

PUBLIC DISCLOSURE

June 17, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Bank
Certificate Number: 8663**

**30 South Main Street
Lexington, Tennessee 38351**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
Dallas Region—Memphis Area Office
5100 Poplar Avenue, Suite 1900
Memphis, Tennessee 38137**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING

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

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of First Bank, Lexington, Tennessee, with respect to the *Lending, Investment, and Service Tests*.

PERFORMANCE LEVELS	First Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test*	Service Test*
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

Presented below is a brief summary of the bank's record with respect to each of the large bank performance tests, including all assessment areas (AAs). These tests are the Lending, Investment, and Service Tests.

Lending Test

Overall, First Bank has demonstrated good performance with respect to the Lending Test. The bank's performance in the West TN Non-MSA AA, which accounts for 50.7 percent of the bank's CRA lending activity by dollar volume and approximately 75 percent by number of loans, is weighed more heavily than performance in other AAs. However, if performance in a minor AA is sufficiently poor it may diminish the bank's lending performance for that factor, depending on the weight assigned to the AA. In addition, in most instances more weight is attributed to the bank's small business lending, which account for 47.1 percent of its total CRA lending activity during review period. The remaining CRA lending concentrations are home mortgage loans with 36.2 percent, small farms loans with 10.9 percent, and community development loans with 5.8 percent.

The following are descriptions of the bank's major investments, along with a notation in parenthesis describing the AA or areas that benefit from the investment.

Access Capital Strategies Community Investment Fund –First Bank retained a prior period investment with a current book value of \$1,154,239 in this fund, which targets home mortgage loan pools consisting of low- and moderate-income homebuyers, affordable housing rental units, qualified SBA loans, and community based not-for-profit organizations within an area designated by the investor. First Bank has designated all of its AAs as the target area for this investment. (All AAs)

Affordable Housing Resources, Inc. –First Bank retained its prior period investment of \$250,000 in this Community Development Financial Institution (CDFI), represented by an Unsecured Subordinated Promissory Note. According to the note, the funds are intended to be a qualified equity investment and the borrower warrants that the funds will be used for community development purposes. Affordable Housing Resources, Inc. develops affordable housing projects in Nashville, Tennessee, and also provides homeowner education. (Nashville TN MSA AA)

CRA Qualified Investment Fund –First Bank retained a prior period investment with a current book value of \$1,160,278 in this fund, which invests in FNMA home mortgage loan pools consisting of loans to low- and moderate-income borrowers. The bank's investment in these pools is allocated based on the loans in the pool that are within its designated AAs. (All AAs)

FB Housing Fund (Dickson County) –First Bank retained a prior period investment of \$344,013 in this qualified fund that involves federal income tax credits administered through the Tennessee Housing Development Authority. These tax credits are associated with an affordable housing project in White Bluff, Tennessee in Dickson County. The project is specifically designed for elderly residents who qualify as low-income, and 2 of the 18 units accommodate handicapped persons. Tenants are selected and qualified by the Dickson Housing Authority and are approved by the Tennessee Housing Development Authority. (Murfreesboro TN MSA AA)

Multi-Bank Securities, Inc. –First Bank retained a prior period investment with a book value of \$992,089 in this customized FNMA pool of mortgage backed securities. These fixed income bonds are secured by loans to low- and moderate-income borrowers and/or loans in low- and moderate-income census tracts located in the bank's AAs. (All AAs)

Senior Housing Crime Prevention Foundation Investment Corporation –First Bank retained a prior period investment of \$150,000 in this program. The investment helps to fund senior crime-stoppers programs, which provide reward money for tips that help solve crimes. The nursing home sponsored by this investment is located in a low-income census tract (CT 0162.00) in Nashville, Tennessee. (Nashville TN MSA AA)