PUBLIC DISCLOSURE

August 27, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Reliant Bank
1736 Carothers Parkway
Brentwood, Tennessee

RSSD ID NUMBER: 3402575

FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470

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 the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.
The Lending Test is rated: Satisfactory.
The Community Development Test is rated: Satisfactory.

The following table indicates the performance level of Reliant Bank with respect to the lending and community development tests.

PERFORMANCE LEVELS	Reliant Bank	
	PERFORMANCE TESTS	
	Lending Test	**Community Development Test**
Outstanding		
Satisfactory	X	X
Needs to Improve		
Substantial Noncompliance		

Major factors supporting the institution's rating include:

- The bank's loan-to-deposit ratio was more than reasonable.
- A majority of loans were made in the assessment area.
- The distribution of borrowers reflects reasonable penetration among borrowers of different income levels and businesses of different sizes, and a significant portion of small business loans are extended in small dollar amounts.
- The geographic distribution of small business and HMDA loans reflects reasonable dispersion.
- The bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, with respect to community development services and qualified investments, considering the bank's capacity and the need and availability of such opportunities in its assessment area.

INSTITUTION

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, as well as the economic and demographic characteristics of its defined assessment area. Reliant Bank's CRA performance evaluation was based on CRA activities within its assessment area using the Interagency Intermediate Small Institution Examination Procedures. Intermediate small banks are defined as banks with assets of at least $290 million as of December 31 for both of the prior two calendar years and less than $1.160 billion as of December 31 for either of the prior two calendar years. These thresholds are adjusted annually and published by the Board of Governors of the Federal Reserve System. Under these procedures, effective as of September 1, 2005, institutions meeting the threshold size are evaluated using two separately rated tests: a lending test; and a community development test that includes an evaluation of community development loans, investments, and services in light of community needs within its assessment areas and the capacity of the bank.

Reliant Bank's CRA rating was determined by conducting a full scope review of the bank's performance in the Williamson-Davidson County assessment area. The lending test included an analysis of 94 commercial loans originated from January 1, 2010 through December 31, 2011, and 109 HMDA-reportable loans originated in the same period. For the community development test, the examination covered community development loans, qualified investments, and community development services from July 28, 2008 through August 27, 2012. The bank did not receive any CRA-related complaints during this review period; therefore, complaint activity was not reviewed.

As part of this evaluation, community contacts were conducted with local community development and government representatives. These individuals are familiar with the economic and demographic characteristics, as well as community development opportunities in Williamson and Davidson Counties. Information obtained from these contacts was used to establish a context for the communities in which the bank operates and to gather information on the bank's performance. Specific information obtained from the community contacts is included in the applicable sections of the evaluation.

DESCRIPTION OF INSTITUTION

Reliant Bank (Reliant) is a community bank headquartered in Brentwood, Tennessee. The bank opened in January 2006 and primarily serves Williamson and Davidson Counties in middle Tennessee. Williamson and Davidson Counties are part of the 13-county Nashville-Davidson-Murfreesboro-Franklin, TN MSA (Nashville MSA). Reliant is a full-service bank that offers a variety of commercial, consumer, and residential loan products to meet community credit needs. The bank promotes its various retail banking products and services on its Internet web site at www.reliantbank.com. Some products featured on the web site include personal and business deposit products, online banking, bill payment, remote deposit services, and loan products, including business and consumer credit and various residential loan programs.

No known legal impediments exist that would restrict the bank from meeting the credit needs of its assessment areas. The bank received a satisfactory rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated July 28, 2008, under the small bank examination procedures.

Branch Offices

Reliant has added three branches to its branch network since the previous examination. The bank now operates four full service banking offices with deposit taking ATMs. Three branches are located in Williamson County and one in neighboring Davidson County. As part of the bank's expansion, it purchased its second branch in Brentwood, Tennessee from Magna Bank in 2009.

According to the March 31, 2012 Report of Condition (ROC), Reliant's assets totaled $359.2 million, an increase of approximately 51 percent from $237.7 million (3/31/08) at the last CRA evaluation conducted in July 2008. Since the previous exam, loans have increased by 63.2 percent from $173.8 million to $283.6 million and deposits have increased by 73.2 percent from $178.9 million to $309.9 million. Initially, Reliant grew very rapidly after opening in 2006; total assets peaked in September of 2010 at $395.3 million. Since that time, total assets have fallen by approximately 9 percent from their peak, while outstanding loans have declined by about 15 percent.

Loan Portfolio

As of March 31, 2012, Reliant had total assets of $355 million, of which outstanding loan balances represent 80 percent. The following table shows the composition of the loan portfolio according to the Consolidated Reports of Condition and Income.

COMPOSITION OF LOAN PORTFOLIO						
	3/31/2012		12/31/2011		12/31/2010	
Loan Type	$ (000s)	Percent	$ (000s)	Percent	$ (000s)	Percent
Construction and Development	25,244	8.9%	26,713	9.4%	35,317	11.4%
Secured by One- to Four- Family Dwellings	95,416	33.6%	93,881	33.0%	107,709	34.7%
Other Real Estate: Farmland	250	0.1%	252	0.1%	260	0.1%
Multifamily	5,363	1.9%	5,391	1.9%	6,032	1.9%
Nonfarm nonresidential	88,699	31.3%	87,830	30.9%	92,528	29.8%
Commercial and Industrial	60,415	21.3%	62,532	22.0%	60,012	19.3%
Loans to Individuals	8,386	3.0%	7,703	2.7%	8,506	2.7%
Agricultural Loans	0	0.0%	0	0.0%	0	0.0%
Total	*$283,773*	*100.00%*	*$284,302*	*100.00%*	*$310,364*	*100.00%*

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligatio of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

