

PUBLIC DISCLOSURE

June 10, 2024

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Southern Bank of Tennessee
675 North Mount Juliet Road
Mount Juliet, Tennessee 37122

RSSD ID NUMBER: 2793593

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: This institution is rated Satisfactory.

Major factors supporting the institution's rating include:

- The LTD ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation.
- A majority of loans were made inside the AA.

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including LMI neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, and the economic and demographic characteristics of its defined AA. This CRA performance review was based on the bank's lending performance in its AAs using the Interagency Small Institution Examination Procedures. The rating was assessed using the following core criteria developed for evaluating CRA lending performance for small banks:

- Net LTD Ratio
- Lending inside the AA
- Lending to borrowers of different incomes and businesses of different sizes
- Geographic distribution of loans
- Responsiveness to complaints the bank has received regarding its CRA activities, if applicable

Given the bank's asset size and office(s) located in a metropolitan statistical area (MSA), it submits annual reports about its residential real estate loan originations and applications pursuant to the HMDA. The evaluation included an analysis of HMDA-reportable loans and a sample of small business loans originated from January 1, 2022 through December 31, 2023.

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 commercial loans. A small farm loan is defined as a farm loan with an original amount of \$500,000 or less and is either secured by farmland or classified as loans to finance agricultural production and other loans to farmers.

A full-scope review was conducted on one of the bank's two AAs. When determining the overall rating, the greatest weight was placed on performance in the Nashville AA as the majority of branches and lending are in this AA.

As part of this evaluation, one community contact was made with a local representative of a community organization who are familiar with the economic and demographic characteristics as well as community development (CD) opportunities in the full-scope AA. Information obtained from this contact 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 contact is included in the applicable section of the evaluation. The contact identified small dollar lending as the primary unmet credit need for LMI individuals within the Nashville AA.

DESCRIPTION OF INSTITUTION

Established in March 2009, Southern Bank of Tennessee is a community bank headquartered in Mount Juliet, Tennessee. Its primary market is Middle Tennessee; however, the bank also has a presence in the Knoxville MSA. As of December 31, 2023, the bank had \$372.2 million in total assets, an increase of approximately \$101.1 million since the bank’s last CRA evaluation conducted on January 28, 2019. Southern Bank of Tennessee is a full-service bank that offers a variety of credit products to meet community credit needs. Its core business focus includes community bank-based products such as deposit accounts with internet access and bill pay capacity; small business deposit products that include ACH origination and remote deposit capture; loans to small businesses; construction and real estate loans; and loans to consumers such as home equity lines of credit. The bank also offers mortgage products.

Branch Offices

Southern Bank of Tennessee operates four banking offices. The main office is located in Mount Juliet, Tennessee, with additional branches in the Tennessee cities of Lebanon, Smyrna, and Clinton. All four offices have drive-thru facilities and offer extended hours on Friday. The bank has not opened or closed any branches since the previous evaluation; however, the Clinton branch no longer has an ATM.

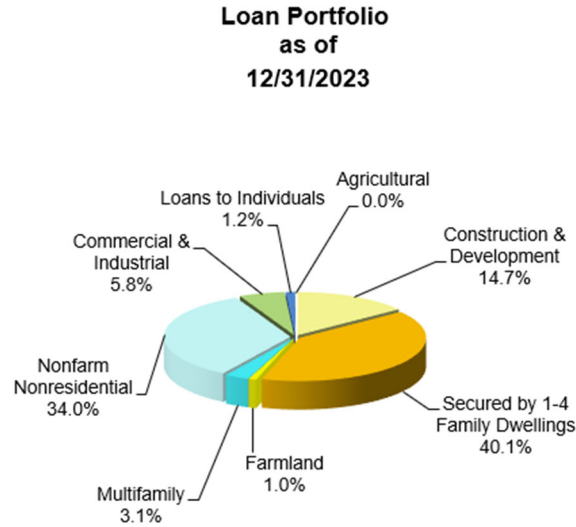
Loan Portfolio

According to the December 31, 2023 Report of Condition (ROC), the bank’s assets totaled \$372.2 million, an increase of approximately \$101.1 million since the bank’s last CRA evaluation conducted January 2019. Total loans increased by 5.4 percent from year-end 2022 to year-end 2023.

The following table and graphs show the composition of the loan portfolio according to the Consolidated Report of Condition and Income (Call Report).

