooga TN-GA MMSA

Demographic Information for Full Scope Area: Chattanooga TN-GA MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	93	9.68	19.35	36.56	33.33	1.08
Population by Geography	400,405	6.97	13.74	39.41	39.88	0.00
Owner-Occupied Housing by Geography	106,048	3.27	10.13	42.04	44.56	0.00
Business by Geography	29,175	6.96	22.75	34.86	35.34	0.09
Farms by Geography	621	4.19	13.37	38.49	43.96	0.00
Family Distribution by Income Level	104,405	20.31	16.19	19.69	43.81	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	38,105	12.71	18.42	43.48	25.39	0.00
Median Family Income	54,527	Median Housing Value		147,454		
FFIEC Adjusted Median Family Income for 2016	61,300	Unemployment Rate (2010 US Census)		4.39%		
Households Below Poverty Level	14%					

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Chattanooga TN-GA MMSA is an area consisting of six counties, three in southeast Tennessee (Hamilton, Marion, and Sequatchie) and three in northwest Georgia (Catoosa, Dade, and Walker). FTB's AA consists of Catoosa County in Georgia and Hamilton County in Tennessee. According to 2010 Census data, there were 93 census tracts in the AA, of which nine (9.68 percent) were low-income, 18 (19.35 percent) moderate-income, 34 (36.56 percent) middle-income, 31 (33.33 percent) upper-income, and one (1.08 percent) not applicable.

FTB's AA in the states of Georgia and Tennessee:***Catoosa County, Georgia and Hamilton County, Tennessee***

According to 2010 US Census data, the population of Catoosa County was 63,942. The median income for a household in the county was \$46,544 and the median income for a family was \$54,796. According to 2010 US Census data, the population of Hamilton County was 336,463. The median income for a household in the county was \$38,930 and the median income for a family was \$48,037.

According to 2010 U.S. Census data, the total population of the AA was 400,405, with the majority (84 percent) residing in Hamilton County. Low-income families represented 20.31 percent and moderate-income families represented 16.19 percent of total families in the AA population. In the AA, 13.62 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income for the AA was \$61,300. Low-income families earned annual income of \$30,650 or less, and moderate-income families earned annual income of \$30,651 to \$49,040.

According to the June 30, 2016 FDIC Summary of Deposits Report, FTB's deposits in the AA total \$2.3 billion or 11.07 percent of the bank's total deposits. The Chattanooga AA is the bank's fourth largest AA in terms of deposits held. FTB's deposits represent 28.06 percent of the market, which ranks first out of 19 depository institutions. The other depository institutions within this AA with less market share are SunTrust Bank (20.60 percent), Regions Bank (14.41 percent), Pinnacle Bank (7.48 percent), Bank of America, N.A. (4.96 percent) and First Volunteer Bank (4.17 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate for both Catoosa and Hamilton counties was 5.4 percent as of December 2014. The rate declined to 4.6 percent for Catoosa County and 4.8 percent for Hamilton County as of December 2016. These percentages were in the general range of the 4.70 percent unemployment rate for the state of Tennessee and U.S. economy as of December 2016. However, the unemployment rate for the state of Georgia was higher at 5.30 percent.

The Chattanooga TN-GA MMSA economy includes a diversified and growing mix of manufacturing and service industries. The top employers include Blue Cross Blue Shield of Tennessee, Erlanger Health System, Tennessee Valley Authority, Amazon, Unum, and McKee Foods Corp. The leading industries are state and local government, manufacturing, education and health services, and retail.

Ample job opportunities and rising wages are attracting more people to Chattanooga, and the population of prime-age workers is climbing at a faster pace than the state average. Population growth in 2016 ranked among the best in Tennessee and exceeded the U.S. average, bolstered by net migration.

According to Moody's Analytics, manufacturing is a key driver and source of strength. The area is outperforming the region and the nation; manufacturing employment is just 7 percent below where it was prior to the 2008 recession. Volkswagen's newly expanded facility is operational, and the production of a second sport-utility vehicle has further bolstered production and jobs at the factory.

Housing

According to the 2010 U.S. Census, 60.45 percent of the total housing units in the AA were owner occupied, and 29.65 percent were rental occupied units. Just over three (3.27) percent of all owner occupied units and 14 percent of renter occupied units were located in low-income CTs. Additionally, 6.49 percent of all single family (1-4 unit) homes and 15.43 percent of multifamily (5 plus unit) housing units were located in low-income CTs. Just over 10 (10.13) percent of all owner occupied units and 22.23 percent of renter occupied units were located in moderate-income CTs. Additionally, 13.48 percent of all single family (1-4 unit) homes and 26.50 percent of multifamily (5 plus unit) housing units were located in moderate-income tracts. The weighted average median housing value was \$147,454 and the median monthly gross rent was \$669. Homeowners and renters with home-related costs that exceed 30 percent of their income totaled 14.08 and 12.57 percent, respectively. The level of vacant units within this AA was 2,242 or 12.91 percent and 3,663 or 21.09 percent for low-income and moderate-income tracts, respectively. According to Moody's Analytics, house prices are already five percent above peak levels prior to the 2008 recession, encouraging more developers to enter the market.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$30,650 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$142,738 mortgage with a payment of \$766 per month. A moderate-income borrower making \$49,040 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$228,381 mortgage with a payment of \$1,226 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,141. The median housing value in the AA was \$163,900 and \$212,500 in 2014 and 2016, reflecting a percent change of 29.65 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, a representative from a community-based organization operating in the AA indicated significant community needs include affordable housing, and CD activities including outreach.

According to the community contact, there is a major need for affordable housing, single and multifamily development, and rehabilitation. In addition, the contact indicated FTB was one of few banks beginning to collaborate on affordable housing programs, utilizing the state's Community Investment Tax Credit program. The community representative mentioned the local credit union was the most aggressive lender in the market. The contact shared a need for banks to volunteer in support of CD development organizations.

As stated by the City of Chattanooga's Community Development Action Plan, the City is in the midst of a community, economic and civic renewal that has been driven by local priorities that include safer streets, smarter students and stronger families, stronger neighborhoods, sounder government, and growing economy. The City will target its CD funds to assist in the renewal for LMI citizens in the areas of housing and community development. Goals developed through the community input process include the following:

- Increase the supply of affordable rental and single-family housing.
- Preserve the existing affordable housing stock.
- Provide housing and services to the special needs population.
- Increase/improve opportunities for citizens to access/retain affordable housing.
- Support neighborhood stabilization and development through public improvements.
- Promote economic development activities.

Overall, there are sufficient opportunities for financial institutions to participate in CD activities.

Memphis TN-MS-AR MMSA

Demographic Information for Full Scope Area: Memphis TN-MS-AR MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	259	20.46	22.01	25.87	29.73	1.93
Population by Geography	1,117,782	13.59	21.44	26.32	38.22	0.44
Owner-Occupied Housing by Geography	260,811	8.29	17.42	27.21	47.08	0.00
Business by Geography	59,457	9.30	18.63	24.70	46.50	0.87
Farms by Geography	1,295	6.18	14.83	25.95	52.59	0.46
Family Distribution by Income Level	272,948	23.54	16.03	17.31	43.12	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	107,997	24.12	32.13	25.81	17.94	0.00
Median Family Income		56,100	Median Housing Value		140,600	
FFIEC Adjusted Median Family Income for 2016		59,100			4.98%	
Households Below Poverty Level		16%	Unemployment Rate (2010 US Census)			

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Memphis TN-MS-AR MMSA is an area consisting of nine counties, three in southwest Tennessee (Fayette, Shelby, and Tipton), one in northwest Arkansas (Crittenden), and five in east Mississippi (Benton, Desoto, Marshall, Tate, and Tunica). The bank's AA (hereafter referred to as Memphis AA) consists of Desoto County and Tate County in Mississippi and Shelby County in Tennessee, respectively. According to 2010 Census data, there were 259 census tracts in the AA, of which 53 (20.46 percent) were low-income, 57 (22.01 percent) moderate-income, 67 (25.87 percent) middle-income, 77 (29.73 percent) upper-income, and five (1.93 percent) not applicable.

FTB's AA in the states of Mississippi and Tennessee:

DeSoto County, Mississippi

According to 2010 Census data, the population was 161,252. The median income for a family in the county was \$66,377 and the median income for a household was \$75,875. DeSoto has the highest median income in Mississippi.

Tate County, Mississippi

According to 2010 Census data, the population was 28,886. The median income for a family was \$41,423 and the median income for a household in the county was \$35,836.

Shelby County, Tennessee

According to 2010 Census data, the population was 927,644. The median income for a family in the county was \$47,386 and the median income for a household in the county was \$39,593. The county seat is Memphis.

According to 2010 U.S. Census data, the total population of the AA was 1,117,782, with the majority (83 percent) residing in Shelby County. Low-income families represented 23.54 percent and moderate-income families represented 16.03 percent of total families in the AA population. In the AA, 15.73 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income for the AA was \$59,100. Low-income families in the AA earned annual income of \$29,550 or less, and moderate-income families earned annual income of \$29,551 to \$47,280.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA total \$9.3 billion, which represents 44.55 percent of the bank's total deposits. The Memphis AA is the bank's largest AA in terms of deposits held. FTB's deposits represent 36.37 percent of the market, which ranks first out of 45 depository institutions. There is heavy competition for deposit and lending opportunities, with 45 depository institutions operating 301 branches in the AA. The other depository institutions with less market share account include Regions Bank (14.87 percent), SunTrust Bank, (8.26 percent), Bank of America, N.A. (4.82 percent), Independent Bank (3.31 percent), and BancorpSouth Bank (3.20 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate for DeSoto, Tate, and Shelby counties was 5.00 percent, 7.70 percent, and 6.80 percent, respectively, as of December 2014. These percentages declined to 4.00 percent, 5.40 percent, and 5.60 percent as of December 2016, compared to 4.70 percent for the state of Tennessee and the U.S. economy. However, the unemployment rate in the state of Mississippi was higher at 5.80 percent as of December 2016.

The Memphis area has a diverse economy. The top employers are Fed Ex Corporation, The Kroger Company, Wal-Mart Stores Inc., Technicolor, XPO Logistics Supply Chain, and Nike Inc. In addition, tourism is a major contributor to the AA economy. Major industries include state and local governments, restaurants, transportation, employment services, and couriers and express delivery services.

The growing number of tourists has spurred investment in boutique hotels, and several major redevelopment projects are under way or planned for downtown Memphis. This includes the \$1.2 billion expansion at St. Jude Children's Research Hospital and renovation of the convention center in a bid to attract large events. Redevelopment efforts aim to attract more people to live and work in the urban core, which would boost demand for housing, personal services and retail.

Housing

According to the 2010 U.S. Census, 55.87 percent of the total housing units in the AA were owner occupied, and 31.14 percent were rental occupied units. Just over eight (8.29) percent of all owner occupied units and 24.14 percent of renter occupied units were located in low-income census tracts. Additionally, 14.37 percent of all single family (1-4 unit) homes and 24.25 percent of multifamily (5 plus unit) housing units were located in low-income census tracts. Over 17 (17.42) percent of all owner occupied units and 27.66 percent of renter occupied units were located in moderate-income census tracts. Additionally, 21.10 percent of all single family (1-4 unit) homes and 25.93 percent of multifamily (5 plus unit) housing units were located in moderate-income tracts. The weighted average median housing value was \$140,600 and the median monthly gross rent was \$789. Homeowners and renters with home-related costs that exceed 30 percent of their income totaled 17.12 and 15.88 percent, respectively.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$29,550 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$137,616 mortgage with a payment of \$739 per month. A moderate-income borrower making \$47,280 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$220,185 mortgage with a payment of \$1,182 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$939. The median housing value in the AA was \$154,900 and \$174,900 in 2014 and 2016, reflecting a percent change of 12.91 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, a representative from a community-based organization operating in the AA indicated significant community needs include affordable housing programs, CD activities, and financial education, particularly in the area of budgeting, savings, and credit.

According to a community contact, the local banks have been more flexible in responding to the need for small dollar mortgages. Some of the banks are working with CD organizations to address this need. One of the major challenges is credit worthiness of potential homebuyers who are dealing with issues related to medical and utility bills. The community contact suggested credit counseling was a definite need, however there were not enough credit repair agencies to address the need since many of them had lost their funding from HUD during the recession. The community contact also mentioned the prevalence of vacant lots throughout Memphis and the need for subsidies to develop affordable single-family housing on the lots. From the multifamily perspective, Memphis does not receive a lot of funding from the state tax credit programs, as most of the funding goes to the rural areas in Tennessee.

The contact indicated FTB is one of the banks, which had begun to increase their involvement in the community, but felt there was a need for more banks to support local affordable housing efforts. Overall, there are sufficient opportunities for financial institutions to participate in CD activities.