Reliant was founded in 2006 with an initial strategy of serving the construction and development financing needs of rapidly growing Williamson County. At mid-2008, the end of the prior exam period, construction and development had accounted for approximately 30 percent of the bank's loan portfolio. That was down significantly from almost 47 percent at year-end 2007. Since the real estate market downturn, Reliant's loan portfolio has shifted significantly. Over the review period, construction and development lending continued to decline, and by March 2012, accounted for only 8.9 percent of the bank's loan portfolio. The declining trend in construction and development balances reflects the trend observed in this type of lending among all banks serving Williamson County. Since the prior examination, the bank has evolved into a more commercial and commercial real estate retail lending orientation, featuring diversification through consumer and residential lending. Commercial and commercial real estate loans have made up approximately half of the loan portfolio since 2010, as evident from the nonfarm, nonresidential, and commercial and industrial loan dollars outstanding in the table above. Outstanding home equity line of credit (HELOC) balances have been significant, and are included in the table above with loan balances secured by one- to four-family dwellings. Total HELOC balances were $58.6 million, $48.8 million, and $48.9 million, respectively at year-end 2010, 2011, and March 31, 2012. Other loans secured by one- to four-family dwellings include all residential first mortgages carried on the bank's books. Over the period represented by the table, these first mortgages made up approximately 16 percent of total loans. The substantial majority of current mortgage originations are sold to investors, and to that extent do not remain on Reliant's balance sheet or affect the composition of the loan portfolio. Analysis of the bank's HMDA-reportable loan production for 2010 and 2011 indicates that over 40 percent of activity applied to non owner-occupied dwellings.

Credit Products
Reliant is a retail community lender offering an array of commercial real estate, small business, and consumer loans, including residential mortgages. Commercial loan products are diverse, and designed as funding solutions for the area's small business community. Small business term loans and credit lines that are unsecured or secured by business assets other than real estate make up over 20 percent of outstanding loan balances. These credits are most frequently needed for equipment, inventory, working capital, vehicles, and maintenance. Commercial loans or lines of credit secured by business premises or income producing property represent a primary credit product. HELOCs and closed-end home equity loans are flexible credit products accounting for significant loan production and outstanding balances. Moreover, the unused borrowing capacity associated with the HELOC portfolio is considerable, representing additional credit accessible to borrowers totaling 7.5 percent of total outstanding loans at March 31, 2012. Other forms of consumer credit include automobile loans, personal lines of credit and residential mortgages. According to the bank's Internet web site, conventional, FHA, and VA mortgages are among the many types of residential funding available.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WILLIAMSON-DAVIDSON ASSESSMENT AREA

Overview
The Williamson-Davidson assessment area includes Williamson and Davidson Counties in middle Tennessee. Reliant's three branch offices are located within a ten-mile radius from the main office in Brentwood, Tennessee. The main office was Reliant's only banking location at the prior examination. Presently, Reliant Bank has two other branches in Williamson County and one branch in neighboring Davidson County, to the north of Williamson County. Although the assessment area has not changed since the prior examination, two branches added since then improve the bank's retail proximity to Davidson County. Nashville is the largest city in the assessment area, and is located in Davidson County. However, Reliant has no facilities in or near Nashville's central business district. All of the bank's branches are located to the south of Nashville, in upper-income census tracts.

Population and Income Characteristics
The Nashville region grew rapidly between 2000 and 2010, with the largest growth occurring outside of Davidson County, the urban center of the region. While Davidson County is the largest county in the region, Williamson County grew by over 44 percent in the 10-year period. Overall, the Williamson-Davidson assessment area grew by about 16.6 percent, from 696,529 to 812,133 between 2000 and 2010.[1]

Incomes in the assessment area rose in the last decade, but income is significantly different in the two counties. Data from the 2010 American Community Survey shows median family income in Davidson County was $52,193 compared to $93,807 in Williamson County.[2] Williamson County is considered one of the wealthiest counties in the United States.

For the purposes of this analysis, HUD's 2010 and 2011 median family income for the Nashville-Davidson-Murfreesboro MSA for 2010 and 2011 is used. As shown, the median family income for the MSA increased between 2010 and 2011, from $65,200 to $66,200. The following table provides a breakdown of the estimated annual income based on income classification (i.e., low, moderate, middle, and upper).

[1] U.S. Census Bureau. Accessed through PolicyMap. Available at: http://www.policymap.com. Accessed on August 15, 2012.
[2] US Census Bureau, 2010 American Community Survey 1-Year Estimates: S1903: Median Income In The Past 12 Months (In 2010 Inflation-Adjusted Dollars). Accessed on May 29, 2012.

Borrower Income Levels
Nashville-Davidson-Murfreesboror-Franklin, TN MSA

HUD Estimated Median Family Income		Low	Moderate	Middle	Upper
		0 - 49.99%	50% - 79.99%	80% - 119.99%	120% - & above
2010	**$65,200**	0 - $32,599	$32,600 - $52,159	$52,160 - $78,239	$78,240 - & above
2011	**$66,200**	0 - $33,099	$33,100 - $52,959	$52,960 - $79,439	$79,440 - & above

<u>Demographic Characteristics by Census Tract</u>
The Williamson-Davidson assessment area included 162 census tracts; census data from 2000 indicates that there were 15 (9.3 percent) low-income census tracts, 37 (22.8 percent) moderate-income tracts, 71 (43.8 percent) middle-income tracts, 38 (23.5 percent) upper-income tracts, and one tract with unknown income. Almost all of the low- and moderate-income census tracts are in Davidson County; there is just one moderate income tract in Williamson County.

The following table provides demographic characteristics of the bank's assessment area based on the 2000 U.S. Census data used to analyze the bank's CRA performance. Certain components of the data in the table are discussed in this evaluation as they apply to specific parts of the analysis.