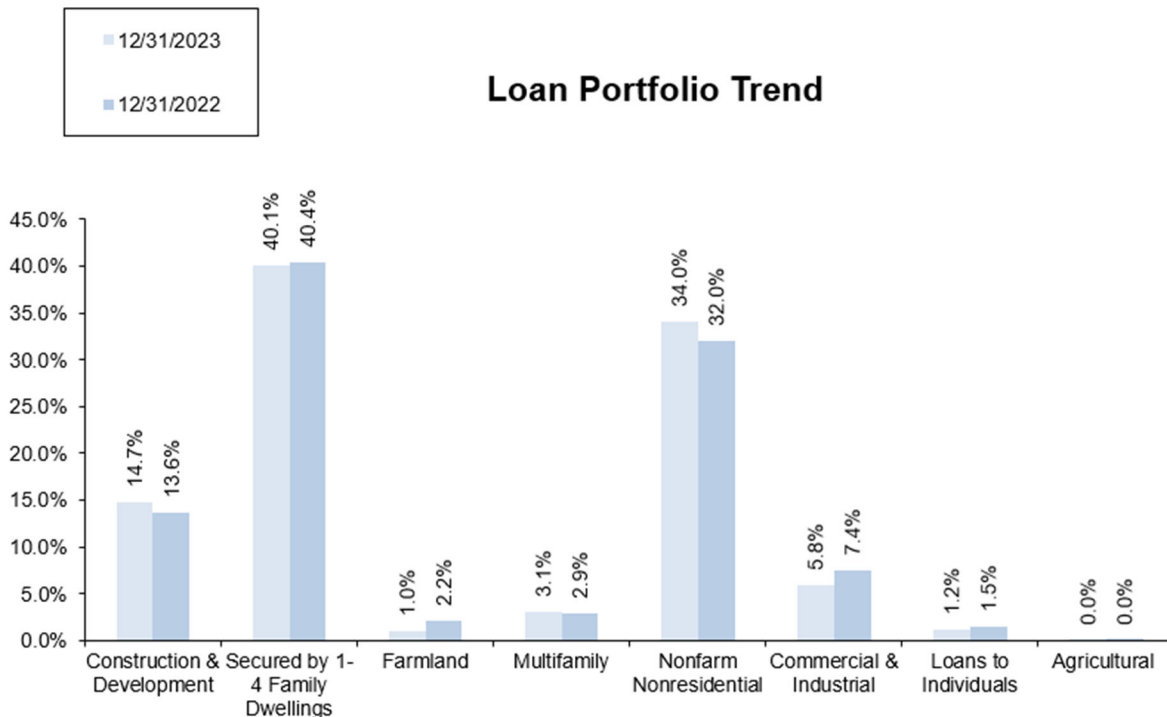
COMPOSITION OF LOAN PORTFOLIO					
Loan Type	12/31/2023		12/31/2022		% Change
	\$ (000s)	Percent	\$ (000s)	Percent	
Construction and Development	41,111	14.7%	35,953	13.6%	14.3%
Secured by One- to Four- Family Dwellings	111,675	40.1%	106,869	40.4%	4.5%
Other Real Estate: Farmland	2,787	1.0%	5,733	2.2%	-51.4%
Multifamily	8,643	3.1%	7,607	2.9%	13.6%
Nonfarm nonresidential	94,872	34.0%	84,523	32.0%	12.2%
Commercial and Industrial	16,258	5.8%	19,603	7.4%	-17.1%
Loans to Individuals	3,350	1.2%	4,004	1.5%	-16.3%
Agricultural Loans	32	0.0%	33	0.0%	-3.0%
Total	\$278,728	100.00%	\$264,325	100.00%	5.4%

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



As illustrated above, 48.7 percent of the bank’s loan portfolio as of December 31, 2023 consisted of nonfarm nonresidential and construction and development lending combined. Loans secured by one- to four-family dwellings make up the single largest percentage of the loan portfolio at 40.1 percent.

The chart below illustrates composition of the bank’s portfolio mix remained largely unchanged during the review period.



Credit Products

Southern Bank of Tennessee offers a range of commercial credit products as well as residential mortgages, construction loans, home equity lines of credit, and personal loans. The bank has not introduced any new loan products since the previous evaluation. For purposes of the CRA, Southern Bank of Tennessee has defined the following two AAs:

- Nashville: Includes Davidson, Wilson, and Rutherford counties
- Knoxville: Includes Anderson County

Southern Bank of Tennessee complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its AA. The bank received a “Satisfactory” rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated January 28, 2019 under the small bank examination procedures.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overview

Overall performance is satisfactory. Performance context factors such as economic conditions, competition, and demographics were considered when evaluating lending performance. The bank’s LTD ratio is reasonable. Based on an analysis of HMDA-reportable loans and a sample of small business loans originated from January 1, 2022 through December 31, 2023, the geographic distribution of loans reflects reasonable dispersion throughout the AA. The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes. A majority of loans were made inside the AA. Additionally, the bank has not received any CRA-related complaints since the previous examination.

Loan-to-Deposit Ratio

The bank’s Net LTD ratio, which reflects its level of lending activity, is reasonable given its size, financial condition and AA credit needs. The bank’s average LTD ratio for the 19 quarters ending December 31, 2023 was 79.0 percent. This was compared to the ratios of five other financial institutions of similar asset size with branch offices in the AA. The average LTD ratios for these five banks ranged from 85.0 percent to 96.4 percent. While lower than its peers, the bank’s LTD ratio is reasonable in light of performance context factors such as competition.