State of Florida

Jacksonville FL MSA

Demographic Information for Full Scope Area: Jacksonville FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	173	9.83	28.32	37.57	24.28	0.00
Population by Geography	864,263	7.14	24.63	40.55	27.68	0.00
Owner-Occupied Housing by Geography	208,357	4.76	20.61	42.35	32.28	0.00
Business by Geography	85,978	5.20	24.87	37.14	32.79	0.00
Farms by Geography	1,917	4.43	20.14	42.88	32.55	0.00
Family Distribution by Income Level	208,156	23.20	18.23	21.81	36.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	86,246	11.83	34.14	39.67	14.36	0.00
Median Family Income		63,927	Median Housing Value		187,499	
FFIEC Adjusted Median Family Income for 2016		64,900	Unemployment Rate (2010 US Census)		4.51%	
Households Below Poverty Level		13%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Jacksonville, FL MSA is an area consisting of five counties (Baker, Clay, Duval, Nassau, and St. Johns). The bank's AA consists of Duval County. The 2010 U.S. Census recorded 173 census tracts in the AA, of which 17 (9.83 percent) were low-income, 49 (28.32 percent), moderate-income, 65 (37.57 percent) middle-income, and 42 (24.28 percent) upper-income tracts.

FTB's AA in the State of Florida (Duval County):

According to the 2010 US Census data, the population of the AA was 864,263. The median income for a household in the county was \$49,463 and the median income for a family was \$60,114. The county seat is Jacksonville.

Low-income families represented 23.20 percent and moderate-income families represented 18.23 percent of total families in the AA population. In the AA, 13.45 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income is \$64,900. Low-income families in the AA earned annual income of \$32,450 or less, and moderate-income families earned annual income of \$32,451 to \$51,920.

According to the June 30, 2016, FDIC Summary of Deposit Report, FTB had \$989 thousand in deposits in the AA. FTB's deposit market share and ranking in the AA was 0.01 percent and 26th, respectively. There are 29 deposit-taking institutions in the assessment area with a total of 197 branches. FTB has operated one branch and no ATMs in the AA. Institutions with the largest deposit market share include Bank of America, N.A. (43.28 percent), EverBank (32.19 percent), Wells Fargo Bank, N.A. (8.69 percent), Compass Bank (4.09 percent), and SunTrust Bank (2.77 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate for Duval County declined from 6.40 percent as of January 2015 to 4.80 percent as of December 2016. The AA unemployment rate was higher than the 5.80 percent for the state of Florida at the beginning of the evaluation period, but declined to levels slightly above the 4.70 percent for the state (and U.S. economy) as of December 2016.

According to Moody's Analytics, the Jacksonville MSA is in recovery. Wages increased twice as fast as the national rate in 2016. The top five employment sectors in the Jacksonville MSA are manufacturing, education and health services, professional and business services, leisure and hospitality, and retail trade. The top five employers in the Jacksonville MSA are Naval Air Station Jacksonville, Mayport Naval Station, Baptist Health System, Bank of America, and Wal-Mart.

Housing

According to the 2010 U.S. Census, owner occupied units totaled 54.32 percent of the housing in the Jacksonville AA. Total rental units represented 31.79 percent of the Jacksonville AA housing units. Housing in low-income and moderate-income census tracts represented 7.70 percent and 26.45 percent, respectively, of total housing units in the AA. The 2010 US Census indicated the AA's weighted average median housing value was \$187,499 and the median monthly gross rent was \$881.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$32,450 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$151,121 mortgage with a payment of \$811 per month. A moderate-income borrower making \$51,920 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$241,794 mortgage with a payment of \$1,298 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,503. The median housing value in the AA is \$199,900 and \$280,000 in 2014 and 2016 reflecting a percent change of 40.07 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified the banking needs of the Jacksonville MSA. Our contact included an executive director of a grass roots community group created to assist LMI families in Jacksonville recover from the economic downturn. There are many opportunities for financial institution involvement in community needs in the AA. There is a shortage of jobs in the AA. The community contact also identified banking and credit education and availability as a need. The bank also identified, through community contacts, homelessness and a need for financial education as a need in the AA.

State of North Carolina

Raleigh-Cary, NC MSA

Demographic Information for Full Scope Area: Raleigh-Cary NC MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	187	6.95	16.58	34.22	40.64	1.60
Population by Geography	900,993	6.21	19.34	36.37	37.60	0.48
Owner-Occupied Housing by Geography	215,485	1.97	16.96	38.16	42.91	0.01
Business by Geography	76,440	4.02	17.56	33.60	44.58	0.24
Farms by Geography	1,645	2.01	13.43	46.87	37.63	0.06
Family Distribution by Income Level	213,822	19.53	15.78	19.61	45.08	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	75,503	9.88	29.32	39.21	21.59	0.00
Median Family Income		74,783	Median Housing Value	242,361		
FFIEC Adjusted Median Family Income for 2016		76,600	Unemployment Rate (2010 US Census)	3.29%		
Households Below Poverty Level		9%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Raleigh-Cary NC MSA (Raleigh MSA) is an area consisting of three counties (Franklin, Johnston, and Wake). The bank's AA consists of Wake County. The 2010 U.S. Census recorded 187 census tracts in the AA, of which 13 (6.95 percent) were low-income tracts, 31 (16.58 percent) moderate-income, 64 (34.22 percent) middle-income, 76 (40.64 percent) upper-income tracts, and three (1.60 percent) not applicable.

FTB's AA in the State of North Carolina (Wake County):

According to 2010 US Census data, the population of the AA was 900,993. The county seat is Raleigh. The median income for a household in the county was \$54,988, and the median income for a family was \$67,149.

Low-income families represented 19.53 percent and moderate-income families represented 15.78 percent of total families in the AA population. In the AA, 8.64 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income was \$76,600. Low-income families earned annual income of \$38,300 or less, and moderate-income families earned annual income of \$38,301 to \$61,280.

According to the June 30, 2016 FDIC Summary of Deposits Report, FTB had \$399.3 million in deposits in the AA. FTB's deposit market share and ranking in the AA was 1.56 percent and 13th, respectively. There are 30 deposit-taking institutions in the AA operating 254 branches. Institutions with the largest deposit market share include Wells Fargo Bank (27.93 percent) Branch Banking and Trust Company (13.87 percent), Bank of America, N.A. (12.33 percent), First-Citizens Bank (9.84 percent) and Trust and PNC Bank, N.A. (8.86 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate in Wake County declined from 4.30 percent as of December 2014 to 4.10 percent as of December 2016. The AA unemployment rate remained below the same measurement for the state of North Carolina throughout the evaluation period, which stood at 5.10 percent as of December 2016. The AA unemployment rate was also below the 4.70 percent for U.S. economy as of December 2016.

According to Moody's Analytics, the City of Raleigh is one of the strongest economies in North Carolina. Higher wages are responsible for a surge in the labor force, which has risen 10 percent since 2014. This rise is three times higher than the national average. The top employment sectors in the Raleigh MSA are manufacturing, professional and business services, government, education, health services, and retail trade. The top five employers in the Raleigh MSA are IBM, WakeMed Health and Hospitals, North Carolina State University, Food Lion Stores, and Cisco Systems.

Housing

According to the 2010 U.S. Census, owner occupied units comprised 60.65 percent of the housing in the AA. Total rental units represented 30.96 percent of the AA housing units. Housing in low-income and moderate-income census tracts represented 5.88 percent and 20.51 percent, respectively, of total housing units in the AA.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$38,300 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$178,365 mortgage with a payment of \$958 per month. A moderate-income borrower making \$61,280 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$285,383 mortgage with a payment of \$1,532 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,690. The median housing value in the AA is \$227,700 and \$314,900 in 2014 and 2016, reflecting a 38.30 percent change from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified the banking needs of the Raleigh MSA. Our contact included a leader of a community investment corporation. There are many opportunities for financial institution involvement in community needs in the AA. There is a shortage of affordable multifamily housing in rural areas. In some areas, affordable multifamily units are being rehabbed to be made available for higher, less affordable rents. The bank also identified, through the bank's community contacts, food security and financial education as needs in the AA.

Winston-Salem NC MSA

Demographic Information for Full Scope Area: Winston-Salem NC MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	93	11.83	17.20	32.26	38.71	0.00

Population by Geography	350,670	8.63	19.63	32.01	39.74	0.00
Owner-Occupied Housing by Geography	90,028	3.46	12.46	36.72	47.37	0.00
Business by Geography	21,366	5.34	14.47	36.75	43.44	0.00
Farms by Geography	515	2.14	8.74	37.28	51.84	0.00
Family Distribution by Income Level	87,701	21.11	15.54	19.82	43.53	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,142	15.81	28.35	32.72	23.12	0.00
Median Family Income		56,529	Median Housing Value		151,608	
FFIEC Adjusted Median Family Income for 2016		57,000	Unemployment Rate (2010 US Census)		3.84%	
Households Below Poverty Level		14%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Winston-Salem MSA is an area consisting of five counties (Forsyth, Davidson, Davie, Stokes, and Yadkin). The bank's AA consists of Forsyth County. The 2010 U.S. Census recorded 93 census tracts in the AA, of which 11 (11.83 percent) were low-income, 16 (17.20 percent) moderate-income, 30 (32.26 percent) middle-income, and 36 (38.71 percent) upper-income.

FTB's AA in the State of North Carolina (Forsyth County)

According to 2010 U.S. Census data, the total population of the AA was 350,670. The county seat is Winston-Salem. The median income for a household in the county was \$42,097, and the median income for a family was \$52,032. Low-income families represented 21.11 percent and moderate-income families represented 15.54 percent of total families in the AA population. In the AA, 14.03 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income for the AA was \$57,000. Low-income families earned median annual income of \$28,500 or less, and moderate-income families earned an annual income of \$28,501 to \$45,600.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$102 million, which is 0.31 percent of the market. FTB ranks 11th out of 18 depository institutions. The top five depository institutions account for 95.77 percent of total deposits in the AA, and include Branch Banking and Trust Company (83.29 percent), Wells Fargo Bank, N.A. (7.14 percent), First-Citizens Bank and Trust Company (1.94 percent), Piedmont Federal Savings Bank (1.86 percent) and Bank of America, N.A. (1.54 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate in Forsyth County declined from 5.00 percent as of December 2014 to 4.70 percent as of December 2016. The AA unemployment rate remained below the same measurement for the state of North Carolina throughout the evaluation period, which stood at 5.10 percent as of December 2016. The AA unemployment rate as of December 2016 matched the 4.70 percent for the U.S. economy.

Major employment sectors include education, health, and social services. The major employers in this AA are WFU Baptist Medical Center (WFU), Novant Health, Reynolds American, Hanesbrands, and Forsyth County Hospital. There are several universities and colleges in the AA. These include Winston-Salem State University, Wake Forest University, Salem College, Forsyth Tech Community College and UNC School of the Arts. The two medical centers (WFU and Novant Health) account for 35 percent of jobs, local county schools account for 10 percent of jobs, local colleges and university account for 6 percent of jobs, and local government accounts for 6 percent of jobs in the AA. There are other prominent employers in the area that employ greater than 1,000 employees. These include American Airlines, PepsiCo, B/E Aerospace, YMCA of NW NC, AT&T, Lowes Food Stores, and several large banks.

Winston-Salem has established economic development areas to attract manufacturing and warehouse businesses. One of these areas is known as Wake Forest Innovation Quarter (WFIQ). It is home to more than 70 companies. This facility currently comprises 1.8 million square feet of office, laboratory and educational space on 145 acres. There are approximately 800 apartments and condominiums within or close by the WFIQ. Forsyth County is also a tier 3 designated area by the state of North Carolina under its One North Carolina Fund. The tiers are determined by the level of distress in the area. The tier 1 areas are the most distressed, while tier 3 areas are less distressed. Grants are provided for new job creation projects in the area, depending on the tier level.

Housing

According to the 2010 U.S. Census, 58.40 percent of the total housing units in the AA were owner occupied, and 30.22 percent are rental occupied units. Additionally, 3.46 percent of all owner occupied units and 17.43 percent of renter occupied units were located in low-income census tracts, and 12.46 percent of all owner occupied units and 31.90 percent of renter occupied units were located in moderate-income census tracts. Additionally, 7.23 percent of all single family (1-4 unit) homes and 14.91 percent of multifamily (5 plus unit) housing units were located in low-income tracts, and 16.55 percent of all single family homes and 36.07 percent of multifamily housing units were located in moderate-income tracts. The weighted average median housing value was \$151,608 and the median monthly gross rent was \$677. Homeowners and renters with home-related costs that exceed 30.00

percent of their income totaled 14.11 and 13.94 percent, respectively. Vacant units were 2,093 or 11.93 percent and 5,555 or 31.67 percent in low and moderate-income tracts.

There are relatively limited opportunities for residential mortgage lending in the AA's low-income geographies due to the low number of units, the low rate for owner occupancy, and high poverty rates. The poverty rate in low-income census tracts is 26.05 percent. There is more housing stock available in the moderate-income census tracts; however, the poverty rate in these tracts is high at 33.25 percent of the households. In addition, the number of housing units is much lower in LMI geographies than middle- and upper-income geographies.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$28,500 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$132,726 mortgage with a payment of \$713 per month. A moderate-income borrower making \$45,600 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$212,361 mortgage with a payment of \$1,140 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$993. The median housing value in the AA is \$149,900 in 2014 and \$184,900 in 2016, reflecting a 23.35 percent increase in housing values according to Realtor.com data.