Assessment Area Demographics

Assessment Area: Williamson-Davidson

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	15	9.3	10,601	6.0	4,326	40.8	33,980	19.4
Moderate-income	37	22.8	32,033	18.3	4,854	15.2	29,994	17.1
Middle-income	71	43.8	80,190	45.8	4,779	6.0	37,526	21.4
Upper-income	38	23.5	52,422	29.9	1,226	2.3	73,746	42.1
Unknown-income	1	0.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	**162**	**100.0**	**175,246**	**100.0**	**15,185**	**8.7**	**175,246**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	18,934	5,008	3.0	26.4	12,111	64.0	1,815	9.6
Moderate-income	59,156	24,838	14.8	42.0	30,253	51.1	4,065	6.9
Middle-income	141,826	80,104	47.7	56.5	53,769	37.9	7,953	5.6
Upper-income	80,066	57,871	34.5	72.3	18,176	22.7	4,019	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**299,982**	**167,821**	**100.0**	**55.9**	**114,309**	**38.1**	**17,852**	**6.0**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,185	5.0	1,822	4.8	216	7.2	147	6.0
Moderate-income	8,798	20.1	7,418	19.4	823	27.4	557	22.7
Middle-income	17,625	40.3	15,650	40.9	1,041	34.6	934	38.1
Upper-income	14,963	34.2	13,300	34.7	878	29.2	785	32.0
Unknown-income	189	0.4	112	0.3	47	1.6	30	1.2
Total Assessment Area	**43,760**	**100.0**	**38,302**	**100.0**	**3,005**	**100.0**	**2,453**	**100.0**
	Percentage of Total Businesses:			**87.5**		**6.9**		**5.6**

Based on 2000 Census Information.

<u>Housing Characteristics</u>

The housing market in the Williamson-Davidson assessment area has been negatively impacted by the recent economic downturn, but to a somewhat lesser degree than other metropolitan areas in the Southeast. Williamson County in particular fared well through the recession in terms of home prices and the recovery has been strong.

According to the Greater Nashville Association of Realtors, homes sales in the assessment area peaked in 2007. In Davidson County, 9,162 units were sold in 2007 with a median sales price of $167,000. In Williamson County, 4,014 homes sold with a median price of $379,369. Home sales in the two counties declined significantly and in 2010, 5,580 homes sold in Davidson County at a median price of $154,000 and 2,747 homes sold in Williamson at a median price of $344,000. Home sales ticked up in the two counties in 2011 but home prices continued to decline with a median price in Davidson of $150,000 and $342,500 in Williamson County.[3] Statewide, there was a small increase in home sales between 2010 and 2011, though home prices declined slightly.

[3] Greater Nashville Association of Realtors “Area Home Sales Information.” (accessed on September 4, 2012); available from : http://gnar.org/area_home_sales

New home construction in the assessment area has slowed significantly with single-family building permits down 74 percent from 5,768 in 2006 to 1,481 in 2009. Since 2009, new residential activity has been increasing but building permits remain well below the peak at 1,863 in 2011.[4]

The housing market in Davidson and Williamson Counties has been adversely impacted by rising mortgage delinquencies and foreclosures as well as declining loan demand. The percentage of seriously delinquent mortgages, which includes loans more than 90 days past due and in the foreclosure process rose from 3.3 percent to 5.1 percent between January 1, 2010 and December 1, 2012, in Williamson County. The rate was even higher in Davidson County, where the percentage of seriously delinquent mortgages rose from 4.6 percent to 7.8 percent during this same time period. Mortgage delinquencies are much higher in the assessment area than statewide, where just 1.3 percent of mortgages were seriously delinquent at the end of 2011.[5] In addition, HMDA data for the assessment area indicates that demand for new home purchase loans for 1 to 4 family dwellings has also fallen off significantly, from a high of 19,161 in 2006 to 8,086 in 2010.[6]

The homeownership rate in the two counties in the assessment area is significantly different. According to the 2010 Census, the homeownership rate in Davidson County was 55.92 percent while in Williamson County, it was 81.25 percent. Housing vacancy is also higher in Davidson County, where 8.62 percent of units were vacant in 2010 compared to 5.27 percent in Williamson County. Williamson County is the least affordable county in the state, and only 9.8 percent of the homes were considered likely affordable for a family of 4 earning less than 80 percent of the area median income in 2009. This compares with over 45 percent of homes in Davidson County that are considered affordable to this target group.[7] These factors make clear that affordable housing opportunities in Williamson County are very limited, and most individuals seeking affordable housing will have to look to Davidson County.

<u>Employment Conditions</u>
Nashville is the state capital and serves as a vital hub for government, business, and tourism in the state of Tennessee. Nashville-Davidson County (a joint city-county government) is a center for the health care, music, publishing, banking, and transportation industries, including Bridgestone, Hospital Corporation of America, Lifeway, and Universal Music Group. Nashville is also home to 10 colleges and universities including Belmont, Fisk, Lipscomb, Tennessee State, Trevecca Nazarene, and Vanderbilt. Williamson County is also an economic engine for the region, and it is consistently rated as one of the nation's fastest growing counties with upscale suburbs, and large retail and corporate office parks. The county is home to 40 corporate headquarters, including Nissan North America, Tractor Supply Company, Mars Petcare, and Community Health Systems, Inc. Other major employers located in Davidson and Williamson County include Vanderbilt University, the State of Tennessee, Nissan North America, St. Thomas Health, and Gaylord Entertainment.[8]

The middle Tennessee economy weakened during the economic downturn in 2008 and 2009 but has shown signs of recovery in the last couple years. Davidson County lost approximately 15,500 jobs between 2008 and 2010, primarily in manufacturing, construction, accommodation and food services, and other services. Employment levels in Williamson County remained stable between 2008 and 2010, losing only a couple hundred jobs. The construction industry was hard hit in Williamson County but the job loss was offset by gains in a number of other sectors, such as health care, educational services management, and finance and insurance.