Assessment Area Concentration

A majority of the bank’s loans are to borrowers and businesses inside its AA. The table below shows, by product type, the number, and percentage of loans reviewed that were located inside and outside of the bank’s AAs.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	6	75	\$459	82.1	2	25	\$100	17.9
Home Purchase - Conventional	120	71	\$40,926	68.8	49	29	\$18,532	31.2
Home Purchase - FHA	12	60	\$3,844	57.7	8	40	\$2,823	42.3
Home Purchase - VA	6	66.7	\$3,230	73.7	3	33.3	\$1,152	26.3
Multi-Family Housing	4	40	\$3,780	47.4	6	60	\$4,201	52.6
Other Purpose Closed-End	3	75	\$232	36.7	1	25	\$400	63.3
Refinancing	90	82.6	\$25,344	83.9	19	17.4	\$4,877	16.1
Total HMDA related	241	73.3	\$77,815	70.8	88	26.7	\$32,085	29.2
Small Business	96	90.6	\$15,790	77.8	10	9.4	\$4,494	22.2
Total Small Bus. related	96	90.6	\$15,790	77.8	10	9.4	\$4,494	22.2
TOTAL LOANS	337	77.5	\$93,605	71.9	98	22.5	\$36,579	28.1

Note: Affiliate loans not included

As shown above, 73.3 percent of the HMDA-reportable loans (by number), 90.6 percent of small business loans (by number), and 77.5 percent of total loans (by number) are to borrowers and businesses inside the bank's AAs. This indicates the bank's willingness to originate loans that meet the credit needs of its AA.

Distribution of Lending by Geography, Borrower Income, and Business Size

The geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the AAs, given the opportunity and competition in these markets. The analyses of HMDA-reportable and small business lending within each AA are discussed in detail later in this report.

The distribution of lending to borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes given the product lines offered. The analyses of HMDA-reportable and small business lending within each AA are discussed in detail later in this report.

RESPONSIVENESS TO SUBSTANTIATED COMPLAINTS

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**METROPOLITAN AREA
FULL-SCOPE REVIEW**

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NASHVILLE AA

Overview

The AA has not changed since the previous evaluation. The AA consists of three counties within the Nashville-Davidson-Murfreesboro-Franklin, TN MSA: Davidson, Wilson, and Rutherford. Southern Bank of Tennessee operates three branches in this AA.

Population Information

The 2023 population of the AA is estimated at 1,243,109. Davidson County is the most populous county with approximately 57.3 percent of the AA population. Rutherford County contains 29.5 percent of the AA population and Wilson County contains 13.2 percent. Davidson County is the second most populous county in Tennessee; Rutherford County is fifth, and Wilson County is ninth. The state capital of Nashville, in Davidson County, is the largest city in the AA and the state, with a 2023 estimated population of 687,778. Rutherford County’s largest city is Murfreesboro, the county seat. During the review period, Lebanon, the county seat, overtook Mount Juliet, the bank’s headquarters, as Wilson County’s largest city. Wilson and Rutherford counties experienced strong growth in population between 2020 and 2023 with increases of 10.8 percent and 7.5 percent, respectively. Davidson County’s population decreased by 0.5 percent during the same time period, while the population of Tennessee grew by 3.1 percent.¹

Income Characteristics

For purposes of classifying borrower income, this evaluation uses FFIEC estimated median family income for the relevant area. The following table sets forth the estimated median family income for 2022 and 2023 for the Nashville-Davidson-Murfreesboro-Franklin, TN MSA. It also provides a breakdown of the estimated annual income based on income-level.

**Borrower Income Levels
Nashville-Davidson-Murfreesboro-Franklin, TN MSA**

FFIEC Estimated Median Family Income		Low	Moderate	Middle	Upper
		0 - 49.99%	50% - 79.99%	80% - 119.99%	120% - & above
2022	\$95,600	0 - \$47,799	\$47,800 - \$76,479	\$76,480 - \$114,719	\$114,720 - & above
2023	\$100,500	0 - \$50,249	\$50,250 - \$80,399	\$80,400 - \$120,599	\$120,600 - & above

As shown in the table above, the median family income increased from \$95,600 in 2022 to \$100,500 in 2023, or 5.1 percent. According to the 2023 FFIEC census data, there were 279,699 families in the AA. Of those families, 21.7 percent were low-income, 18.4 percent were moderate-income, 21.9 percent were middle-income, and 38.0 percent were upper-income. Of the total families, 8.7 percent had incomes below the poverty level.