Community Contact

Through our community contact program, a representative from a county government office providing Forsyth County residents affordable housing opportunities was interviewed. The representative from this entity indicated there is a need for affordable housing for low-to-moderate income families in the AA. He stated the local economy is improving, with noticeable development in areas that were hard-hit by the 2008 housing market crash. Wake Forest Medical School is now located in downtown Winston-Salem, and several biotech firms are within close proximity of the school. The downtown businesses are prospering, and many of the older building are being renovated and turned into condominiums and multi-family housing. His organization helps develop individuals and businesses toward a goal of being "bankable" and creditworthy. The contact indicated there were opportunities for financial institutions to provide education, training, and financial sponsorship for classes to LMI households in the area. He did express concern that low-income families and those living in financially depressed areas do not have sufficient access to bank branches, as banks consolidate, and close or shift to a more internet-focused business model. Overall, there are sufficient opportunities for financial institutions to participate in CD activities.

State of South Carolina

Charleston-North Charleston SC MSA

Demographic Information for Full Scope Area: Charleston-North Charleston SC MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	86	10.47	25.58	33.72	29.07	1.16
Population by Geography	350,209	7.55	23.17	36.92	32.36	0.00
Owner-Occupied Housing by Geography	85,019	3.30	17.11	39.14	40.44	0.00
Business by Geography	28,129	6.98	23.80	34.28	34.94	0.00
Farms by Geography	657	4.87	17.50	45.51	32.12	0.00
Family Distribution by Income Level	81,898	22.99	16.59	17.99	42.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,416	14.30	33.32	35.34	17.04	0.00
Median Family Income		60,579	Median Housing Value		305,905	
FFIEC Adjusted Median Family Income for 2016		68,200	Unemployment Rate (2010 US Census)		4.10%	
Households Below Poverty Level		15%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Charleston MSA consists of three counties (Berkeley, Charleston, and Dorchester). FTB's AA consists of Charleston County. The 2010 U.S. Census recorded 86 census tracts in the AA, of which nine (10.47 percent) were low-income tracts, 22 (25.58 percent) moderate-income tracts, 29 (33.72 percent) middle-income tracts, 25 (29.07 percent) upper-income tracts, and one (1.16 percent) not applicable.

FTB's AA in the State of South Carolina (Charleston County)

According to 2010 U.S. Census data, the total population of the AA was 350,209. The City of Charleston is the county seat. The LMI distribution of families by income level was 22.99 percent low-

income and 16.59 percent moderate-income. The percentage of households in the AA living below the poverty level was 15.14 percent. The 2016 FFIEC adjusted median family income for the AA was \$68,200. Low-income families earned annual income of \$34,100 or less, and moderate-income families earned annual income of \$34,101 to \$54,560.

According to the June 30, 2016 FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$11.12 million, representing 0.11 percent of the market. FTB is ranked 25th out of 28 depository institutions. The top five depository institutions in the AA are Wells Fargo Bank, N.A. (27.74 percent), Bank of America, N.A. (15.41 percent), and South State Bank (11.80 percent), Synovus Bank (6.27 percent) and CresCom Bank (5.55 percent). These institutions account for 66.77 percent of total deposits.

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rate in Charleston County declined from 5.20 percent as of December 2014 to 3.30 percent as of December 2016. The AA unemployment rate remained below the same measurement for the state of South Carolina throughout the evaluation period, which stood at 5.00 percent as of December 2016. The AA unemployment rate as of December 2016 was also below the same measurement for the U.S. Economy (4.70 percent).

According to Moody's Analytics, the Charleston MSA has experienced growth in manufacturing and technology firms, which has contributed to population growth, which in turn has contributed to growth in consumer industries. The top five employment sectors in the Charleston MSA are government, professional and business services, leisure and hospitality services, retail trade, and education and health services. The top five employers in the Charleston MSA are Joint Base Charleston, Medical University of South Carolina, MUSC Medical Center, Boeing Co., and Roper St. Francis.

Housing

According to the 2010 U.S. Census, 50.86 percent of the total housing units in the AA were owner occupied, and 31.60 percent were renter occupied. Of all owner occupied units, 3.30 percent were located in low-income census tracts, and 17.11 percent were located in moderate-income census tracts. Of all occupied rental units, 14.53 percent were located in low-income census tracts, and 28.23 percent were located in moderate-income census tracts. Additionally, 7.05 percent of all single family (1-4 units) homes and 9.42 percent of multifamily (5 plus units) housing units were located in low-income census tracts, and 18.32 percent of all single family homes and 22.15 percent of multifamily housing units were located in moderate-income census. The 2010 U.S. Census indicates that the weighted average median housing value was \$305,905, and the median monthly gross rent was \$914.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$34,100 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$158,805 mortgage with a payment of \$853 per month. A moderate-income borrower making \$54,560 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$254,088 mortgage with a payment of \$1,364 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,798. The median housing value in the AA is \$247,500 and \$335,000 in 2014 and 2016 reflecting a percent change of 35.35 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified banking needs of the Charleston MSA. There are many opportunities for financial institution involvement in community needs in the AA, particularly in the more rural areas. Our contact indicated community needs include programs or funding to support start-up businesses, as well as a need for mortgage lending, specifically long-term fixed rate mortgages. Due to the expected increase in interest rates, banks are offering primarily variable rate mortgages. Our contact was a local organization that focuses on providing assistance to new and existing small businesses.

State of Tennessee

Knoxville TN MSA

Demographic Information for Full Scope Area: Knoxville TN MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	151	5.96	15.89	47.02	27.81	3.31
Population by Geography	609,417	5.55	13.92	50.73	28.81	0.98
Owner-Occupied Housing by Geography	173,616	2.22	12.30	53.87	31.60	0.01
Business by Geography	35,567	4.87	17.33	42.67	34.54	0.60
Farms by Geography	938	2.24	13.01	52.99	30.92	0.85
Family Distribution by Income Level	158,246	18.93	16.44	20.81	43.82	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	55,964	8.66	22.18	54.18	14.98	0.00
Median Family Income		56,103	Median Housing Value Unemployment Rate (2010 US Census)		153,721	
FFIEC Adjusted Median Family Income for 2016		58,900			3.16%	
Households Below Poverty Level		14%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Knoxville TN MSA is an area consisting of nine counties (Anderson, Blount, Campbell, Grainger, Knox, Loudon, Morgan, Roane, and Union). The bank's AA consists of Blount County, Knox County, and Roane County. The 2010 U.S. Census recorded 151 census tracts in the AA, of which nine (5.96 percent) were low-income, 24 (15.89 percent) moderate-income, 71 (47.02 percent) middle-income, 42 (27.81 percent) upper-income, and five (3.31 percent) not applicable.

FTB's AA in the State of Tennessee:***Blount County***

According to 2010 U.S. Census data, the population was 123,010. The county seat is Maryville. The median income for a household in the county was \$37,862 and the median income for a family was \$44,038.

Knox County

According to 2010 U.S. Census data, the population was 432,226. The county seat is Knoxville. The median income for a household in the county was \$37,454 and the median income for a family was \$49,182.

Roane County

According to 2010 U.S. Census data, the population was 54,181. The county seat is Kingston. The median income for a household in the county was \$33,226 and the median income for a family was \$41,399.

The 2010 U.S. Census recorded a population within the AA of 609,417, which is centered in Knox County (71 percent). Low-income families represented 18.93 percent and moderate-income families represented 16.44 percent of total families in the AAA population. In the AA, 13.66 percent of households were below the poverty level. The 2016 adjusted median family income was \$58,900. Low-income families earned median annual income of \$29,450 or less, and moderate-income families earned an annual income of \$29,451 to \$47,120.

According to the June 30, 2016 FDIC Summary of Deposits Report, FTB deposits in the AA totaled \$2.625 billion, which represents 11.46 percent of the bank's total deposits. FTB deposits represent 19.13 percent of the market, which ranks second out of the 37 depository institutions in the AA. The 37 total depository institutions in the AA operate 215 branches. The top depository institution in the AA is Sun Trust Bank (19.49 percent). The other banks with less market share include Regions Bank (13.36 percent), Home Federal Bank of Tennessee (11.63 percent), and Branch Banking and Trust Company (6.72 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. The unemployment rates for the three-county AA declined from December 2014 through 2016, and stood at 4.70 percent (Blount County), 4.20 percent (Knox County), and 5.70 percent (Roane County) as of December 2016. The unemployment rate for the most populous county within the AA, Knox County, remained below the same measurement for the state of Tennessee and U.S. economy

throughout the evaluation period. The unemployment rate for the state of Tennessee as of December 2016 was 4.70 percent, which matches the same measurement for the U.S. economy.

The flagship campus for the University of Tennessee, the Tennessee Valley Authority, and the corporate headquarters of several national and regional corporations reside in the City of Knoxville. As one of the largest cities in the Appalachian Region, Knoxville has positioned itself in recent years as a repository of Appalachian culture. The stable economy of the Greater Knoxville Area is one of the region's major assets. It is highly diversified with no employment sector accounting for more than 23 percent of the area's total employment. Recent years have seen substantial growth in the areas of trade, transportation, utilities, and financial activities. The growth is evidenced in the previously discussed declining unemployment rate in Knox County). Knoxville's economy is also bolstered by the presence of the Tennessee Valley Authority headquarters and the University of Tennessee at Knoxville. The largest employers within the Knoxville MSA are the U.S. Department of Energy, Covenant Health, and the University of Tennessee.

Housing

According to the 2010 U.S. Census, 63.80 percent of the total housing units in the AA were owner occupied, and 27.55 percent were renter occupied. Of all owner occupied units, 2.22 percent were located in low-income census tracts and 12.30 percent in moderate-income census tracts. Of all occupied rental units, 15.32 percent were located in low-income census tracts, and 22.38 percent were located in moderate-income census tracts. Additionally, 4.26 percent of all single family (1-4 units) homes and 21.24 percent of multifamily (5 plus units) housing units were located in low-income census tracts, and 14.95 percent of all single family homes and 21.34 percent of multifamily housing units were located in moderate-income census. The 2010 U.S. Census indicates that the weighted average median housing value was \$153,721, and the median monthly gross rent was \$663.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$29,450 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$137,150 mortgage with a payment of \$736 per month. A moderate-income borrower making \$47,120 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$219,440 mortgage with a payment of \$1,178 per month.

This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,172. The median housing value in the AA is \$169,300 and \$218,300 in 2014 and 2016 reflecting a percent change of 28.94 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

We utilized information from one community contact initiated during the evaluation period to establish performance context and to identify CD needs and opportunities. The contact provided affordable housing and economic development opportunities targeted to LMI individuals and families. Community contact feedback revealed that the overall opinion was that Knoxville has a very competitive banking environment. The contact identified the need for affordable housing programs as an opportunity for local financial institutions.

Competition for CD loans, qualified investments, and CD services is moderate-to-high and consists primarily of local financial institutions that have a presence within the AA. We determined that opportunities to make CD loans and investments, and provide CD services within the AA are abundant, and include partnerships with agencies such as the Knoxville Community Development Corporation, Knoxville-Knox County Community Action Committee, and various Community Housing Development Organizations all striving to advance the city's strategic CD goals. The AA has numerous CD organizations, including nonprofit housing and social service agencies, which provide community services to LMI individuals and families. In addition, there are numerous agencies involved in economic and business development.

Nashville-Davidson-Murfreesboro-Franklin TN MSA

Demographic Information for Full Scope Area: Nashville-Davidson-Murfreesboro TN MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	327	9.79	18.65	39.45	30.89	1.22
Population by Geography	1,428,061	7.98	18.10	39.68	33.90	0.34
Owner-Occupied Housing by Geography	362,385	3.90	13.99	43.10	39.01	0.00
Business by Geography	99,458	8.01	18.15	32.36	40.53	0.95
Farms by Geography	2,339	3.25	14.88	44.34	37.11	0.43
Family Distribution by Income Level	353,242	19.91	17.14	20.90	42.05	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	130,866	14.00	27.18	41.24	17.55	0.03
Median Family Income		62,315	Median Housing Value Unemployment Rate (2010 US Census)		195,338	
FFIEC Adjusted Median Family Income for 2016		66,600			3.74%	
Households Below Poverty Level		12%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Nashville-Davidson-Murfreesboro-Franklin MSA is an area consisting of 14 counties (Davidson, Maury, Rutherford, Sumner, Williamson, Wilson, Hickman, Cheatham, Dickson, Cannon, Smith, Macon, Trousdale, and Robertson). The bank's AA consists of six counties (Davidson, Maury, Rutherford, Sumner, Williamson, and Wilson). According to 2010 Census data, there were 327 census tracts in the AA, of which 32 (9.79 percent) were low-income, 61 (18.65 percent) moderate-income, 129 (39.45 percent) middle-income, 101 (30.89 percent) upper-income, and four (1.22 percent) not applicable.

FTB's AA in the State of Tennessee:

Davidson County

According to 2010 U.S. Census data, the population was 626,681 making it the second-most populous county in Tennessee. The county seat is Nashville. The median income for a household in the county was \$39,797 and the median income for family was \$49,317. According to the Bureau of Labor Statistics (BLS) report, the unemployment rate for this area as of December 2014 and 2016

was 4.40 percent and 3.70 percent, respectively.