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[4] U.S. Census Bureau Residential Construction Branch. Accessed through PolicyMap. (accessed on September 4, 2012); available from http://www.policymap.com
[5] Federal Reserve Bank of Atlanta calculations of data provided by CoreLogic
[6] Home Mortgage Disclosure Act (HMDA) Data. Accessed through PolicyMap. (accessed on September 4, 2012); available from http://www.policymap.com
[7] U.S. Census Bureau and HUD. Accessed through PolicyMap. (accessed on September 4, 2012); available from http://www.policymap.com
[8] Nashville Area Chamber of Commerce. "Regional Profile" (accessed on September 6, 2012); available from: http://www.nashvillechamber.com/Libraries/Economic_Development_Brochures/2012_Regional_Profile.sflb.ashx

The entire middle Tennessee region was impacted by the closure of the General Motors (GM) Plant in late 2009 in Spring Hill, just south of the Williamson County line. At the peak, the plant employed 5,000 workers, and after it closed, the unemployment rate in Maury County, where the plant is located, reached 17 percent. While this is outside the assessment area, the plant closure impacted the entire region and also led to job loss among automotive suppliers located throughout the region. However, in late 2011, GM announced they were re-opening the plant in 2012, and will be slowly adding jobs over the next few years.[9]

Unemployment rates in Nashville area increased significantly during the economic downturn, rising from about 4 percent in 2007 to a high of about 9 percent in late 2009.[10] As shown in the table below, employment conditions in the assessment area are improving, falling between 2010 and 2011 from 8.9 percent to 8.2 percent in Davidson County, and 6.9 percent to 6.2 percent in Williamson County. Both counties performed significantly better than the rest of the state, where unemployment was still 9.2 percent in 2011.[11]

Unemployment Rates

Assessment Area: Williamson-Davidson

Area	Years - Annualized	
	2010	**2011**
Davidson Co.	8.9	8.2
Williamson Co.	6.9	6.2
Nashville MSA	8.7	8.0
Tennessee	9.8	9.2

Not Seasonally Adjusted

The economic recovery in the Nashville area has been fueled by job growth in diverse sectors, including manufacturing, services, and construction. There have been several significant economic development announcements, including Nissan's new plant to build electric vehicles and lithium-ion batteries in Smyrna, Tennessee, right across the line from Davidson County. While there are indications of growth in the region, unemployment remains high and the housing market is still weak, particularly in certain submarkets. However, the Nashville MSA is gaining national recognition as an affordable, high quality place to live, with a strong business climate and thriving entrepreneurial community. Overall, there is a public sense of optimism that the region is poised for significant growth.

[9] New York Times. "Old Saturn Plant Could Get a Second Chance." September 22, 2011. (accessed on September 6, 2012); available from http://www.nytimes.com/2011/09/23/business/gms-former-saturn-plant-in-spring-hill-tenn-may-reopen.html?pagewanted=all
[10] Nashville Area Chamber of Commerce. "Regional Profile" (accessed on September 6, 2012); available from: http://www.nashvillechamber.com/Libraries/Economic_Development_Brochures/2012_Regional_Profile.sflb.ashx
[11] Bureau of Labor Statistics

Competition
The banking market in the assessment area is competitive with a significant concentration of regional and super-regional banks. According to the June 30, 2011 FDIC Summary of Deposits Report, there are 19 financial institutions operating 266 branch locations in the assessment area. Reliant is ranked 12th in the area with a deposit market share of 1.2 percent ($343.5 million). In Williamson County, where Reliant has three branches, the bank ranks 9th with a deposit market share of 5.3 percent. The market is a composed of national, super-regional, and community banks. Bank of America has the largest market share (21.0 percent), followed by Regions (20.0 percent), SunTrust (14.0 percent), Pinnacle National Bank (8.0 percent), and First Tennessee (5.2 percent). All other banks in the market area have less than 5.0 percent each of the deposit market share. CapStar, Avenue Bank, and Franklin Synergy are the most similarly situated banks in the region and primary competitors, with each bank holding a deposit market share of less than 2 percent.

The 2010 market peer report showing the number of originations and purchases of HMDA loans indicates that Reliant ranked 61st out of 457 reporters in the assessment area, with a market share of 0.14 percent. Bank of America, Wells Fargo, SunTrust, Regions, and JP Morgan Chase were the largest HMDA reporters in the area.

Although this report references small business loans, due to its asset size Reliant Bank is not required to collect or report CRA (small business) loan data, therefore the bank's small business loan volume is not included on the 2010 market peer report. However, in reviewing the volume of other lenders on the report, Reliant Bank would rank 29th of CRA lenders.

Community Contacts and Community Development Opportunities
Affordable housing is a major concern in the Williamson-Davidson county area, particularly in Williamson County. At the Greater Nashville Housing Summit held in July 2012, The Housing Fund (an affordable housing lender in Nashville) reported that 34.1 percent of homeowners are paying significantly more than 30 percent of their income for housing, and are therefore considered to be cost burdened.[12] Renters also face significant challenges as rents in the region have risen in the past few years.

There are a number of initiatives to address the need for affordable housing and several strong nonprofit affordable housing developers in the region. According to one community contact, the city of Franklin created a housing commission in 2007 to try to increase the supply of affordable housing in the area. The city also started receiving its own allocation of CDBG funds (it previously received funds from the State), which is it using for emergency rehabilitation and the construction of new affordable units as well as to provide financial and homebuyer counseling. According to the contact, there is a growing network of organizations working to increase housing options, including the Franklin Housing Authority, Williamson County Habitat for Humanity, and several nonprofit organizations. However, there is a need for additional nonprofit capacity and more financial support for affordable housing development.

The community development industry is more established in Davidson County. There are two strong Community Development Financial Institutions (CDFIs) that serve the county, with one focusing on small business lending and the other on affordable housing lending. There is also an active network of nonprofits that develop affordable housing, provide financial counseling, and offer other community services.

To aid neighborhoods impacted by foreclosure, Davidson County has received approximately $35 million in Neighborhood Stabilization Program funds in the past three years. The funds have been allocated to support the acquisition and rehabilitation of foreclosed properties that several nonprofit organizations are maintaining as rental housing. Funds have also been used to support the development of new rental housing and to create a

[12] Greater Nashville Association of Realtors. 2012 Regional Housing Summit. (accessed September 6, 2012); Summary available at http://gnar.org/useruploads/files/2012_regional_housing_summit.pdf.

shared equity homeownership program that will allow low-income homeowners to purchase homes with significant financial assistance.

Bank On Music City is another initiative of note that was launched in 2011 as part of the mayor's plan to reduce poverty. This initiative is focused on increasing access to mainstream financial services for low and moderate income residents of Davidson County and to date, eight financial institutions have agreed to participate in this initiative by providing low-cost basic transaction accounts. Both Davidson and Williamson Counties also have active coalitions led by United Way and involving banks and community organizations to support Volunteer Income Tax Assistance (VITA) sites and to promote the Earned Income Tax Credit for low income and working poor taxpayers.

