



LARGE BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Public Disclosure

March 21, 2005

Community Reinvestment Act Performance Evaluation

**First Citizens National Bank
Charter Number: 5263**

**200 West Court Street
Dyersburg, TN 38024**

Office of the Comptroller of the Currency

**Little Rock Field Office
10201 West Markham, Suite 105 Ozark National Life Bld.
Little Rock, AR 72205**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Overall CRA Rating

Institution’s Community Reinvestment Act (CRA) Rating: This institution is rated **Satisfactory**.

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

Performance Levels	First Citizens National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- FCNB’s lending activity reflects good responsiveness to the credit needs in both assessment areas.
- FCNB’s overall distribution of home mortgage loans by income level of geographies for 2001 and 2002 is adequate for the Non-MA area.
- FCNB’s overall distribution of small loans to businesses by income level of geographies for 2001 and 2002 is excellent for the Non-MA.
- FCNB’s overall distribution of small farms loans by income level of geographies for 2001 and 2002 is excellent for the Non-MA
- FCNB’s distribution of home mortgage loans by borrower income level is excellent for the Non-MA area and good for the MA area.
- FCNB’s distribution of small businesses by borrower income level is excellent in both assessment areas.
- FCNB’s distribution of small farms by borrower income level is excellent in both assessment areas.

B and B Partners, Dyersburg, TN: FCNB made a \$300 thousand loan to construct Section 8 housing for low- and moderate-income families.

Heaven Sent Christian Childcare Center, Ripley, TN: FCNB made a \$118 thousand construction and long-term mortgage loan, which was also subsidized by Federal funds, to provide qualifying child-care and other social services for low- and moderate-income families.

Professional Counseling Service for Independent Living, Covington and Ripley, TN: FCNB made a \$98 thousand bridge loan to construct affordable housing for low- and moderate-income individuals with physical and mental disabilities.

Senior Housing Crime Prevention Foundation, Dyersburg, TN: FCNB made a \$100 thousand loan commitment to provide funding for crime prevention programs to low- and moderate-income residents of HUD multi-family housing complexes.

MA

Billy Wayne Hubbard, Brighton, TN: FCNB made two construction loans totaling \$187 thousand to provide affordable housing to low- and moderate-income families.

Senior Housing Crime Prevention Foundation, Covington, TN: FCNB made a \$100 thousand loan commitment to provide crime prevention programs for low- and moderate-income nursing home residents. This nursing home is located in a moderate-income census tract in the Memphis MA.

The Crossing on Overton, Memphis, TN: FCNB made a \$950 thousand loan to purchase and rehabilitate an affordable housing apartment complex located in a moderate-income CT.

Product Innovation and Flexibility

The bank's flexible product is the Easy Access Account. This demand deposit account was designed primarily for low- and moderate-income individuals who receive direct deposits from Social Security and Supplementary Income. The account has no monthly service charges.

Senior Housing Crime Prevention Foundation, Memphis, TN: Since 2001, FCNB has invested in three-year, 4%, \$100 thousand in a bond program. The bank and the foundation share equally in the yield on these bonds. The foundation provides funding for local HUD projects, which in turn, provide security services for valuables and personal items of local nursing home residents. The fund also helps maintain a “tips hot line” for reporting crimes and/or abuses of nursing home residents.

Tennessee Tech Center, Dyersburg, TN: FCNB donated \$3 thousand to be used by Tennessee Tech Center to provide primarily low- and moderate-income families with financial assistance toward continuing education.

Union City Rotary, Union City, TN: FCNB donated \$6 thousand to be used by Union City Rotary to provide primarily low- and moderate-income families with scholarship funds for their continuing education.

MA

Although FCNB has a low level of qualified investments in the Memphis MA, they are considered to be adequate based on the bank’s market share and recent entry into this market. The bank also plans to increase its investment in this market and is reviewing the opportunities in the AA.

Celebrate Munford, Munford, TN: FCNB donated \$3 thousand to Celebrate Munford scholarship fund, which benefits Munford High School graduates, based on financial need. This scholarship fund primarily benefits low-and moderate-income families.

Dyersburg State Community College, Covington, TN (DSCC). FCNB donated \$2 thousand to DSCC to provide scholarships based on financial need. This scholarship fund primarily benefits low-and moderate-income families.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the Service Test is rated “**Low Satisfactory.**” Based on full-scope reviews, FCNB’s performance in the Non-MA is adequate and their performance in the Memphis MA is also adequate. More weight was given to the Non-MA to assign these ratings given FCNB’s relative market share between the two AAs and recent entry into the Memphis MA.

Retail Banking Services

The primary delivery system is the bank’s branch network. In addition to its main office located in downtown Dyersburg, TN, FCNB also has 17 branches, all of which are full

Money Smart, Dyersburg, TN: This is a training program developed by the FDIC to help primarily low- and moderate-income individuals develop personal money management skills. FCNB entered into a partnership with the Dyer County Agricultural Extension service to teach “Borrowing Basics” and “Check it Out” classes to Families First students, a Welfare to Work program.

Senior Housing Crime Prevention Foundation, Memphis, TN: This non-profit corporation’s mission is to reduce crime against nursing home residents in Dyer County. An FCNB officer provides technical assistance to this organization.

MA

FCNB has demonstrated adequate performance in providing community development services in the Memphis MA. Although FCNB’s level of CD services is low in the Memphis MA, it is considered adequate given the bank’s market share and recent entry into this market. Management is actively seeking opportunities to increase FCNB’s CD services in this market.

Professional Counseling Services (PCS). PCS is a nonprofit community health center serving West Tennessee. This program is designed to create housing for low-income individuals. FCNB provided technical expertise by helping PCS obtain a \$35 thousand Federal Home Loan Bank grant. Also, FCNB officers serve as members of the start up of the building project in Mason, TN.

Heart to Heart Crises Pregnancy Center, Munford, TN: This organization provides education, health benefits, and other qualified social services primarily to low- and moderate-income individuals. An FCNB officer provides technical assistance to this organization and serves as a board member.

Munford Methodist Church Summer Camp Fund: This fund provides childcare/summer camp services primarily to low- and moderate-income families. FCNB officers provided technical expertise by helping with fund raising activities for this organization.

Lions Club Eye Glasses/Vision Drive, Atoka, Millington, and Munford, TN: This organization provides eyeglasses and health care/eye examinations primarily to low- and moderate-income individuals. FNCB provides technical assistance by participating in eye screenings at local schools.