Maury County

According to 2010 U.S. Census data, the population was 80,956. The median income for a household in the county was \$41,591 and the median income for family was \$48,010. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 5.10 percent and 4.10 percent, respectively.

Rutherford County

According to 2010 U.S. Census data, the population was 262,604. The county seat is Murfreesboro. The median income for a household in the county was \$46,312 and the median income for a family was \$53,553. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 4.40 percent and 3.70 percent, respectively.

Sumner County

According to 2010 U.S. Census data, the population was 160,645. The county seat is Gallatin. The median income for a household in the county \$46,030 and the median income for a family was \$52,125. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 4.60 percent and 3.90 percent, respectively.

Williamson County

According to 2010 U.S. Census data, the population was 183,182. The county seat is Franklin. The median income for a household in the county \$88,316 and the median income for a family was \$101,444. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 3.90 percent and 3.50 percent, respectively.

Wilson County

According to 2010 U.S. Census data, the population was 113,993. The county seat is Lebanon. The median income for a household in the county \$50,140 and the median income for a family was \$56,650. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 4.50 percent and 3.90 percent, respectively.

The 2010 U.S. Census recorded the population of the AA at 1,428,061. Low-income families represented 19.91 percent and moderate-income families represented 17.14 percent of total families in the AA population. In the AA, 12.13 percent of households were below the poverty level. The 2016 FFIEC adjusted median family income was \$66,600. Low-income families in the AA earned an annual income of \$33,300 or less, and moderate-income families earned an annual income of \$33,301 to \$53,280.

According to the June 30 2016 FDIC Summary of Deposits Report, FTB had \$3.4 billion in deposits in the AA, which represents 14.84 percent of total bank deposits. FTB's deposit market share in the AA is 7.01 percent, resulting in a market rank of fifth. There are 60 deposit-taking institutions in the AA operating 519 branches. There is a strong competition for deposits from large national and regional banks. Excluding FTB, institutions with the largest deposit market share include Bank of America, N.A. (17.22 percent), Regions Bank (14.53 percent), SunTrust Bank (12.27 percent), and Pinnacle Bank (10.40 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. The unemployment rates in the six-county AA ranged from 4.40 percent to 5.50 percent as of December 2014, but declined to a lower range of 3.70 percent to 4.60 percent as of December 2016. The two most populous counties within the AA, Davidson and Rutherford, had the lowest unemployment rates of 3.70 percent as of December 2016. The unemployment rates in the six counties remained below the same measurement for the state of Tennessee and U.S. economy throughout the evaluation period. The unemployment rate for the state of Tennessee was 4.70 percent as of December 2016, which was equal to the same measurement for the U.S. economy.

According to Moody's Analytics, the Nashville-Davidson-Murfreesboro-Franklin MSA is one of the South's standout performers. The breadth of job creation across industries is wider than at any time in three decades. The labor force is expanding at a robust pace as job and earnings growth is above state levels. The MSA's economic strengths include its favorable business tax structure and an exceptionally strong housing market. Economic weaknesses include competition from neighboring cities for large-scale industrial, low concentration of innovative technology-producing industries and above-average employment volatility.

According to City-Data.com, the Nashville economy is very diverse. The Nashville area is a leader in finance and insurance, healthcare, music and entertainment, publishing, transportation technology, higher education, biotechnology, plastics, and tourism and conventions. Healthcare is one of Nashville's top industries, with 21 healthcare companies based within the city and 350 healthcare companies operating in the area. Nashville is the largest publishing center in the Southeast and one of the top ten largest in the country, and includes some of the nation's leading printers. The local music recording industry and its offshoots have brought worldwide recognition, and pumped billions of dollars into the local economy.

The top five employment sectors in the Nashville MSA are health care, publishing, music and entertainment, tourism, and technology. The top five employers within the Nashville MSA are Vanderbilt University and Medical Center, Hospital Corporation of America Holdings, Nissan North America, Saint Thomas Health Services, and Randstad.

Housing

According to the 2010 U.S. Census, 61.62 percent of the total housing units were owner occupied, and 30.16 percent were rental occupied units. Owner occupancy rates were consistent throughout the evaluation period. Of all owner occupied units, 3.90 percent were located in low-income census tracts, and 13.99 percent were located in moderate-income census tracts. Additionally, 6.43 percent of all single family (1-4 units) homes and 16.83 percent of multifamily (5 plus units) housing units were located in low-income census tracts, and 16.89 percent of all single family homes and 29.26 percent of multifamily housing units were located in moderate-income census. The 2010 U.S. Census indicates that the weighted average median housing value was \$195,338, and the median monthly gross rent was \$787.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$33,300 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$155,079 mortgage with a payment of \$833 per month. A moderate-income borrower making \$53,280 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$248,127 mortgage with a payment of \$1,332 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,809. The median housing value in the AA is \$220,500 and \$337,000 in 2014 and 2016 reflecting a percent change of 52.83 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

We contacted the local community development agency within the MSA. There are many opportunities for financial institution involvement in community needs in the AA. The community contact identified that the banks are serving the needs in the community. Lending has tightened in the hospitality industry and for multi-family housing. Identified needs are opportunities for affordable housing across all economic demographics.

Non-MSA Tennessee

Demographic Information for Full Scope Area: Non-MSA TN						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	76	0.00	9.21	68.42	21.05	1.32
Population by Geography	347,906	0.00	9.18	68.75	22.07	0.00
Owner-Occupied Housing by Geography	98,630	0.00	5.65	71.44	22.91	0.00
Business by Geography	19,716	0.00	12.45	62.17	25.24	0.14
Farms by Geography	990	0.00	3.03	80.71	16.26	0.00
Family Distribution by Income Level	97,251	18.75	18.13	21.12	42.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	35,857	0.00	12.26	71.63	16.11	0.00
Median Family Income		44,386	Median Housing Value Unemployment Rate (2010 US Census)		123,380	
FFIEC Adjusted Median Family Income for 2016		46,400			3.89%	
Households Below Poverty Level		17%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The FTB AA of the Non-MSA Tennessee markets is composed of seven counties in Tennessee (Greene, Sevier, Putnam, Marshall, Lawrence, Humphreys, and White). The AA is composed of 76 census tracts, of which zero were low income, seven (9.21 percent) moderate income, 52 (68.42 percent) middle income, 16 (21.05 percent) upper income, and one was not applicable. According to the 2010 census data, the area population was 347,906 with 31,924, or 9.18 percent, residing in moderate-income census tracts.

As of June 30, 2016, there were 39 total depository institutions in the AA operating 144 branches. FTB has 12 branch in the AA. According to the June 30, 2016, FDIC Summary of Deposits Report, FTB's deposits in the AA totaled \$779 million, representing 11.93 percent of the market. FTB is ranked first in the AA. Four additional depository institutions with market share less than FTB include Citizens National Bank (9.58 percent), Bank of Putnam County (5.23 percent), SmartBank (6.55 percent), and Capital Bank Corporation (4.59).

FTB's AA in the State of Tennessee:***Greene County***

Greene County is located on the eastern border of Tennessee, and includes the county seat (Greeneville, TN). As of the 2010 census, the population was 68,831. Greene County is the home of Tusculum College, the oldest college in Tennessee; the state's oldest Methodist congregation (the Ebenezer Methodist Church, near Chuckey), and the state's oldest continuously cultivated farm (Elmwood Farm, part of the Earnest Farms Historic District). Large employers include Greene County School System, Laughlin Memorial Hospital, Walmart Logistics, DTR Tennessee, Inc., and Takoma Regional Hospital. According to the U.S. Department of Labor, BLS report, the unemployment rate for this area as of December 2014 and 2016 was 7.40 percent and 6.40 percent, respectively.

Humphreys County

Humphreys County is located in the western part of Tennessee. As of the 2010 census, the population was 18,538. The county seat is Waverly, TN. The five highest growth occupations and industries include construction and extraction, computer and mathematical, food preparation and serving related jobs, business and financial operations, and transportation and material moving. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 7.00 percent and 5.80 percent, respectively.

Lawrence County

Lawrence County is located in the Midwestern part of Tennessee. As of the 2010 census, the population was 41,869. The county seat and largest city is Lawrenceburg, TN. Large employers in the county are Modine Manufacturing Co., Graphic Packing, Dura Automotive Systems, Hughes Parker Industries and Assurance Operations Corporation. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 7.30 percent and 5.80 percent, respectively.

This assessment area was listed as a distressed non-metropolitan, middle-income geography for 2016. A nonmetropolitan middle-income geography is designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of five percent or more over the five year-year period preceding the most recent census.

Marshall County

Marshall County is located in the middle portion of Tennessee. As of the 2010 census, the population was 30,617 and the county seat is Lewisburg, TN. The large employers in the county are Calsonic Kansei North America, Walker Die Casting, Teledyne, Multimatic, Nichirin and WestRock. According to

the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 5.50 percent and 4.50 percent, respectively.

Putnam County

Putnam County is located in the central northeast portion of Tennessee. As of the 2010 census, the population was 72,321 and the county seat is Cookeville, TN. The large employers in the area are CWF Manufacturing Inc., Consolidated Sourcing, Mitchell George A Manufacturing Company, G&L Manufacturing and Collins Manufacturing Company. This assessment area was listed as a distressed nonmetropolitan, middle-income geography for 2016. According to the U.S. Department of Labor, BLS report, the unemployment rate for this area as of December 2014 and 2016 was 5.90 percent and 4.90 percent, respectively.

Sevier County

Sevier County is located in the eastern portion of Tennessee. As of the 2010 census, the population was 89,889 and the county seat is Sevierville, TN. The large employers in the area are U.S. Department of Energy, Covenant Health, University of Tennessee, Knox County Schools and Wal-Mart Stores. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 6.30 percent and 5.70 percent, respectively.

White County

White County is located in the mid-northeast portion of Tennessee. As of the 2010 census, the population was 25,841 and the county seat is Sparta, TN. The large employers in the area are Rhythm North America, Tri-State Distribution, Inc., Moeller Maine Production, Ltd parts, Inc., and Jackson Kayak. This assessment area was listed as a distressed nonmetropolitan, middle-income geography for 2016. According to the BLS report, the unemployment rate for this area as of December 2014 and 2016 was 6.50 percent and 5.60 percent, respectively.

Employment and Economic Factors

A declining unemployment rate indicates that economic conditions in the seven-county AA improved during the evaluation period. However, the improvement was not as pronounced when measured against the declining unemployment rate for the state of Tennessee. The unweighted average unemployment rate for the seven-county AA was 6.56 percent at the beginning of the evaluation period in December 2014; the 6.56 percent was reasonably close to the same measurement for the state of Tennessee (6.60 percent). The seven-county AA unemployment rate improved during the evaluation period and declined to 5.53 percent as of December 2016. However, the 5.73 percent was above the 4.70 percent for the state of Tennessee and U.S. economy.

The large employers in the state of Tennessee are the following: Eastman Chemical Co., Southern Tennessee Medical Center, Covenant Transportation Group, B&W, FedEx Corporation, and HCA Incorporation. FTB dominates the banking market in this area of Tennessee. Per the June 30, 2016 FDIC Deposit Market Share Report, there are 36 deposit-taking banks in the AA of various sizes. FTB ranked first among the banks of this area with a market share of 11.93 percent. The four additional banks with less market share include Citizens National Bank (9.58 percent), Tennessee State Bank (6.62 percent), SmartBank (6.55 percent), Bank of Putnam County (5.23 percent) and Capital Bank Corporation (4.59 percent).

Housing

The 2010 U.S. Census reported total housing units of 166,600 for the Non-MSA Tennessee AA. Of the total number of housing units, 98,630 or 59.20 percent are owner-occupied units, 39,522 or 23.72 percent are occupied rental units and 28,448 or 17.08 percent are vacant units. Within the low-income geographies of the AA, there are no housing units. Within the moderate-income geographies, total housing units are 14,299. Moderate-income owner-occupied units are 5,576 or 38.99 percent, occupied rental units are 6,685 or 46.83 percent, and vacant units are 2,038 or 14.18 percent. The 2010 U.S. Census indicates that the weighted average median housing value was \$123,380, and the median monthly gross rent was \$597.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$23,200 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$108,043 mortgage with a payment of \$580 per month. A moderate-income borrower making \$37,120 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$172,869 mortgage with a payment of \$928 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$736. The median housing value in the AA is \$134,417 and \$137,130 in 2014 and 2016 reflecting a percent change of 2.02 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified the banking needs of the TN non-MSA area. Our contact included an elected official of local government. While unemployment in the area is low, underemployment is an issue. There is a need for residential loans, but local banks are generally meeting this need. The greatest credit needs are for agricultural and small business loans. There are many opportunities for financial institution involvement in community needs in the AA. Our contact indicated that local banks provide the community with financial support and services, and contribute

funding and personnel for CD initiatives. It was noted that while local community banks are highly involved in the community, regional and national banks are not very involved.