In addition to affordable housing and financial stability efforts, access to credit for small businesses is an issue in the region. The Federal Reserve Bank of Atlanta Community and Economic Development Department held a forum in 2010 with local small business lenders and technical assistance providers to learn more about the small business environment in the region. Meeting participants felt that banks had tightened underwriting criteria and small business owners that had been negatively impacted by the recession were not able to get loans. There was a need identified for smaller loans (under $100,000) and also for technical assistance to help small business owners become good bank customers again.

While community contacts were generally positive about depository institution engagement in their efforts, they indicated that there were always opportunities to expand their partnerships and develop new initiatives that leverage bank support—for all community development activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

The overall lending test rating for Reliant Bank is satisfactory. The bank's CRA rating was determined by evaluating its performance in the Williamson-Davidson assessment area. Competition, marketing efforts, bank business strategy, and other performance context factors were considered when evaluating the bank's lending performance.

The loan to deposit ratio is more than reasonable and a majority of the bank's lending activities occur inside the assessment area. The geographic distribution of loans is reasonable given the location of bank branches and assessment area demographics. The distribution of borrowers reflects reasonable penetration among businesses of different sizes and a significant portion of small business loans were extended in small dollar amounts. The following narrative details the bank's efforts with regard to each performance criterion.

For purposes of CRA, a small business loan is defined as a business loan with an original amount of $1 million or less and typically is either secured by nonfarm or nonresidential real estate or classified as a commercial loan. For the purpose of this evaluation, HMDA loans are those defined in the Federal Reserve Board's Regulation C. The HMDA loan categories include home purchase, home refinance, home improvement and multi-family.

Loan-to-Deposit Ratio (LTD)

Reliant Bank's net loan-to-deposit ratio reflects a more than reasonable responsiveness to meeting the overall assessment area credit needs, given its size and financial condition. Reliant's average LTD ratio for the 8 quarter period ending June 30, 2012, was 89 percent. The bank's LTD ranged from a low of 81.5 percent as of June 30, 2011, to a high of 96.6 percent as of June 30, 2010. The bank's LTD ratio was compared with the average LTD ratios of five other financial institutions of similar asset size with branch offices in the assessment area. The average ratios for these banks for the same time period ranged from a low of 62.5 percent to a high of 85.8 percent. Finally, note that Reliant had approximately $18.2 million in unused HELOC commitments at June 30, 2012, representing up to 6 percent of deposits in unfunded loan commitments to current borrowers at June 30, 2012.

Assessment Area Concentration

Reliant originated a majority of the total loans within the assessment area. The table below shows, by product type, the number and percentage of loans reviewed that were located inside and outside of the bank's assessment areas. Over the two year evaluation period, 76.8 percent of the loans and 78.4 percent of the loan origination dollars were extended inside the assessment area, indicating the bank's willingness to originate loans that meet the credit needs of the assessment area.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
Home Improvement	3	100	$223	100	0	0	$0	0
Home Purchase - Conventional	42	87.5	$7,399	84.3	6	12.5	$1,382	15.7
Refinancing	51	87.9	$14,795	82.5	7	12.1	$3,138	17.5
Total HMDA	**96**	**88.1**	**$22,417**	**83.2**	**13**	**11.9**	**$4,520**	**16.8**
Total Small Business	**60**	**63.8**	**$14,442**	**71.9**	**34**	**36.2**	**$5,655**	**28.1**
TOTAL LOANS	**156**	**76.8**	**$36,859**	**78.4**	**47**	**23.2**	**$10,175**	**21.6**

Note: Affiliate loans not included

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. For this analysis, the geographic distribution of small business and HMDA loan originations was compared to available demographic information; performance context issues were considered in evaluating performance, including economic, competitive factors, and market conditions. HMDA lending was also compared to the aggregate lending data. The HMDA aggregate data consists of the combined total of lending activity reported by all lenders subject to HMDA reporting requirements in the assessment area.

Small Business Lending

The following table shows the geographic distribution of small business loans within the Williamson-Davidson assessment area; since the bank is not required to collect or report small business loan data, the aggregate comparison presented in the table is for context only. The small business loan aggregate data represents the combined total of lending activity reported by all lenders subject to CRA loan data reporting requirements in the assessment area.

Geographic Distribution of Small Business Loans

Assessment Area: Williamson-Davidson

Tract Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011					Bank & Aggregate Lending Comparison 2010					
	Bank				Small Businesses	Count			Dollar		
	Count		Dollar			Bank		Agg	Bank		Agg
	#	%	$ (000s)	$ %	%	#	%	%	$ 000s	$ %	$ %
Low	4	6.7%	$1,428	9.9%	4.8%	3	9.4%	4.1%	$928	14.1%	5.5%
Moderate	3	5.0%	$644	4.5%	19.4%	2	6.3%	17.2%	$500	7.6%	21.0%
Middle	19	31.7%	$3,469	24.0%	40.9%	14	43.8%	34.7%	$2,619	39.8%	31.0%
Upper	33	55.0%	$8,102	56.1%	34.7%	13	40.6%	41.5%	$2,535	38.5%	40.6%
Unknown	1	1.7%	$800	5.5%	0.3%	0	0.0%	0.8%	$0	0.0%	1.2%
Tr Unknown	0	0.0%	$0	0.0%		0	0.0%	1.8%	$0	0.0%	0.8%
Total	*60*	*100.0%*	*$14,442*	*100.0%*	*100.0%*	*32*	*100.0%*	*100.0%*	*$6,582*	*100.0%*	*100.0%*

Originations & Purchases

Reliant originated 60 small business loans over the review period. Four loans (6.7 percent) were orignated in low-income census tracts while 4.8 percent of small businesses are located in these tracts. The bank originated three loans, or 5.0 percent of the total, in moderate income tracts, which is signficantly less than the percentage of small businesses located in these tracts at 19.4 percent.