¹ “QuickFacts: Davidson County, Rutherford County, Wilson County, Nashville-Davidson, Tennessee.” U.S. Census Bureau, n.d. Web. 28 May 2024.<<https://www.census.gov/quickfacts>>

Demographic Data by Census Tracts

There are 266 census tracts in the AA, of which 19 (7.1 percent) are low-income; 69 (25.9 percent) are moderate-income; 101 (38.0 percent) are middle income; 68 (25.6 percent) are upper-income; and 9 (3.4 percent) are unknown tracts based on income. Additionally, there are 50,961 businesses operating inside the AA, of which 46,504 (91.3 percent) are considered small businesses, meaning they have gross annual revenues of \$1 million or less. D&B data shows that 5.5 percent of businesses in the AA are located in low-income tracts; 26.0 percent are in moderate-income tracts; 32.1 percent are in middle-income tracts; 32.7 percent are in upper-income tracts; and 3.8 percent are in tracts with unknown income levels.

Housing Characteristics

There are 496,677 housing units in the AA, of which 54.7 percent are owner-occupied units, 37.1 percent are rental units, and 8.2 percent are vacant according to 2023 FFIEC census data. In low-income tracts, 24.1 percent of housing units are owner-occupied and 65.9 percent are rental units. In moderate-income tracts, 40.5 percent were owner-occupied and 50.7 percent were rental units. The median age of the housing stock for the AA is 39 years, compared to 36 years for the state of Tennessee. LMI tracts in the AA contain older housing stock, with a median age of 47 years in low-income census tracts and 45 years in moderate-income tracts.

The estimated median value of an owner-occupied housing unit in the AA is \$258,829, compared to \$177,600 for the state of Tennessee. Housing in the AA is considered moderately less affordable than statewide. The affordability ratio, defined as the median household income divided by the median housing value, is 25.2 percent for the AA, compared to 30.9 percent for the state of Tennessee. A higher ratio means the housing is considered more affordable while a lower ratio means the housing is considered less affordable.

With mortgage rates trending upward and sales price increases, housing affordability remains a critical issue in the Nashville AA. According to the Federal Reserve Bank of Atlanta's Home Ownership Affordability Monitor (HOAM) Index, the Nashville and Knoxville markets remain deeply unaffordable for the median income household wishing to purchase a home. Affordability is particularly low in Davidson and Wilson counties and the trend is likely to continue in the Nashville market. In early 2021, the mayor of Nashville convened a group of housing practitioners to serve on the Affordable Housing Task Force to assess the city's affordable housing outlook and help inform public policy. The 2021 Affordable Housing Task Force Report noted that nearly half of Nashville's renters are cost burdened, meaning they spend 30 to 50 percent of their income on housing costs.² Furthermore, according to the 2023-2028 Consolidated Plan for Housing and Community Development, approximately 75 percent of households with incomes 0 to 30 percent of area median income (AMI) and 77 percent of households with 30 to 50 percent AMI experience a housing problem defined as: lack of complete kitchen, lack of complete plumbing facilities, more than one person per room, or cost burden greater than 30 percent.³

Employment Statistics

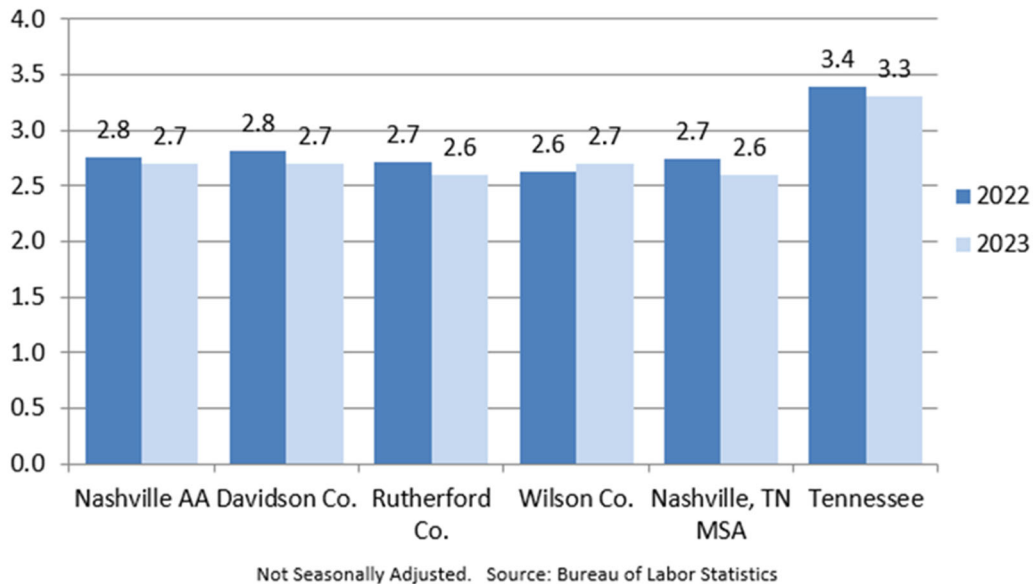
The following table shows the 2022 and 2023 unemployment rates for the AA and the state of Tennessee, with the AA performing slightly better than the state on average. During the review period, unemployment rates were