State of Texas

Houston, TX. MSA

Demographic Information for Full Scope Area: Houston TX MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	786	15.39	31.93	23.28	29.01	0.38
Population by Geography	4,092,459	12.74	31.04	26.55	29.31	0.36
Owner-Occupied Housing by Geography	793,400	5.75	25.81	28.44	40.00	0.00
Business by Geography	316,311	10.61	22.49	23.69	43.14	0.06
Farms by Geography	4,492	7.10	19.95	27.16	45.77	0.02
Family Distribution by Income Level	943,393	26.75	17.46	17.37	38.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	417,009	21.43	42.44	23.23	12.90	0.00
Median Family Income		63,898	Median Housing Value		156,120	
FFIEC Adjusted Median Family Income for 2016		68,000	Unemployment Rate (2010 US Census)		3.65%	
Households Below Poverty Level		15%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Houston, TX MSA consists of nine counties (Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller). FTB's AA consists of Harris County. The 2010 U.S. Census recorded 786 census tracts in the AA, of which 121 (15.39 percent) were low-income tracts, 251 (31.93 percent) moderate-income tracts, 183 (23.28 percent) middle-income tracts, 228 (29.01 percent) upper-income tracts, and three (0.38 percent) not applicable.

FTB's AA in the State of Texas (Harris County)

According to 2010 U.S. Census data, the total population of the AA was 4,092,459. The median income for a household in the county was \$42,598, and for a family was \$49,004. Houston is the seat of Harris County and the largest city in Texas.

The distribution of families by income level was 26.75 percent low-income, 17.46 percent moderate-income, 17.37 percent middle-income, and 38.43 percent upper-income. The percentage of households in the AA living below the poverty level was 14.52 percent. The 2016 FFIEC adjusted median family income for the AA was \$68,000. Low-income families earned annual income of \$34,000 or less, and moderate-income families earned annual income of \$34,001 to \$54,400.

Due to the number of financial institutions, including several large banks, the AA offers a very competitive environment for financial services. As of June 30, 2016, there were 79 total depository institutions in the AA operating 998 branches. FTB has one branch in the AA, which works primarily with Private Client customers. The branch opened in March 2016, and is not reflected on the June 30, 2016 FDIC Deposit Market Share Report. As of June 30, 2016, the top depository institution in the AA was JPMorgan Chase Bank (42.95 percent), Wells Fargo Bank NA (9.72 percent), Bank of America NA (9.39 percent), Compass Bank (6.88 percent) and ZB National Bank (4.31 percent) accounted for a combined 73.25 percent of total deposits.

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, declined during the short evaluation period (March 2016 to December 2016). According to the U.S. Department of Labor, Bureau of Labor Statistics report, the AA unemployment rate as of March 2016 and December 2016 was 5.00 and 5.30 percent, respectively. The rising unemployment rate was precipitated by a decline in oil prices, which began in mid-2014. Energy-related industries employ a significant number of the citizenry in the Houston MSA. The rising unemployment rate is also contrary to trends in the state of Texas and U.S. economy. The unemployment rate in the state of Texas and U.S. economy declined during the evaluation period as overall economic conditions improved.

According to Moody's Analytics, the Houston MSA has begun to rebound from the downturn caused by the collapse in oil prices. While the unemployment rate in the AA increased, the labor force has been rising. Growth in energy exploration and associated manufacturing is expected to drive further recovery. The top five employment sectors in the Houston MSA are trade, transportation and utilities; professional and business services; government; education and health services; and leisure and hospitality services. The top five employers in the Houston MSA are Wal-Mart Stores, Inc., University of Texas, Insperity, H-E-B, and National Oilwell Varco.

Housing

According to the 2010 U.S. Census, 50.98 percent of the total housing units in the AA were owner occupied, and 37.19 percent were renter occupied. Of all owner occupied units, 5.75 percent were

located in low-income census tracts, and 25.81 percent were located in moderate-income census tracts. Of all occupied rental units, 22.46 percent were located in low-income census tracts, and 34.65 percent were located in moderate-income census tracts. Additionally, 8.73 percent of all single family (1-4 units) homes and 13.08 percent of multifamily (5 plus units) housing units were located in low-income census tracts, and 28.45 percent of all single family homes and 39.75 percent of multifamily housing units were located in moderate-income census. The 2010 U.S. Census indicates that the weighted average median housing value was \$156,120, and the median monthly gross rent was \$842.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$34,000 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$158,339 mortgage with a payment of \$850 per month. A moderate-income borrower making \$54,400 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$253,343 mortgage with a payment of \$1,360 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,642. The median housing value in the AA is \$211,200 and \$305,800 in 2014 and 2016 reflecting a percent change of 44.79 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified banking needs of the Houston MSA that includes the bank's AA of Harris County. We conducted two community contacts, who indicated community needs include general financing for small businesses, affordable housing, workforce development, and financial education, specifically for potential homebuyers. Overall, there are sufficient opportunities within the AA for financial institutions to participate in CD activities.

State of Virginia

Richmond VA MSA

Demographic Information for Full Scope Area: Richmond VA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	64	3.13	29.69	35.94	29.69	1.56
Population by Geography	306,935	3.21	26.40	33.52	36.87	0.00
Owner-Occupied Housing by Geography	81,504	1.56	20.66	35.95	41.84	0.00
Business by Geography	25,271	1.43	21.53	35.91	40.74	0.39
Farms by Geography	485	1.03	20.62	39.79	38.56	0.00
Family Distribution by Income Level	78,361	19.56	17.10	20.85	42.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	28,728	6.48	39.73	35.46	18.33	0.00
Median Family Income		71,605	Median Housing Value Unemployment Rate (2010 US Census)		243,856	
FFIEC Adjusted Median Family Income for 2016		72,400			3.57%	
Households Below Poverty Level		8%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Richmond VA MSA consists of 13 counties (Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex) and four independent cities (Colonial Heights, Hopewell, Petersburg, and Richmond). The bank's AA consists of Henrico County. The U.S. Census recorded 64 census tracts in the AA, of which two were low-income tracts, 19 were moderate-income tracts, 23 were middle-income tracts, 19 were upper-income tracts, and one was not applicable.

FTB's AA in the State of Virginia (Henrico County)

According to the 2010 U.S. Census data, the total population of the AA was 306,935. The county seat is Richmond. The median income for a household in the county was \$60,114 and the median income for a family was \$75,140.

According to the 2010 U.S. Census, low-income families earning a median income of \$36,200 or less represent 3.11 percent of households in the AA. Moderate-income families, earning annual income of \$36,201 to \$57,920, comprised 27.41 percent of the AA population. The 2016 FFIEC median family income was \$72,400. The percentage of households in the AA living below the poverty level was 8.27 percent.

According to the June 30, 2016, FDIC Summary of Deposits Report, FTB had \$14.5 million in deposits in the AA. This represents just 0.01 percent of the total market share and rank of 126th within the AA. FTB operates one branch in a moderate-income tract of the AA. Competitors with the largest percentage of market share in the AA include Capital One Bank, NA (91.39 percent), Wells Fargo Bank, N.A. (2.25 percent), Branch Banking and Trust Company (1.59 percent), Bank of America, N.A. (1.10 percent) and SunTrust Bank (1.03 percent).

Employment and Economic Factors

Economic conditions, as reflected by the AA unemployment rate, improved during the evaluation period. The AA unemployment rate declined and remained below the same measurement for the state of Virginia and U.S. economy during the evaluation period. According to the U.S. Department of Labor, Bureau of Labor Statistics report, the AA unemployment rate declined from 4.50 percent at December 2014 to 3.70 percent as of December 2016. The unemployment rate for the state of Virginia as of December 2014 and 2016 was 5.20 percent and 4.1 percent, respectively. The national unemployment rate for the same time was 5.60 percent (December 2014) and 4.70 percent (December 2016).

The Richmond MSA has a strong and diverse manufacturing base, which has helped the area remain resilient during economic cycles. Other commercial factors that contribute to the health of the Richmond MSA economy include the concentration of federal and state agencies, headquarters of major corporations and bank-holding companies, health facilities and educational institutions. According to Moody's Analytics, the top five employment sectors in the Richmond MSA are professional and business services, government, education and health services, retail trade, and leisure and hospitality services. The top five employers in the Richmond MSA are Capital One Financial Corp., Fort Lee, VCU Health System, HCA Inc., and Bon Secours Richmond Health System.

Housing

According to the 2010 U.S. Census, 62.37 percent of the total housing units in the AA were owner occupied, and 30.81 percent were renter occupied. Of all owner occupied units, 1.56 percent was located in low-income census tracts, and 20.66 percent were located in moderate-income census tracts. Of all occupied rental units, 6.26 percent were located in low-income census tracts, and 41.07 percent were located in moderate-income census tracts. Additionally, 2.40 percent of all single family (1-4 units) homes and 6.72 percent of multifamily (5 plus units) housing units were located in low-income census tracts, and 24.57 percent of all single family homes and 39.25 percent of multifamily

housing units were located in moderate-income census. The 2010 U.S. Census indicates that the weighted average median housing value was \$243,856, and the median monthly gross rent was \$945.

Affordability

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,200 per year (or less than 50 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$168,585 mortgage with a payment of \$905 per month. A moderate-income borrower making \$57,920 per year (or less than 80 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$269,736 mortgage with a payment of \$1,448 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,423. The median housing value in the AA is \$209,600 and \$265,000 in 2014 and 2016 reflecting a percent change of 26.43 percent from 2014 to 2016 according to Realtor.com data.

Community Contact

Through our community contact program, we identified some banking needs within the Richmond MSA. There are opportunities for financial institutions to collaborate with community organizations in the area. A local housing organization indicated that the economic conditions are improving, community contacts indicated that public housing is being decentralized and gentrification is making alternative housing options less affordable. The perception of one of the contacts interviewed is that banks are generally not engaged or truly supporting the LMI community. While many banks favor mortgages at \$100 thousand or more, this does not represent an affordable home for LMI families, according to our community contact.

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 two-page table 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 TN-GA Multistate Metropolitan Area-January 1, 2014, through December 31, 2016

Memphis TN-MS-AR Multistate Metropolitan Area-January 1, 2014, through December 31, 2016

State of Florida-January 1, 2015, through December 31, 2016

State of North Carolina January 1, 2014, through December 31, 2016

State of South Carolina January 1, 2014, through December 31, 2016

State of Tennessee January 1, 2014, through December 31, 2016

State of Texas March 1, 2016, through December 31, 2016

State of Virginia January 1, 2014, through December 31, 2016

Table 1. Lending Volume

LENDING VOLUME		Geography: MULTISTATE MSAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area (2016):	% 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 TN-GA MMSA	100.00	617	181,363	966	235,040	0	0	25	28,166	1,608	444,569	100.00
Memphis TN-MS-AR MMSA	100.00	589	148,585	1,411	358,352	5	575	41	176,653	2,046	684,165	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: MULTISTATE MSAs					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	309	100.00	3.27	1.62	10.13	16.50	42.04	15.53	44.56	66.34	2.16	9.05	36.66	52.13
Memphis TN-MS-AR MMSA	225	100.00	8.29	0.89	17.42	2.67	27.21	11.11	47.08	85.33	1.82	7.27	23.04	67.87

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: MULTISTATE MSAs				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	55	100.00	3.27	3.64	10.13	0.00	42.04	34.55	44.56	61.82	4.91	10.18	39.82	45.09
Memphis TN-MS-AR MMSA	49	100.00	8.29	2.04	17.42	10.20	27.21	32.65	47.08	55.10	7.10	15.64	31.02	46.24

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: MULTISTATE MSAs				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	249	100.00	3.27	0.40	10.13	7.23	42.04	35.34	44.56	57.03	2.07	7.85	35.26	54.82
Memphis TN-MS-AR MMSA	315	100.00	8.29	1.90	17.42	7.62	27.21	20.00	47.08	70.48	1.93	8.63	23.93	65.51

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MULTISTATE MSAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	4	100.00	15.43	0.00	26.50	25.00	34.59	50.00	23.48	25.00	10.53	34.21	31.58	23.68
Memphis TN-MS-AR MMSA	0	0.00	24.25	0.00	25.93	0.00	25.48	0.00	24.33	0.00	9.21	25.00	39.47	26.32

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi-family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: MULTISTATE MSAs				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	966	100.00	6.96	16.98	22.75	30.95	34.86	27.43	35.34	24.64	8.37	22.89	31.78	36.96
Memphis TN-MS-AR MMSA****	1,383	100.00	9.30	10.34	18.63	24.44	24.70	19.38	46.50	45.84	7.00	16.52	22.08	54.41

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

**** The bank generated 1,411 small business loans during the evaluation period. However, the income status for 28 census tracts in the Memphis MMSA was unavailable. Thus, the 28 loans are excluded from this analysis.

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: MULTISTATE MSAs Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	0	0.00	4.19	0.00	13.37	0.00	38.49	0.00	43.96	0.00	0.00	13.64	45.45	40.91
Memphis TN-MS-AR MMSA	5	100.00	6.18	0.00	14.83	20.00	25.95	0.00	52.59	80.00	1.02	9.18	34.69	55.10

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														
Geography: MULTISTATE MSAs							Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families9	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	309	100.00	20.31	2.62	16.19	13.77	19.69	8.85	43.81	74.75	6.34	22.51	24.63	46.52
Memphis TN-MS-AR MMSA	225	100.00	23.54	4.02	16.03	10.27	17.31	10.71	43.12	75.00	6.34	19.82	25.18	48.66

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by BANK.