The geographic distribution of the bank's small business lending is considered reasonable when competition and the performance context factors stated above are taken in to consideration.

<u>HMDA Lending</u>
The following table shows the geographic distribution of HMDA loans within the Williamson-Davidson assessment area and also includes a comparison of the bank's HMDA lending to the aggregate HMDA lenders within the assessment area.

Geographic Distribution of HMDA Loans

Assessment Area: Williamson-Davidson

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011					Bank & Aggregate Lending Comparison 2010					
		Bank				Owner Occupied Units	Count			Dollar		
		Count		Dollar			Bank		Agg	Bank		Agg
		#	%	$ (000s)	$ %	%	#	%	%	$ (000s)	$ %	$ %
HOME PURCHASE	Low	1	2.4%	$38	0.5%	3.0%	1	5.0%	2.3%	$38	1.6%	1.6%
	Moderate	3	7.1%	$258	3.5%	14.8%	0	0.0%	10.7%	$0	0.0%	7.3%
	Middle	13	31.0%	$1,774	24.0%	47.7%	10	50.0%	48.1%	$1,121	46.6%	37.8%
	Upper	25	59.5%	$5,329	72.0%	34.5%	9	45.0%	38.8%	$1,248	51.8%	53.3%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*42*	*100.0%*	*$7,399*	*100.0%*	*100.0%*	*20*	*100.0%*	*100.0%*	*$2,407*	*100.0%*	*100.0%*
REFINANCE	Low	3	5.9%	$216	1.5%	3.0%	3	9.1%	1.6%	$216	2.7%	1.1%
	Moderate	7	13.7%	$1,066	7.2%	14.8%	4	12.1%	7.8%	$481	6.0%	5.1%
	Middle	11	21.6%	$1,309	8.8%	47.7%	7	21.2%	40.7%	$433	5.4%	31.0%
	Upper	30	58.8%	$12,204	82.5%	34.5%	19	57.6%	49.9%	$6,905	85.9%	62.7%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*51*	*100.0%*	*$14,795*	*100.0%*	*100.0%*	*33*	*100.0%*	*100.0%*	*$8,035*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	0	0.0%	$0	0.0%	3.0%	0	0.0%	4.2%	$0	0.0%	2.6%
	Moderate	1	33.3%	$48	21.5%	14.8%	1	100.0%	12.7%	$48	100.0%	7.5%
	Middle	0	0.0%	$0	0.0%	47.7%	0	0.0%	43.4%	$0	0.0%	31.9%
	Upper	2	66.7%	$175	78.5%	34.5%	0	0.0%	39.7%	$0	0.0%	58.1%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*3*	*100.0%*	*$223*	*100.0%*	*100.0%*	*1*	*100.0%*	*100.0%*	*$48*	*100.0%*	*100.0%*
MULTI FAMILY						Multi-Family Units						
	Low	0	0.0%	$0	0.0%	8.6%	0	0.0%	22.2%	$0	0.0%	3.4%
	Moderate	0	0.0%	$0	0.0%	23.0%	0	0.0%	25.9%	$0	0.0%	21.8%
	Middle	0	0.0%	$0	0.0%	49.1%	0	0.0%	44.4%	$0	0.0%	43.1%
	Upper	0	0.0%	$0	0.0%	19.3%	0	0.0%	7.4%	$0	0.0%	31.6%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*0*	*0.0%*	*$0*	*0.0%*	*100.0%*	*0*	*0.0%*	*100.0%*	*$0*	*0.0%*	*100.0%*
HMDA TOTALS	Low	4	4.2%	$254	1.1%	3.0%	4	7.4%	2.0%	$254	2.4%	1.3%
	Moderate	11	11.5%	$1,372	6.1%	14.8%	5	9.3%	9.0%	$529	5.0%	6.2%
	Middle	24	25.0%	$3,083	13.8%	47.7%	17	31.5%	43.5%	$1,554	14.8%	33.7%
	Upper	57	59.4%	$17,708	79.0%	34.5%	28	51.9%	45.5%	$8,153	77.7%	58.7%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*96*	*100.0%*	*$22,417*	*100.0%*	*100.0%*	*54*	*100.0%*	*100.0%*	*$10,490*	*100.0%*	*100.0%*

Originations & Purchases

The bank originated 96 HMDA loans in the review period, with 4 loans (4.2%) in low-income tracts and 11 loans (11.5%) in moderate-income tracts. By comparison, 3.0 percent of owner occupied units are located in low-income tracts and 14.8 percent of owner occupied units are located in moderate income tracts within the assessment area. Therefore, the bank's lending performance compares favorably in low-income tracts, but below the demographic in moderate-income tracts. Refinance and home purchase loans were the bank's largest HMDA products, and the geographic distribution of lending for these products was fairly consistent with the overall HMDA distribution.

The bank's lending is considered reasonable given the bank's historic focus on construction and development lending, as well as other performance context factors. Specifically, all of Reliant's branches are located in upper-income census tracts, and there is only one moderate-income census tract in Williamson County, where Reliant has three branches. The other low- and moderate-income tracts in the assessment area are in Davidson County, and located a significant distance from the closest Reliant branch. Individuals living in these communities are more likely to choose a financial institution located in a more convenient location to their home or workplace.

<u>Lending to Borrowers of Different Incomes and Businesses of Different Sizes</u>
For this analysis, the distribution of small business lending across business revenue sizes and HMDA lending across borrower income levels was compared to available demographic information; HMDA lending was also compared to the aggregate loan data. Performance context issues were taken into consideration, including the bank's competitive position among lending institutions within the assessment area, accessibility from prospective low- and moderate-income borrowers, and the functioning of the housing market at all price points. Based on the following analysis, the overall distribution of Reliant's small business and HMDA loans by business revenue and borrower income reflects reasonable dispersion throughout the bank's assessment area.

<u>Small Business Lending</u>

The following table shows, by loan size, the number and dollar volume of small business loans originated by Reliant in the Williamson-Davidson assessment area.