² "Affordable Housing Task Force Report." Metropolitan Government of Nashville & Davidson County, 8 June 2023. Web. 28 May 2024. <<https://www.nashville.gov/sites/default/files/2021-06/Affordable-Housing-Task-Force-Report-2021.pdf>>

³ "2023-2028 Consolidated Plan for Housing and Community Development." Metropolitan Government of Nashville-Davidson County TN, n.d. Web. 2 July 2024. <<https://www.nashville-mdha.org/wp-content/uploads/2023/06/Nashville-Davidson-2023-2028-Con-Plan-Final-Draft.pdf>>

below three percent for the AA and remained stable, indicating a recovery since peak unemployment of roughly 15 percent during the Covid-19 pandemic.⁶

Unemployment Rates: TN Nashville



Competition

The bank operates in a highly competitive banking market that includes a mix of national, regional, and local banks. According to the June 30, 2023 FDIC Deposit Market Share Report, 44 financial institutions operated 325 offices inside the AA. Southern Bank of Tennessee ranked 22nd in deposit market share with \$258.6 million, or 0.4 percent of total deposits. Pinnacle Bank held the largest deposit market share with 24.8 percent followed by Bank of America (16.8%), Regions Bank (11.2%), and Truist Bank (11.0%). The top ten financial institutions hold a cumulative 86.4 percent of deposits in the AA. As such, competition directly impacts the bank’s ability to serve the credit needs of its AA.

Community Contacts

As part of the CRA examination, information was obtained from a local non-profit organization that works to improve the financial stability of LMI persons and assist small business startups in the greater Nashville area. The contact generally agreed with bankers that the Nashville market is experiencing significant growth and banking competition is increasing. However, the contact noted that the majority of the non-profit’s clients utilize online banks, credit unions, or most commonly, financial technology (FinTech) firms that offer banking, payday lending, and/or peer-to-peer lending. According to the contact, access to credit from traditional financial institutions is difficult due to strict underwriting requirements and lack of product offerings to fill the need of credit building and small dollar lending. Mobile banking apps and employer provided prepaid check cards were identified by the contact as direct competition to traditional banking for LMI individuals. Furthermore, the contact noted FinTechs have benefits more suited to LMI individuals such as: avenues to build credit, no monthly fees,

⁶ “Covid Recession: Tracking Tennessee’s Economic Recovery to Date.” The Sycamore Institute, 28 July 2021. Web. 2 July 2024. <<https://www.sycamoreinstitutetn.org/tennessee-covid-economic-recovery/>>

cash deposits at non-bank locations, and fully online account opening, which helps reduce the social pressure of visiting a traditional branch.

The contact attributed Nashville's growth to high-net-worth individuals migrating from other parts of the country and an influx of companies, such as Oracle, which pay high wages but require high skill white collar employees. According to the contact, these factors contribute to the gentrification of many neighborhoods throughout Nashville which negatively contributes to an already limited affordable housing market and pushes out local small businesses in favor of corporate chains. The contact also stated the financial education provided by banks consists mainly of classroom style budgeting and credit score lessons. The contact noted a desire for banks to work in conjunction with non-profits to offer classes about the requirements and process of securing a loan, small business planning, investment and savings options, and what to do with unexpected windfalls.

General Economic and Business Characteristics

Economic conditions in the AA are robust and underscored by growth in median income, attraction of new corporations and job growth, continued housing demand, and resiliency to inflationary pressures. Nashville has ranked as one of the top 10 metropolitan areas for population and job growth for several years. It is also a leading hub for healthcare and a thriving tourism center. The Nashville Healthcare Council reports that the city supports over 900 healthcare companies, generating \$97 billion in global revenue, and employes rough 550,000 people.⁹ The Covid-19 pandemic took a toll on tourism with less than 9 million arrivals recorded in 2020, and the city estimated a \$4.5 billion loss in visitor spending, which significantly impacted the hotel industry. However, by 2022, that figure surpassed 14 million and visitor spending in 2023 totaled roughly \$9.3 billion.¹⁰

During the review period, Amazon opened new corporate offices in Davidson County, which is estimated to create one billion dollars in tax revenue over the next decade. These corporate offices in conjunction with newly constructed fulfillment centers are expected to create over 5,000 new jobs with a mix of technical and non-technical roles spanning all skill and education levels.¹¹ In 2021, \$65 million in state incentives was approved for Oracle to relocate its global headquarters to Nashville (Davidson County). Oracle is expected to bring roughly 8,500 jobs and investment topping \$1 billion to the area over the next decade.¹²