⁹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														Geography: MULTISTATE MSAs				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *										
	#	% of Total**	% Families***	% BANK Loans****	% Families 10	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
Full Review:																					
Chattanooga TN-GA MMSA	55	100.00	20.31	16.36	16.19	12.73	19.69	7.27	43.81	63.64	11.13	21.52	20.96	46.38							
Memphis TN-MS-AR MMSA	49	100.00	23.54	12.24	16.03	10.20	17.31	18.37	43.12	59.18	17.06	17.60	20.49	44.86							

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE														
Geography: MULTISTATE MSAs							Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families* **	% BANK Loans****	% Families 11	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Chattanooga TN-GA MMSA	249	100.00	20.31	6.02	16.19	14.06	19.69	17.27	43.81	62.65	6.63	18.03	22.68	52.66
Memphis TN-MS-AR MMSA	315	100.00	23.54	6.67	16.03	14.92	17.31	20.63	43.12	57.78	6.31	14.23	22.85	56.61

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: MULTISTATE MSAs		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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 TN-GA MMSA	966	100.00	82.75	23.19	40.48	28.88	30.64	6,157	2,918
Memphis TN-MS-AR MMSA	1,411	100.00	79.54	23.32	41.81	25.58	32.60	14,513	7,111

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 24.19% of small loans to businesses originated and purchased by the bank.

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: MULTISTATE MSAs		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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 TN-GA MMSA	0	0.00	96.94	0.00	0.00	0.00	0.00	22	13
Memphis TN-MS-AR MMSA	5	100.00	93.36	40.00	40.00	60.00	0.00	98	63

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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 60.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Tennessee-Chattanooga		Evaluation Period: January 1, 2014 TO December 31, 2016					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Chattanooga, TN GA MSA	1	2,625	119	10,651	120	13,276	56.47	0	0
Limited Review:									
Statewide with P/M/F	1	4,123	2	6,111	3	10,234	43.53	0	0

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

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

Table 14a. Qualified Investments

QUALIFIED INVESTMENTS Geography: Tennessee-Memphis Evaluation Period: January 1, 2014 TO December 31, 2016									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Memphis, TN-MS-AR MSA	14	19,193	179	38,991	193	58,184	88.10	0	0
Limited Review:									
Broader Regional with P/M/F	3	7,858	0	0	3	7,858	11.90	0	0

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

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

Institution ID: First Tennessee (Included)

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MULTISTATE MSAs Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
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 TN-GA MMSA	100.00	18	100.00	11.11	27.78	33.33	27.78	0	3	0	0	-2	-1	6.97	13.74	39.41	39.88
Memphis TN-MS-AR MMSA	100.00	38	100.00	15.79	7.89	15.79	60.53	1	8	0	-2	-2	-3	13.59	21.44	26.32	38.22

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
	% 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)	
Assessment Area (2016):												
Full Review:												
Jacksonville FL MSA	100.00	8	1,748	5	531	0	0	2	3,150	15	5,429	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*											
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp								
Full Review:																						
Jacksonville FL MSA	6	100.00	4.76	0.00	20.61	66.67	42.35	16.67	32.28	16.67	1.27	14.00	42.81	41.93								

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	0	0.00	4.76	0.00	20.61	0.00	42.35	0.00	32.28	0.00	3.40	16.28	45.85	34.47

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	2	100.00	4.76	0.00	20.61	50.00	42.35	50.00	32.28	0.00	1.45	13.48	41.56	43.51

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: FLORIDA			Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
Full Review:																					
Jacksonville FL MSA	0	0.00	7.19	0.00	35.26	0.00	32.41	0.00	25.14	0.00	4.55	34.09	43.18	18.18							

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	5	100.00	5.20	0.00	24.87	60.00	37.14	0.00	32.79	40.00	4.87	24.27	34.03	36.83

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	0	0.00	4.43	0.00	20.14	0.00	42.88	0.00	32.55	0.00	0.00	15.79	31.58	52.63

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	6	100.00	23.20	16.67	18.23	33.33	21.81	33.33	36.76	16.67	7.71	22.94	26.94	42.41

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

¹² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families 13	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Jacksonville FL MSA	0	0.00	23.20	0.00	18.23	0.00	21.81	0.00	36.76	0.00	29.70	16.67	17.60	36.04

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: FLORIDA		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families* **	% BANK Loans****	% Families 14	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
Full Review:																					
Jacksonville FL MSA	2	100.00	23.20	0.00	18.23	50.00	21.81	0.00	36.76	50.00	7.18	17.68	24.15	50.98							

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: FLORIDA		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Jacksonville FL MSA	5	100.00	86.89	40.00	60.00	40.00	0.00	16,143	8,468

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

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

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Jacksonville FL MSA	0	0.00	96.56	0.00	0.00	0.00	0.00	19	13

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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: State of Florida Evaluation Period January 1, 2015 TO December 31, 2016									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Jacksonville, FL MSA	0	0	7	14	7	14	82.35	0	0
Limited Review:									
Statewide with P/M/F	0	0	2	3	2	3	17.65	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
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:																													
Jacksonville FL MSA	100.00	1	100.00	0.00	100.00	0.00	0.00	1	0	0	+1	0	0	7.14	24.63	40.55	27.68												

Table 1. Lending Volume

LENDING VOLUME		Geography: NORTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area (2016):	% 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:												
Raleigh-Cary NC MSA	64.77	82	29,666	141	30,030	0	0	5	24,468	228	84,164	73.60
Winston-Salem NC MSA	31.53	84	37,165	25	7,212	0	0	2	3,450	111	47,827	18.84
Limited Review:												
Greenville NC MSA	3.69	3	810	10	1,115	0	0	0	0	13	1,925	7.56

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

****Loan Data for Greenville NC MSA represents January 1, 2015 through December 31, 2016

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	44	41.12	1.97	4.55	16.96	25.00	38.16	18.18	42.91	52.27	1.56	14.09	46.15	38.20
Winston-Salem NC MSA	62	57.94	3.46	0.00	12.46	1.61	36.72	6.45	47.37	91.94	1.54	10.36	36.15	51.95
Limited Review:														
Greenville NC MSA	1	0.93	1.81	0.00	12.50	100.00	44.73	0.00	40.96	0.00	1.59	12.74	35.40	50.27

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	4	66.67	1.97	50.00	16.96	0.00	38.16	0.00	42.91	50.00	3.02	14.62	38.21	44.15
Winston-Salem NC MSA	2	33.33	3.46	0.00	12.46	0.00	36.72	0.00	47.37	100.00	2.94	12.06	31.76	53.24
Limited Review:														
Greenville NC MSA	0	0.00	1.81	0.00	12.50	0.00	44.73	0.00	40.96	0.00	2.94	10.29	45.59	41.18

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	32	60.38	1.97	0.00	16.96	18.75	38.16	21.88	42.91	59.38	1.81	13.72	39.67	44.79
Winston-Salem NC MSA	20	37.74	3.46	0.00	12.46	5.00	36.72	10.00	47.37	85.00	1.62	9.33	35.21	53.84
Limited Review:														
Greenville NC MSA	1	1.89	1.81	0.00	12.50	100.00	44.73	0.00	40.96	0.00	0.92	9.03	34.62	55.43

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NORTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	2	66.67	11.15	0.00	25.31	0.00	30.06	50.00	33.48	50.00	12.50	30.36	35.71	21.43
Winston-Salem NC MSA	0	0.00	14.91	0.00	36.07	0.00	21.17	0.00	27.85	0.00	6.98	39.53	37.21	16.28
Limited Review:														
Greenville NC MSA	1	33.33	11.77	0.00	27.63	100.00	31.88	0.00	28.72	0.00	7.14	39.29	32.14	21.43

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	141	80.11	4.02	4.26	17.56	16.31	33.60	29.08	44.58	50.35	3.46	15.62	34.61	46.31
Winston-Salem NC MSA	25	14.20	5.34	0.00	14.47	24.00	36.75	52.00	43.44	24.00	4.39	12.84	36.08	46.69
Limited Review:														
Greenville NC MSA	10	5.68	2.77	0.00	23.61	30.00	37.14	60.00	36.47	10.00	1.70	21.75	38.15	38.40

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	0	0.00	2.01	0.00	13.43	0.00	46.87	0.00	37.63	0.00	1.27	8.86	48.10	41.77
Winston-Salem NC MSA	0	0.00	2.14	0.00	8.74	0.00	37.28	0.00	51.84	0.00	0.00	3.85	42.31	53.85
Limited Review:														
Greenville NC MSA	0	0.00	0.56	0.00	9.86	0.00	58.03	0.00	31.55	0.00	0.00	3.13	65.63	31.25

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NORTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹⁵	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	44	41.12	19.53	8.57	15.78	22.86	19.61	11.43	45.08	57.14	7.99	20.23	23.93	47.86
Winston-Salem NC MSA	62	57.94	21.11	1.61	15.54	1.61	19.82	3.23	43.53	93.55	8.95	24.68	26.13	40.25
Limited Review:														
Greenville NC MSA	1	0.93	24.27	0.00	15.75	0.00	18.08	0.00	41.90	0.00	3.96	18.69	26.29	51.06

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

¹⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														
Geography: NORTH CAROLINA														
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families 16	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Raleigh-Cary NC MSA	4	66.67	19.53	0.00	15.78	0.00	19.61	0.00	45.08	100.00	9.14	15.63	21.12	54.11
Winston-Salem NC MSA	2	33.33	21.11	0.00	15.54	0.00	19.82	0.00	43.53	100.00	10.38	22.01	24.21	43.40
Limited Review:														
Greenville NC MSA	0	0.00	24.27	0.00	15.75	0.00	18.08	0.00	41.90	0.00	4.10	10.66	27.87	57.38

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 50.0% of loans originated and purchased by BANK.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: NORTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*													
	#	% of Total**	% Families* **	% BANK Loans****	% Families 17	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp										
Full Review:																								
Raleigh-Cary NC MSA	32	60.38	19.53	10.00	15.78	26.67	19.61	6.67	45.08	56.67	6.38	16.66	22.67	54.29										
Winston-Salem NC MSA	20	37.74	21.11	0.00	15.54	5.00	19.82	0.00	43.53	95.00	7.80	17.73	24.17	50.30										
Limited Review:																								
Greenville NC MSA	1	1.89	24.27	0.00	15.75	0.00	18.08	0.00	41.90	0.00	5.09	13.76	20.23	60.92										

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.8% of loans originated and purchased by BANK.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Raleigh-Cary NC MSA	141	80.11	84.49	24.82	38.30	34.75	26.95	23,277	12,422
Winston-Salem NC MSA	25	14.20	82.54	16.00	28.00	36.00	36.00	6,434	3,292
Limited Review:									
Greenville NC MSA	10	5.68	80.88	60.00	60.00	30.00	10.00	2,460	1,150

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 22.89% of small loans to businesses originated and purchased by the bank.

*****Data for Greenville NC MSA represents January 1, 2015 through December 31, 2016

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS Geography: NORTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Raleigh-Cary NC MSA	0	0.00	93.07	0.00	0.00	0.00	0.00	80	47
Winston-Salem NC MSA	0	0.00	96.12	0.00	0.00	0.00	0.00	27	22
Limited Review:									
Greenville NC MSA	0	0.00	95.21	0.00	0.00	0.00	0.00	67	33

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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: State of North Carolina Evaluation Period January 1, 2014 TO December 31, 2016									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Raleigh-Cary, NC MSA	0	0	40	1,744	40	1,744	66.95	0	0
Winston-Salem, NC MSA	0	0	46	844	46	844	32.40	0	0
Limited Review:									
Greenville, NC MSA	0	0	1	5	1	5	00.19	0	0
Statewide with P/M/F	0	0	5	12	5	12	00.46	0	0

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

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

****Investment Data for Greenville NC MSA represents January 1, 2015 through December 31, 2016

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		Geography: NORTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
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:																									
Raleigh-Cary NC MSA	73.60	4	66.67	0.00	25.00	25.00	50.00	4	1	0	+1	+1	+1	6.21	19.34	36.37	37.60								
Winston-Salem NC MSA	18.84	1	16.67	0.00	0	100.00	0.00	0	0	0	0	0	0	8.63	19.63	32.01	39.74								
Greenville NC MSA	7.56	1	16.67	0.00	100.00	0.00	0.00	1	0	0	+1	0	0	5.27	19.33	39.91	35.50								

Table 1. Lending Volume

LENDING VOLUME		Geography: SOUTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
	% 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)	
Assessment Area (2016):												
Full Review:												
Charleston-North Charleston SC MSA	100.00	30	10,873	11	4,874	0	0	0	0	41	15,747	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: SOUTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	15	100.00	3.30	0.00	17.11	20.00	39.14	20.00	40.44	60.00	2.01	14.29	37.91	45.79

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: SOUTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*											
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp								
Full Review:																						
Charleston-North Charleston SC MSA	0	0.00	3.30	0.00	17.11	0.00	39.14	0.00	40.44	0.00	2.44	18.09	31.10	48.37								

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: SOUTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	15	100.00	3.30	6.67	17.11	40.00	39.14	6.67	40.44	46.67	1.90	11.22	34.28	52.61

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: SOUTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	0	0.00	9.42	0.00	22.15	0.00	44.24	0.00	24.19	0.00	17.14	31.43	25.71	25.71

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														
Geography: SOUTH CAROLINA							Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	11	100.00	6.98	9.09	23.80	18.18	34.28	18.18	34.94	54.55	6.69	19.55	34.32	39.44

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: SOUTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	0	0.00	4.87	0.00	17.50	0.00	45.51	0.00	32.12	0.00	4.55	4.55	77.27	13.64

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: SOUTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families18	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	15	100.00	22.99	0.00	16.59	33.33	17.99	6.67	42.43	60.00	3.14	15.10	20.30	61.46

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: SOUTH CAROLINA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families 19	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Charleston-North Charleston SC MSA	0	0.00	22.99	0.00	16.59	0.00	17.99	0.00	42.43	0.00	12.53	10.77	18.02	58.68

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: SOUTH CAROLINA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*											
	#	% of Total**	% Families* **	% BANK Loans****	% Families 20	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp								
Full Review:																						
Charleston-North Charleston SC MSA	15	100.00	22.99	0.00	16.59	26.67	17.99	40.00	42.43	33.33	3.32	10.15	19.16	67.36								

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: SOUTH CAROLINA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Charleston-North Charleston SC MSA	11	100.00	80.53	36.36	18.18	9.09	72.73	9,528	5,034

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 9.09% of small loans to businesses originated and purchased by the bank.