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Williamson-Davidson

	Business Revenue & Loan Size	Bank Lending & Demographic Data 2010, 2011					Bank & Aggregate Lending Comparison 2010					
		Bank				Total Businesses	Count			Dollar		
		Count		$ (000s)			Bank		Agg	Bank		Agg
		#	%	$	%	%	#	%	%	$ (000s)	$ %	$ %
BUSINESS REVENUE	$1million or Less	39	65.0%	$8,503	58.9%	87.5%	21	65.6%	35.2%	$4,392	66.7%	37.8%
	Over $1 Million	21	35.0%	$5,940	41.1%	6.9%	11	34.4%				
	Total Rev. available	60	100.0%	$14,442	100.0%	94.4%	32	100.0%				
	Rev. Not Known	0	0.0%	$0	0.0%	5.6%	0	0.0%				
	Total	*60*	*100.0%*	*$14,442*	*100.0%*	*100.0%*	*32*	*100.0%*				
LOAN SIZE	$100,000 or Less	30	50.0%	$1,559	10.8%		20	62.5%	84.7%	$1,160	17.6%	21.4%
	$100,001 - $250,000	8	13.3%	$1,421	9.8%		4	12.5%	7.3%	$817	12.4%	18.3%
	$250,000 - $1 Million	22	36.7%	$11,463	79.4%		8	25.0%	8.0%	$4,605	70.0%	60.2%
	Total	*60*	*100.0%*	*$14,442*	*100.0%*		*32*	*100.0%*	*100.0%*	*$6,582*	*100.0%*	*100.0%*
LOAN SIZE Rev $1 Mill or Less	$100,000 or Less	21	53.8%	$896	10.5%							
	$100,001 - $250,000	5	12.8%	$859	10.1%							
	$250,000 - $1 Million	13	33.3%	$6,748	79.4%							
	Total	*39*	*100.0%*	*$8,503*	*100.0%*							

* Aggregate data is unavailable for loans to businesses with revenue over $1 million or revenue unknown, and for loan size by revenue category.
Originations & Purchases

Reliant's small business lending by business revenue reflects reasonable dispersion throughout the assessment area. The bank originated 60 small business loans over the review period, and 39 (65 percent) were to businesses with annual gross revenues of $1 million or less. Small businesses represent 87.5 percent of total businesses in the assessment area. Reliant also originated a high percentatage (63.3 percent) of loans under $250,000 and 50 percent of the small business loans were less than $100,000. These smaller dollar loans represent the amounts typically requested by small businesseses, and during the recent economic downturn, access to these loans has been limited.

Residential Real Estate (HMDA) Lending

The following table shows the distribution of the bank's HMDA-reportable loans by the income level of the borrowers.

Borrower Distribution of HMDA Loans

Assessment Area: Williamson-Davidson

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011					Bank & Aggregate Lending Comparison 2010					
		Bank				Families by Family Income	Count			Dollar		
		Count		Dollar			Bank		Agg	Bank		Agg
		#	%	$ (000s)	$ %	%	#	%	%	$(000s)	$ %	$ %
HOME PURCHASE	Low	0	0.0%	$0	0.0%	19.4%	0	0.0%	11.6%	$0	0.0%	5.8%
	Moderate	2	4.8%	$162	2.2%	17.1%	0	0.0%	24.0%	$0	0.0%	16.4%
	Middle	3	7.1%	$186	2.5%	21.4%	2	10.0%	18.8%	$56	2.3%	16.9%
	Upper	35	83.3%	$6,912	93.4%	42.1%	18	90.0%	36.7%	$2,351	97.7%	52.3%
	Unknown	2	4.8%	$139	1.9%	0.0%	0	0.0%	8.9%	$0	0.0%	8.5%
	Total	*42*	*100.0%*	*$7,399*	*100.0%*	*100.0%*	*20*	*100.0%*	*100.0%*	*$2,407*	*100.0%*	*100.0%*
REFINANCE	Low	2	3.9%	$70	0.5%	19.4%	1	3.0%	5.0%	$63	0.8%	2.4%
	Moderate	4	7.8%	$484	3.3%	17.1%	3	9.1%	14.6%	$439	5.5%	9.2%
	Middle	4	7.8%	$258	1.7%	21.4%	2	6.1%	18.7%	$37	0.5%	14.8%
	Upper	28	54.9%	$9,960	67.3%	42.1%	19	57.6%	45.1%	$4,914	61.2%	58.3%
	Unknown	13	25.5%	$4,023	27.2%	0.0%	8	24.2%	16.5%	$2,582	32.1%	15.4%
	Total	*51*	*100.0%*	*$14,795*	*100.0%*	*100.0%*	*33*	*100.0%*	*100.0%*	*$8,035*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	0	0.0%	$0	0.0%	19.4%	0	0.0%	10.7%	$0	0.0%	4.4%
	Moderate	0	0.0%	$0	0.0%	17.1%	0	0.0%	19.0%	$0	0.0%	10.3%
	Middle	0	0.0%	$0	0.0%	21.4%	0	0.0%	22.2%	$0	0.0%	18.5%
	Upper	3	100.0%	$223	100.0%	42.1%	1	100.0%	41.8%	$48	100.0%	58.2%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	6.4%	$0	0.0%	8.6%
	Total	*3*	*100.0%*	*$223*	*100.0%*	*100.0%*	*1*	*100.0%*	*100.0%*	*$48*	*100.0%*	*100.0%*
MULTI FAMILY	Low	0	0.0%	$0	0.0%	19.4%	0	0.0%	0.0%	$0	0.0%	0.0%
	Moderate	0	0.0%	$0	0.0%	17.1%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	0	0.0%	$0	0.0%	21.4%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	0	0.0%	$0	0.0%	42.1%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0	0.0%	$0	0.0%	0.0%	0	0.0%	100.0%	$0	0.0%	100.0%
	Total	*0*	*0.0%*	*$0*	*0.0%*	*100.0%*	*0*	*0.0%*	*100.0%*	*$0*	*0.0%*	*100.0%*
HMDA TOTALS	Low	2	2.1%	$70	0.3%	19.4%	1	1.9%	7.6%	$63	0.6%	3.6%
	Moderate	6	6.3%	$646	2.9%	17.1%	3	5.6%	18.2%	$439	4.2%	11.6%
	Middle	7	7.3%	$444	2.0%	21.4%	4	7.4%	18.8%	$93	0.9%	15.3%
	Upper	66	68.8%	$17,095	76.3%	42.1%	38	70.4%	41.8%	$7,313	69.7%	55.0%
	Unknown	15	15.6%	$4,162	18.6%	0.0%	8	14.8%	13.5%	$2,582	24.6%	14.4%
	Total	*96*	*100.0%*	*$22,417*	*100.0%*	*100.0%*	*54*	*100.0%*	*100.0%*	*$10,490*	*100.0%*	*100.0%*