Major employers in Rutherford County include Nissan North America, Rutherford County Government, Amazon (fulfilment center), and Ascension St. Thomas hospital.¹³ In Wilson County, major employers include Under Armour distribution, CEVA Logistics, Amazon (fulfillment center), and Cracker Barrel Old Country Store, which was founded in Wilson County and maintains its corporate headquarters and a distribution center in the county.¹⁴

The influx of large corporations has had an overall positive affect on the AA's economic condition. However, a significant number of small businesses closed during the Covid-19 pandemic. To assist with the ongoing recovery of the small business sector and minimize barrier to entry, recent legislation, The Tennessee Works Tax Act,

⁹ "About the Nashville Healthcare Industry." Nashville Health Care Council, n.d. Web. 2 July 2024. <<https://healthcarecouncil.com/health-care-industry/>>

¹⁰ "Nashville continues to bounce back four years after the pandemic." New Channel 5 Nashville, 12 March 2024. Web. 2 July 2024. <<https://www.newschannel5.com/news/nashville-continues-to-bounces-back-four-years-after-the-pandemic>>

¹¹ "Corporate Offices." Amazon, n.d. Web. 28 May 2024. <<https://www.aboutamazon.com/workplace/corporate-offices>>

¹² "Oracle's Larry Ellison Says Planned Nashville Campus will be World Headquarters." U.S. News, 24 April 2024 web. 2 July 2024. <<https://www.usnews.com/news/business/articles/2024-04-24/oracles-larry-ellison-says-planned-nashville-campus-will-be-companys-world-headquarters>>

¹³ "Largest Rutherford County Employers." Nashville Business Journal, 16 July 2023. Web. 28 May 2024. <<https://www.bizjournals.com/nashville/subscriber-only/2023/07/14/largest-rutherford-county-employers.html>>

¹⁴ "Wilson County Top Employers, 200+." Mt. Juliet TN Government, n.d. web. 28 May 2024. <<https://www.mtjuliet-tn.gov/1476/Top-Employers-200>>

eliminates the annual business tax filing obligation for businesses with annual gross sales under \$100,000 within a county and/or city.¹⁵

Assessment Area Demographics

The following table provides demographic characteristics of the AA based on the 2023 FFIEC 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.

Combined Demographics Report

Assessment Area: Nashville

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	19	7.1%	14,997	5.4%	4,628	30.9%	60,011	21.7%
Moderate-income	69	25.9%	63,953	23.1%	9,724	15.2%	51,042	18.4%
Middle-income	101	38.0%	116,636	42.2%	6,866	5.9%	60,572	21.9%
Upper-income	68	25.6%	78,521	28.4%	2,335	3.0%	105,074	38.0%
Unknown-income	9	3.4%	2,592	0.9%	496	19.1%	0	0.0%
Total Assessment Area	266	100.0%	276,699	100.0%	24,049	8.7%	276,699	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	31,108	7,494	2.8%	24.1%	20,501	65.9%	3,113	10.0%
Moderate-income	124,916	50,603	18.6%	40.5%	63,316	50.7%	10,997	8.8%
Middle-income	198,751	122,646	45.1%	61.7%	62,491	31.4%	13,614	6.8%
Upper-income	135,833	89,031	32.8%	65.5%	34,422	25.3%	12,380	9.1%
Unknown-income	6,069	1,872	0.7%	30.8%	3,412	56.2%	785	12.9%
Total Assessment Area	496,677	271,646	100.0%	54.7%	184,142	37.1%	40,889	8.2%
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2,800	5.5%	2,546	5.5%	240	5.9%	14	3.6%
Moderate-income	13,231	26.0%	11,745	25.3%	1,401	34.4%	85	21.9%
Middle-income	16,337	32.1%	15,255	32.8%	992	24.4%	90	23.1%
Upper-income	16,646	32.7%	15,357	33.0%	1,106	27.2%	183	47.0%
Unknown-income	1,947	3.8%	1,601	3.4%	329	8.1%	17	4.4%
Total Assessment Area	50,961	100.0%	46,504	100.0%	4,068	100.0%	389	100.0%
	Percentage of Total Businesses:		91.3%		8.0%		0.8%	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	8	1.9%	8	2.0%	0	0.0%	0	0.0%
Moderate-income	73	17.5%	71	17.3%	2	50.0%	0	0.0%
Middle-income	185	44.5%	182	44.4%	1	25.0%	2	100.0%
Upper-income	146	35.1%	145	35.4%	1	25.0%	0	0.0%
Unknown-income	4	1.0%	4	1.0%	0	0.0%	0	0.0%
Total Assessment Area	416	100.0%	410	100.0%	4	100.0%	2	100.0%
	Percentage of Total Farms:		98.6%		1.0%		0.5%	