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: SOUTH CAROLINA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Charleston-North Charleston SC MSA	0	0.00	93.15	0.00	0.00	0.00	0.00	25	14

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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: State of South Carolina Evaluation Period January 1, 2014 TO December 31, 2016									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Charleston-North Charleston, SC MSA	0	0	12	47	12	47	1.57	0	0
Limited Review:									
Statewide with P/M/F	1	1,157	2	1,799	3	2,956	98.43	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: SOUTH CAROLINA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
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:																	
Charleston-North Charleston SC MSA	100.00	1	100.00	0.00	0.00	0.00	100.00	0	0	0	0	0	+1	7.55	23.17	36.92	32.36

Table 1. Lending Volume

LENDING VOLUME		Geography: TENNESSEE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area (2016):	% 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:												
Knoxville TN MSA	22.15	673	200,295	877	174,426	2	250	20	53,016	1,572	427,987	30.24
Nashville-Davidson-Murfreesboro-Franklin TN MSA	45.41	1,928	668,878	1,265	244,864	9	627	20	52,952	3,222	967,321	39.15
Non-MSA TN	8.44	290	41,004	298	52,698	0	0	11	35,451	599	129,153	8.97
Limited Review:												

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

LENDING VOLUME		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Cleveland TN MSA	2.48	51	8,824	120	28,595	2	200	3	6,184	176	43,803	2.99
Jackson TN MSA	2.17	55	15,348	98	14,272	0	0	1	1,300	154	30,920	2.30
Johnson City TN VA MSA	8.70	354	76,502	258	45,219	1	100	4	8,830	617	130,651	7.42
Kingsport Bristol-Bristol TN VA MSA	7.16	235	56,489	268	47,763	0	0	5	164	508	104,416	5.35
Morristown TN MSA	3.23	99	18,180	126	21,844	1	20	3	13,500	229	53,544	3.58
Outside of Delineated AA in TN:												
Outside of Delineated AA in TN	0.27							19	48,186	19	35,452	

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	324	19.55	2.22	1.54	12.31	6.17	53.87	28.40	31.61	63.89	1.32	9.21	52.90	36.56
Nashville-Davidson-Murfreesboro-Franklin TN MSA	918	55.40	3.90	3.27	13.99	10.35	43.10	21.24	39.01	65.14	3.60	11.68	41.41	43.31
Non-MSA TN	111	6.70	0.00	0.00	5.65	2.70	71.44	54.95	22.91	42.34	0.00	4.04	69.21	26.75
Limited Review:														
Cleveland TN MSA	16	0.97	2.79	0.00	4.76	6.25	59.16	56.25	33.29	37.50	2.54	4.01	51.58	41.87
Jackson TN MSA	23	1.39	6.57	0.00	12.56	4.35	44.54	26.09	36.32	69.57	0.45	11.73	43.38	44.44
Johnson City TN VA MSA	140	8.45	1.17	0.71	12.61	5.00	47.40	28.57	38.82	65.71	0.78	7.27	40.98	50.97

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Kingsport Bristol-Bristol TN VA MSA	96	5.79	1.30	1.04	13.76	9.38	47.54	32.29	37.39	57.29	1.27	9.92	41.40	47.42
Morristown TN MSA	29	1.75	0.00	0.00	8.70	0.00	81.07	79.31	10.23	20.69	0.00	6.57	79.97	13.45

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: TENNESSEE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	40	14.71	2.22	2.50	12.31	5.00	53.87	57.50	31.61	35.00	1.93	13.16	53.16	31.76
Nashville-Davidson-Murfreesboro-Franklin TN MSA	133	48.90	3.90	3.01	13.99	8.27	43.10	33.83	39.01	54.89	4.63	13.77	42.20	39.40
Non-MSA TN	29	10.66	0.00	0.00	5.65	6.90	71.44	75.86	22.91	17.24	0.00	6.32	68.77	24.90
Limited Review:														
Cleveland TN MSA	5	1.84	2.79	0.00	4.76	20.00	59.16	40.00	33.29	40.00	4.14	2.76	54.48	38.62
Jackson TN MSA	1	0.37	6.57	0.00	12.56	0.00	44.54	100.00	36.32	0.00	2.25	12.36	34.83	50.56
Johnson City TN VA MSA	34	12.50	1.17	0.00	12.61	2.94	47.40	67.65	38.82	29.41	2.69	11.15	51.15	35.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Kingsport Bristol-Bristol TN VA MSA	18	6.62	1.30	0.00	13.76	16.67	47.54	44.44	37.39	38.89	0.77	12.69	44.23	42.31
Morristown TN MSA	12	4.41	0.00	0.00	8.70	8.33	81.07	83.33	10.23	8.33	0.00	10.69	79.87	9.43

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: TENNESSEE Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	308	17.57	2.22	0.97	12.31	8.77	53.87	43.51	31.61	46.75	1.33	9.34	49.77	39.56
Nashville-Davidson-Murfreesboro-Franklin TN MSA	877	50.03	3.90	2.62	13.99	10.15	43.10	27.59	39.01	59.64	2.98	10.23	39.54	47.26
Non-MSA TN	150	8.56	0.00	0.00	5.65	7.33	71.44	66.67	22.91	26.00	0.00	3.81	68.41	27.78
Limited Review:														
Cleveland TN MSA	29	1.65	2.79	0.00	4.76	0.00	59.16	58.62	33.29	41.38	2.00	2.99	54.03	40.98
Jackson TN MSA	31	1.77	6.57	0.00	12.56	6.45	44.54	32.26	36.32	61.29	2.11	11.03	38.26	48.59
Johnson City TN VA MSA	180	10.27	1.17	1.11	12.61	8.89	47.40	36.67	38.82	53.33	1.17	10.15	41.76	46.92

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Kingsport Bristol-Bristol TN VA MSA	121	6.90	1.30	1.65	13.76	9.92	47.54	31.40	37.39	57.02	1.21	10.57	41.54	46.68
Morristown TN MSA	57	3.25	0.00	0.00	8.70	7.02	81.07	73.68	10.23	19.30	0.00	6.70	82.35	10.95

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	1	33.33	21.36	0.00	21.46	0.00	39.78	100.00	17.40	0.00	16.47	20.00	49.41	14.12
Nashville-Davidson-Murfreesboro-Franklin TN MSA	0	0.00	16.83	0.00	29.26	0.00	32.36	0.00	21.55	0.00	14.29	41.18	26.89	17.65
Non-MSA TN	0	0.00	0.00	0.00	17.01	0.00	57.82	0.00	25.17	0.00	0.00	11.11	72.22	16.67
Limited Review:														
Cleveland TN MSA	1	33.33	25.56	0.00	15.37	0.00	35.90	100.00	23.17	0.00	0.00	10.00	55.00	35.00
Jackson TN MSA	0	0.00	26.92	0.00	31.65	0.00	36.90	0.00	4.52	0.00	22.22	33.33	44.44	0.00
Johnson City TN VA MSA	0	0.00	1.05	0.00	31.90	0.00	18.25	0.00	48.80	0.00	2.78	41.67	22.22	33.33

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Kingsport Bristol-Bristol TN VA MSA	0	0.00	4.96	0.00	19.90	0.00	47.75	0.00	27.39	0.00	0.00	10.00	76.67	13.33
Morristown TN MSA	1	33.33	0.00	0.00	29.24	0.00	63.91	100.00	6.85	0.00	0.00	25.00	56.25	18.75

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														
Geography: TENNESSEE							Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	876	26.62	4.87	9.82	17.33	18.49	42.67	38.70	34.54	32.99	4.34	15.74	40.49	39.43
Nashville-Davidson-Murfreesboro-Franklin TN MSA	1,247	37.89	8.01	11.55	18.15	23.98	32.36	25.66	40.53	38.81	7.89	17.30	29.09	45.72
Non-MSA TN	298	9.05	0.00	0.00	12.45	16.78	62.17	52.01	25.24	31.21	0.00	10.43	62.75	26.82
Limited Review:														
Cleveland TN MSA	120	3.65	3.55	5.00	8.90	5.83	47.58	56.67	39.97	32.50	3.47	7.88	49.37	39.29
Jackson TN MSA	98	2.98	12.70	6.12	24.26	31.63	37.70	31.63	25.33	30.61	20.73	17.66	30.31	31.31
Johnson City TN VA MSA	258	7.84	1.95	1.55	18.87	22.09	34.36	25.19	44.22	51.16	1.35	18.25	33.75	46.66

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Kingsport Bristol-Bristol TN VA MSA	268	8.14	2.59	1.49	16.14	15.30	49.15	54.85	32.11	28.36	1.65	12.95	49.20	36.19
Morristown TN MSA	126	3.83	0.00	0.00	16.18	33.33	75.70	54.76	8.12	11.90	0.00	14.73	74.81	10.46

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: TENNESSEE Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	2	13.33	2.24	0.00	13.01	0.00	52.99	100.00	30.92	0.00	0.00	12.90	67.74	19.35
Nashville-Davidson-Murfreesboro-Franklin TN MSA	9	60.00	3.25	0.00	14.88	11.11	44.34	55.56	37.11	33.33	0.00	19.60	49.25	31.16
Non-MSA TN	0	0.00	0.00	0.00	3.03	0.00	80.71	0.00	16.26	0.00	0.00	3.39	82.20	14.41
Limited Review:														
Cleveland TN MSA	2	13.33	1.14	0.00	1.14	0.00	66.29	100.00	31.43	0.00	0.00	15.38	69.23	15.38
Jackson TN MSA	0	0.00	6.22	0.00	10.36	0.00	45.60	0.00	37.82	0.00	4.92	0.00	55.74	39.34
Johnson City TN VA MSA	1	6.67	1.07	0.00	10.68	0.00	58.72	100.00	29.54	0.00	0.00	0.00	72.09	27.91
Kingsport Bristol-Bristol TN VA MSA	0	0.00	1.57	0.00	11.37	0.00	49.41	0.00	37.65	0.00	0.00	3.13	56.25	40.63

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Morristown TN MSA	1	6.67	0.00	0.00	5.03	0.00	88.94	100.00	6.03	0.00	0.00	0.00	100.00	0.00
-------------------	---	------	------	------	------	------	-------	--------	------	------	------	------	--------	------

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families ²¹	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	324	19.55	18.93	4.33	16.44	11.46	20.81	9.29	43.82	74.92	9.09	23.26	24.41	43.24
Nashville-Davidson-Murfreesboro-Franklin TN MSA	918	55.40	19.91	5.27	17.14	13.85	20.90	8.68	42.05	72.20	7.67	21.65	24.29	46.38
Non-MSA TN	111	6.70	18.75	2.73	18.13	19.09	21.12	17.27	42.01	60.91	4.30	21.71	25.80	48.19
Limited Review:														
Cleveland TN MSA	16	0.97	19.73	6.25	18.02	18.75	19.97	6.25	42.27	68.75	3.47	18.72	28.09	49.72
Jackson TN MSA	23	1.39	22.43	0.00	16.35	0.00	17.90	8.70	43.32	91.30	8.67	25.54	23.20	42.59

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.6% of loans originated and purchased by BANK.

²¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Johnson City TN VA MSA	140	8.45	18.66	0.00	16.89	12.14	19.19	8.57	45.25	79.29	5.44	19.84	22.75	51.98
Kingsport Bristol-Bristol TN VA MSA	96	5.79	19.72	3.13	16.49	8.33	20.15	9.38	43.65	79.17	7.45	23.88	27.04	41.62
Morristown TN MSA	29	1.75	20.96	6.90	18.08	20.69	20.75	17.24	40.21	55.17	6.71	27.89	26.11	39.29

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TENNESSEE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families 22	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	40	14.71	18.93	17.50	16.44	5.00	20.81	20.00	43.82	57.50	11.84	18.74	24.83	44.60
Nashville-Davidson-Murfreesboro-Franklin TN MSA	133	48.90	19.91	5.26	17.14	13.53	20.90	18.80	42.05	62.41	10.78	18.89	24.62	45.72
Non-MSA TN	29	10.66	18.75	24.14	18.13	6.90	21.12	27.59	42.01	41.38	8.89	20.61	23.86	46.64
Limited Review:														
Cleveland TN MSA	5	1.84	19.73	40.00	18.02	0.00	19.97	20.00	42.27	40.00	8.21	15.67	24.63	51.49
Jackson TN MSA	1	0.37	22.43	100.00	16.35	0.00	17.90	0.00	43.32	0.00	14.46	15.66	19.28	50.60

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Johnson City TN VA MSA	34	12.50	18.66	14.71	16.89	38.24	19.19	14.71	45.25	32.35	13.94	19.92	25.90	40.24
Kingsport Bristol-Bristol TN VA MSA	18	6.62	19.72	11.11	16.49	16.67	20.15	22.22	43.65	50.00	11.51	16.27	29.76	42.46
Morristown TN MSA	12	4.41	20.96	33.33	18.08	33.33	20.75	8.33	40.21	25.00	9.72	30.56	22.22	37.50

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: TENNESSEE Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families** *	% BANK Loans****	% Families 23	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Knoxville TN MSA	308	17.57	18.93	7.49	16.44	14.01	20.81	15.64	43.82	62.87	8.45	18.40	24.88	48.26
Nashville-Davidson-Murfreesboro-Franklin TN MSA	877	50.03	19.91	5.72	17.14	15.56	20.90	16.70	42.05	62.01	7.04	18.04	23.95	50.98
Non-MSA TN	150	8.56	18.75	7.33	18.13	26.00	21.12	18.67	42.01	48.00	5.86	17.82	23.27	53.05
Limited Review:														
Cleveland TN MSA	29	1.65	19.73	10.34	18.02	20.69	19.97	20.69	42.27	48.28	4.99	11.61	26.36	57.03
Jackson TN MSA	31	1.77	22.43	3.23	16.35	12.90	17.90	12.90	43.32	70.97	7.14	15.61	20.43	56.81

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.2% of loans originated and purchased by BANK.

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

Johnson City TN VA MSA	180	10.27	18.66	6.67	16.89	15.00	19.19	17.22	45.25	61.11	6.24	16.86	26.53	50.36
Kingsport Bristol- Bristol TN VA MSA	121	6.90	19.72	8.26	16.49	15.70	20.15	19.83	43.65	56.20	8.62	17.61	25.66	48.11
Morristown TN MSA	57	3.25	20.96	12.28	18.08	15.79	20.75	21.05	40.21	50.88	9.71	19.78	24.94	45.58

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: TENNESSEE		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Knoxville TN MSA	877	26.50	79.98	26.34	53.59	20.98	25.43	8,813	4,388
Nashville-Davidson-Murfreesboro-Franklin TN MSA	1,265	38.22	81.97	29.41	50.83	25.77	23.40	27,785	14,201
Non-MSA TN	298	9.00	81.31	29.87	52.68	26.51	20.81	3,463	1,596
Limited Review:									
Cleveland TN MSA	120	3.63	81.33	30.00	40.83	26.67	32.50	970	491
Jackson TN MSA	98	2.96	77.59	28.57	58.16	24.49	17.35	1,606	793
Johnson City TN VA MSA	258	7.79	81.18	27.52	50.39	29.46	20.16	1,800	911

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 24.53% of small loans to businesses originated and purchased by the bank.

Kingsport Bristol-Bristol TN VA MSA	268	8.10	80.39	27.24	54.85	24.63	20.52	1,781	853
Morristown TN MSA	126	3.81	79.54	30.16	52.38	26.98	20.63	1,081	534

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: TENNESSEE		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Knoxville TN MSA	2	13.33	95.10	0.00	50.00	50.00	0.00	31	15
Nashville-Davidson-Murfreesboro-Franklin TN MSA	9	60.00	95.04	33.33	88.89	11.11	0.00	200	98
Non-MSA TN	0	0.00	98.99	0.00	0.00	0.00	0.00	118	58
Limited Review:									
Cleveland TN MSA	2	13.33	96.00	0.00	100.00	0.00	0.00	13	4
Jackson TN MSA	0	0.00	94.30	0.00	0.00	0.00	0.00	61	36
Johnson City TN VA MSA	1	6.67	95.73	0.00	100.00	0.00	0.00	43	33

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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 46.67% of small loans to farms originated and purchased by the bank.

Kingsport Bristol-Bristol TN VA MSA	0	0.00	94.90	0.00	0.00	0.00	0.00	32	23
Morristown TN MSA	1	6.67	95.98	0.00	100.00	0.00	0.00	19	12

Table 14. Qualified Investments

QUALIFIED INVESTMENTS Geography: State of Tennessee Evaluation Period January 1, 2014 TO December 31, 2016									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	3	2,129	117	27,695	120	29,824	35.54	0	0
Knoxville, TN MSA	2	2,128	190	30,366	192	32,493	38.72	0	0
Non-MSA Tennessee	0	0	36	1,727	36	1,727	2.06	0	0
Limited Review:									
Jackson, TN MSA	0	0	19	1,313	19	1,313	1.56	0	0
Johnson City, TN MSA	0	0	30	1,867	30	1,867	2.23	0	0
Kingsport Bristol-Bristol, TN VA MSA	1	(218)	33	1,546	34	1,328	1.58	0	0
Morristown, TN MSA	1	315	21	1,623	22	1,939	2.32	0	0
Cleveland, TN MSA	1	1,358	12	283	13	1,640	1.95	0	0
								0	0

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

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

Statewide with P/M/F	4	2,425	4	5,336	8	7,761	9.25	0	0
Broader Regional with P/M/F	0	0	14	4,016	14	4,016	4.79	0	0

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, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population															
	% of Rated Area Deposits in AA	# of BANK Branches in AA	% 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:																													
Knoxville TN MSA	30.24	28	27.18	7.14	25.00	39.29	28.57	3	3	0	0	0	0	5.55	13.92	50.73	28.81												
Nashville-Davidson-Murfreesboro-Franklin TN MSA	39.15	41	39.81	4.88	21.95	26.83	43.90	2	4	0	+1	0	-3	7.98	18.10	39.68	33.90												
Non-MSA TN	8.97	12	11.65	0.00	25.00	58.33	16.67	6	7	0	0	+1	-2	0.00	9.18	68.75	22.07												
Limited Review:																													
Cleveland TN MSA	2.99	3	2.91	33.33	0.00	66.67	0.00	0	1	0	0	-1	0	5.89	7.47	53.92	32.73												
Jackson TN MSA	2.30	2	1.94	0.00	0.00	50.00	50.00	0	1	-1	0	0	0	12.23	17.79	41.08	28.91												
Johnson City TN VA MSA	7.42	6	5.83	0.00	16.67	50.00	33.33	1	1	0	0	0	0	1.86	16.78	42.46	37.41												
Kingsport Bristol-Bristol TN VA MSA	5.35	6	5.83	0.00	66.67	16.67	16.67	1	3	0	0	-2	0	2.14	15.87	46.78	35.21												
Morristown TN MSA	3.58	5	4.85	0.00	40.00	60.00	0.00	0	0	0	0	0	0	0.00	11.44	78.62	9.94												

Table 1. Lending Volume

LENDING VOLUME		Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016						
	% 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)	
Assessment Area (2016):												
Full Review:												
Houston TX MSA	100.00	30	5,944	4	1,945	0	0	0	0	34	7,889	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from March 01, 2016 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*											
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp								
Full Review:																						
Houston TX MSA	30	100.00	5.75	3.33	25.81	33.33	28.44	23.33	40.00	40.00	2.37	13.41	33.92	50.30								

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Houston TX MSA	0	0.00	5.75	0.00	25.81	0.00	28.44	0.00	40.00	0.00	3.44	15.85	25.04	55.67

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE														
Geography: TEXAS						Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Houston TX MSA	0	0.00	5.75	0.00	25.81	0.00	28.44	0.00	40.00	0.00	2.18	13.20	28.83	55.79

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY														Geography: TEXAS		Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp					
Full Review:																			
Houston TX MSA	0	0.00	24.98	0.00	32.77	0.00	19.31	0.00	22.93	0.00	25.09	37.28	20.21	17.42					

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Houston TX MSA	4	100.00	10.61	0.00	22.49	0.00	23.69	25.00	43.14	75.00	10.71	22.66	24.31	42.32

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Houston TX MSA	0	0.00	7.10	0.00	19.95	0.00	27.16	0.00	45.77	0.00	3.85	11.54	29.12	55.49

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families ²⁴	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Houston TX MSA	30	100.00	26.75	3.33	17.46	56.67	17.37	20.00	38.43	20.00	4.65	17.98	23.00	54.38

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

²⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*											
	#	% of Total**	% Families***	% BANK Loans****	% Families 25	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp								
Full Review:																						
Houston TX MSA	0	0.00	26.75	0.00	17.46	0.00	17.37	0.00	38.43	0.00	8.18	12.11	17.27	62.43								

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS				Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*											
	#	% of Total**	% Families** *	% BANK Loans****	% Families 26	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp								
Full Review:																						
Houston TX MSA	0	0.00	26.75	0.00	17.46	0.00	17.37	0.00	38.43	0.00	5.46	13.33	20.78	60.43								

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: TEXAS		Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Houston TX MSA	4	100.00	84.37	25.00	25.00	0.00	75.00	91,353	42,083

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 25.00% of small loans to businesses originated and purchased by the bank.

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: TEXAS		Evaluation Period: MARCH 1, 2016 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Houston TX MSA	0	0.00	94.43	0.00	0.00	0.00	0.00	187	78

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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: State of Texas			Evaluation Period March 1, 2016 TO December 31, 2016				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Houston, TX MSA	0	0	3	23	3	23	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TEXAS Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016																	
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:																	
Houston TX MSA	100.00	1	100.00	0.00	0.00	0.00	100.00	1	0	0	0	0	+1	12.74	31.04	26.55	29.31

Table 1. Lending Volume

LENDING VOLUME		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
	% 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)	
Assessment Area (2016):												
Full Review:												
Richmond VA MSA	100.00	29	10,121	10	2,829	0	0	2	350	41	13,300	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	16	100.00	1.56	0.00	20.66	12.50	35.95	18.75	41.84	68.75	0.78	18.72	34.94	45.56

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	1	100.00	1.56	0.00	20.66	0.00	35.95	0.00	41.84	100.00	1.71	22.43	33.05	42.81

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*											
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp								
Full Review:																						
Richmond VA MSA	12	100.00	1.56	0.00	20.66	25.00	35.95	16.67	41.84	58.33	0.79	16.00	31.25	51.96								

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AAS 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 2010 Census information.

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

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY														
Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	0	0.00	6.72	0.00	39.25	0.00	23.65	0.00	30.37	0.00	0.00	30.00	30.00	40.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AAS 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 multi family housing units in the area based on 2010 Census information.

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

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*											
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businessess**	% BANK Loans	Low	Mod	Mid	Upp								
Full Review:																						
Richmond VA MSA	10	100.00	1.43	0.00	21.53	0.00	35.91	50.00	40.74	50.00	1.06	20.47	33.94	44.53								

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	0	0.00	1.03	0.00	20.62	0.00	39.79	0.00	38.56	0.00	0.00	6.67	33.33	60.00

* Based on 2015 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2016).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families27	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
Full Review:																					
Richmond VA MSA	16	100.00	19.56	0.00	17.10	21.43	20.85	7.14	42.49	71.43	13.37	26.79	21.58	38.26							

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 12.5% of loans originated and purchased by BANK.

²⁷ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families 28	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	1	100.00	19.56	0.00	17.10	0.00	20.85	0.00	42.49	100.00	12.97	22.16	25.41	39.46

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families** *	% BANK Loans****	% Families 29	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Richmond VA MSA	12	100.00	19.56	0.00	17.10	16.67	20.85	0.00	42.49	83.33	8.78	19.20	23.14	48.89

* Based on 2015 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 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.

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

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: VIRGINIA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Richmond VA MSA	10	100.00	83.30	40.00	40.00	10.00	50.00	6,522	3,479

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AAS 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 - 2016).

**** 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 30.00% of small loans to businesses originated and purchased by the bank.

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: VIRGINIA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% 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:									
Richmond VA MSA	0	0.00	96.29	0.00	0.00	0.00	0.00	15	5

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AAS 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 - 2016).

**** 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: State of Virginia		Evaluation Period January 1, 2014 TO December 31, 2016					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Richmond, VA MSA	0	0	23	68	23	68	81.93	0	0
Limited Review:									
Statewide with P/M/F	0	0	3	15	3	15	18.07	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
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:																													
Richmond VA MSA	100.00	1	100.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	3.21	26.40	33.52	36.87												