Originations & Purchases

The bank's HMDA lending distribution by borrower income is poor. During the review period, 2.1 percent of total HMDA loans were originated to low-income borrowers, which is significantly below the percent of low-income families in the assessment area at 19.4 percent. The bank's percentage of HMDA lending to moderate-income borrowers was 6.3 percent, which was also significantly below the percentage of moderate-income families in the assessment area at 17.1 percent. In 2010, the bank extended 1.9 percent of HMDA loans to low-income borrowers and 5.6 percent of HMDA loans to moderate-income borrowers, compared to the aggregate at 7.6 percent to low-income borrowers, and 18.2 percent to moderate-income borrowers.

There are a number of factors that help to explain Reliant Bank's lending performance to borrowers of different income levels. First, as stated earlier, all the bank's branches are located in upper-income census tracts, and all of the branches are some distance from low- and moderate-income census tracts. Second, Williamson County, the bank's primary market area, is the most expensive housing market in the state and there is a significant lack of affordable housing. According to the Greater Nashville Association of Realtors, the median home price in Williamson County in 2011 was $342,500. According to HUD, the median family income in 2011 was $66,200. Families earning less than 50 percent median income or $33,099 are considered low-income and families earning less than 80 percent of median income, or $52,959 are moderate-income. Given these housing prices, it would be very difficult for even a moderate income family to purchase a home in Williamson County without significant financial assistance. There are more affordable housing opportunities in Davidson County where the median housing price was $150,000 in 2011. However, the more affordable markets are not in close proximity to Reliant's branch in the county.

Finally, Reliant is operating in a competitive banking environment against large national and super regional banks offering the full array of flexible mortgage programs. Major competitors have banking locations in Nashville's central business district that are more visible and accessible from most low- and moderate-income neighborhoods in this assessment area, making them more convenient to low- and moderate-income borrowers. Finally, Reliant does not do extensive marketing of their products and relies more heavily on customer referrals and banking relationships brought from directors and senior management.

COMMUNITY DEVELOPMENT TEST

Reliant's community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, primarily through community development services, considering the bank's capacity, retail orientation, and the needs and opportunities in the community.

Reliant did not originate any community development loans in the Williamson-Davidson assessment area during the review period. The bank made an in-kind contribution to the Tennessee Small Business Development Center in the form of donated space at the main branch office. The SBDC uses the office to provide technical assistance to local small businesses. The bank also has a prior period investment in a small business CDFI that serves the entire state. The bank made no qualified contributions over the review period.

Reliant employees provided 383 hours of community development services over the review period (since the prior exam date in July 2008). Bank employees served in various capacities on the boards at five nonprofit organizations providing community services and affordable housing for low- to moderate-income individuals in the assessment area. Bank staff also used their financial expertise to offer financial education in low- and moderate-income communities. Also of note, Reliant is a participant in the recently launched Bank On Music City campaign, which is an initiative of the Mayor's Office in Nashville to expand access to mainstream banking services for low- and moderate-income individuals.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners identified substantive violations of the Equal Credit Opportunity Act (ECOA) and Regulation B during the fair lending examination that was conducted concurrently with this CRA evaluation; however, these violations did not adversely affect the institution's ability to extend credit within its designated assessment area. Due to the limited nature of the violations, the bank's otherwise Satisfactory CRA rating was not adjusted downward. Bank management has committed to specific actions intended to correct the violations and strengthen the fair lending program.

APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED Lending analysis: January 1, 2010-December 31, 2011 Community development analysis: July 28, 2008-August 27, 2012			
FINANCIAL INSTITUTION Reliant Bank Brentwood, Tennessee		**PRODUCTS REVIEWED** Small Business Loans HMDA Loan	
AFFILIATE(S) N/A	**AFFILIATE RELATIONSHIP** N/A	**PRODUCTS REVIEWED** N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	***TYPE OF EXAMINATION***	***BRANCHES VISITED***	***OTHER INFORMATION***
Williamson and Davidson Counties, Tennessee MSA: 34980 Nashville-Davidson-Murfreesboro, Tennessee	Full Scope Evaluation	101 Creekstone Boulevard Franklin, Tennessee	None

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM -	Automated Teller Machine
CDC -	Community Development Corporation
CDFI -	Community Development Financial Institution
CRA -	Community Reinvestment Act (Regulation BB)
FDIC -	Federal Deposit Insurance Corporation
FFIEC -	Federal Financial Institutions Examination Council
HMDA -	Home Mortgage Disclosure Act (Regulation C)
HUD -	Department of Housing and Urban Development
LMI -	Low- and Moderate-Income
LTD -	Loan-to-Deposit
LTV -	Loan-to-Value Ratio
MD -	Metropolitan Division
MSA -	Metropolitan Statistical Area
OMB -	Office of Management and Budget
REIS -	Regional Economic Information System
SBA -	Small Business Administration
USDA -	United States Department of Agriculture

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION (Continued)

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Reliant Bank** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of August 27, 2012. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C - GLOSSARY

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 metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multi-family rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Effective January 19, 2010, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation revised the definition of community development to include loans, investments, and services by financial institutions that-

I. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
II. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
III. Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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.

APPENDIX C – GLOSSARY (Continued)

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 nonrelatives 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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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 geography.

APPENDIX C – GLOSSARY (Continued)

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 geography.

Multi-family: 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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