Based on 2023 FFIEC Census Data and 2023 D&B Information

¹⁵ “Small Businesses No Longer Have to File Business Tax.” TN Department of Revenue, 04 March 2024. Web. 2 July 2024. <<https://www.tn.gov/revenue/news/2024/3/4/small-businesses-no-longer-have-to-file-business-tax.html>>

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overview

Southern Bank of Tennessee's overall performance in the Nashville AA is satisfactory. The bank's lending performance was evaluated by analyzing HMDA-reportable and a sample of small business loans originated between January 1, 2022 and December 31, 2023. The geographic distribution of loans reflects reasonable dispersion throughout the AA, and the distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The performance context information discussed earlier in this evaluation was considered in evaluating lending performance. During the review period, the bank made 236 HMDA-reportable loans and 91 small business loans in the AA. HMDA-reportable lending was given greater consideration than small business lending in evaluating the bank's performance.

Geographic Distribution of Loans

Based on the following analysis, the overall geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the AA.

Residential Real Estate (HMDA) Lending

The following table shows the geographic distribution of Southern Bank of Tennessee's HMDA-reportable loans for 2022-2023 within the Nashville AA and includes a comparison of the bank's HMDA-reportable lending to the aggregate HMDA lenders within the AA. The HMDA aggregate lending data are the combined total of lending activity reported by all lenders subject to the HMDA in the AA.

Geographic Distribution of HMDA Loans - Table 1 of 2

Assessment Area: Nashville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022					2023				
		Bank				Owner Occupied Units %	Count			Dollar		Count			Dollar	
		Count #	%	Dollar \$ (000s)	\$ %		Bank #	Agg %	Dollar \$ (000s)	\$ %	Bank #	%	Dollar \$ (000s)	\$ %		
HOME PURCHASE	Low	10	7.3%	3,392	7.1%	2.8%	8	9.3%	4.1%	2,762	9.4%	3.7%	2	3.9%	630	3.4%
	Moderate	32	23.4%	9,181	19.2%	18.6%	19	22.1%	18.2%	5,086	17.2%	15.1%	13	25.5%	4,095	22.3%
	Middle	52	38.0%	18,234	38.1%	45.1%	34	39.5%	45.8%	10,919	37.0%	40.2%	18	35.3%	7,315	39.8%
	Upper	38	27.7%	16,332	34.1%	32.8%	23	26.7%	30.4%	10,407	35.3%	39.7%	15	29.4%	5,925	32.3%
	Unknown	5	3.6%	721	1.5%	0.7%	2	2.3%	1.5%	315	1.1%	1.3%	3	5.9%	406	2.2%
	Total	137	100%	47,860	100%	100.0%	86	100%	100%	29,489	100%	100%	51	100%	18,371	100%
REFINANCE	Low	4	4.5%	929	3.7%	2.8%	3	5.6%	3.9%	878	5.1%	3.3%	1	2.9%	51	0.6%
	Moderate	8	9.1%	1,683	6.7%	18.6%	3	5.6%	17.4%	898	5.2%	13.7%	5	14.7%	785	10.0%
	Middle	48	54.5%	11,875	47.2%	45.1%	28	51.9%	45.3%	7,908	45.7%	38.2%	20	58.8%	3,967	50.4%
	Upper	28	31.8%	10,676	42.4%	32.8%	20	37.0%	32.7%	7,614	44.0%	44.0%	8	23.5%	3,062	38.9%
	Unknown	0	0.0%	0	0.0%	0.7%	0	0.0%	0.8%	0	0.0%	0.8%	0	0.0%	0	0.0%
	Total	88	100%	25,163	100%	100.0%	54	100%	100%	17,298	100%	100%	34	100%	7,865	100%
HOME IMPROVEMENT	Low	0	0.0%	0	0.0%	2.8%	0	0.0%	2.2%	0	0.0%	1.7%	0	0.0%	0	0.0%
	Moderate	1	16.7%	250	54.5%	18.6%	1	25.0%	13.3%	250	74.2%	10.7%	0	0.0%	0	0.0%
	Middle	4	66.7%	193	42.0%	45.1%	2	50.0%	42.1%	71	21.1%	32.9%	2	100.0%	122	100.0%
	Upper	1	16.7%	16	3.5%	32.8%	1	25.0%	41.5%	16	4.7%	54.0%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.7%	0	0.0%	0.9%	0	0.0%	0.7%	0	0.0%	0	0.0%
	Total	6	100%	459	100%	100.0%	4	100%	100%	337	100%	100%	2	100%	122	100%
MULTI FAMILY	Multi-Family Units															
	Low	0	0.0%	0	0.0%	10.4%	0	0.0%	11.3%	0	0.0%	2.2%	0	0.0%	0	0.0%
	Moderate	2	33.3%	2,224	63.0%	33.4%	1	100.0%	43.0%	1,200	100.0%	30.0%	1	50.0%	1,024	43.9%
	Middle	1	16.7%	1,307	37.0%	30.0%	0	0.0%	31.2%	0	0.0%	32.4%	1	50.0%	1,307	56.1%
	Upper	0	0.0%	0	0.0%	24.4%	0	0.0%	11.3%	0	0.0%	29.6%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	1.9%	0	0.0%	3.2%	0	0.0%	5.7%	0	0.0%	0	0.0%
Total	3	50%	3,531	100%	100.0%	1	100%	100%	1,200	100%	100%	2	100%	2,331	100%	
OTHER PURPOSE LOC	Low	0	0.0%	0	0.0%	2.8%	0	0.0%	1.6%	0	0.0%	1.1%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.6%	0	0.0%	12.6%	0	0.0%	8.7%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	45.1%	0	0.0%	39.8%	0	0.0%	29.5%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	32.8%	0	0.0%	45.1%	0	0.0%	60.0%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.7%	0	0.0%	0.8%	0	0.0%	0.7%	0	0.0%	0	0.0%
	Total	0	0.0%	0	0.0%	100.0%	0	0.0%	100%	0	0.0%	100%	0	0.0%	0	0.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Geographic Distribution of HMDA Loans - Table 2 of 2

Assessment Area: Nashville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022						2023			
		Bank				Owner Occupied Units %	Count			Dollar			Count		Dollar	
		Count #	%	Dollar \$ (000s)	\$ %		Bank #	Agg %	Dollar \$ (000s)	\$ %	Agg %	Bank #	%	Dollar \$ (000s)	\$ %	
OTHER PURPOSE CLOSED/EXEMPT	Low	0	0.0%	0	0.0%	2.8%	0	0.0%	2.2%	0	0.0%	1.1%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.6%	0	0.0%	15.2%	0	0.0%	9.8%	0	0.0%	0	0.0%
	Middle	1	50.0%	35	16.7%	45.1%	0	0.0%	39.4%	0	0.0%	23.3%	1	100.0%	35	100.0%
	Upper	1	50.0%	175	83.3%	32.8%	1	100.0%	42.3%	175	100.0%	65.1%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.7%	0	0.0%	0.9%	0	0.0%	0.7%	0	0.0%	0	0.0%
	<i>Total</i>	<i>2</i>	<i>100%</i>	<i>210</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>175</i>	<i>100%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>35</i>	<i>100%</i>
PURPOSE NOT APPLICABLE	Low	0	0.0%	0	0.0%	2.8%	0	0.0%	3.9%	0	0.0%	2.3%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.6%	0	0.0%	18.1%	0	0.0%	50.2%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	45.1%	0	0.0%	68.1%	0	0.0%	38.7%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	32.8%	0	0.0%	9.6%	0	0.0%	8.8%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.7%	0	0.0%	0.3%	0	0.0%	0.0%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
HMDA TOTALS	Low	14	5.9%	4,321	5.6%	2.8%	11	7.5%	3.7%	3,640	7.5%	3.2%	3	3.3%	681	2.4%
	Moderate	43	18.2%	13,338	17.3%	18.6%	24	16.4%	17.3%	7,434	15.3%	16.5%	19	21.1%	5,904	20.6%
	Middle	106	44.9%	31,644	41.0%	45.1%	64	43.8%	45.0%	18,898	39.0%	38.0%	42	46.7%	12,746	44.4%
	Upper	68	28.8%	27,199	35.2%	32.8%	45	30.8%	32.8%	18,212	37.6%	40.6%	23	25.6%	8,987	31.3%
	Unknown	5	2.1%	721	0.9%	0.7%	2	1.4%	1.2%	315	0.6%	1.7%	3	3.3%	406	1.4%
	<i>Total</i>	<i>236</i>	<i>100%</i>	<i>77,223</i>	<i>100%</i>	<i>100.0%</i>	<i>146</i>	<i>100%</i>	<i>100%</i>	<i>48,499</i>	<i>100%</i>	<i>100%</i>	<i>90</i>	<i>100%</i>	<i>28,724</i>	<i>100%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

The geographic distribution of HMDA-reportable loans is reasonable. The bank’s HMDA-reportable lending in low-income tracts (by count) was 5.9 percent for the combined 2022-2023 period, which is above the percentage of owner-occupied units (2.8 percent). In moderate-income tracts for the combined 2022-2023 period, bank lending (by count) at 18.2 percent was similar to the percentage of owner-occupied units (18.6 percent). In 2022, bank performance in low-income tracts (by count) was 7.5 percent, which is above the aggregate at 3.7 percent. Performance in moderate-income tracts at 16.4 percent was similar to the aggregate (17.3 percent). Aggregate data for 2023 was unavailable for this evaluation.

Small Business

The following table shows the geographic distribution of small business loans as a percentage of the total number of loans by type within its Nashville AA for 2022 and 2023.

Geographic Distribution of Small Business Loans
Assessment Area: Nashville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data				
		2022, 2023				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	3	3.3%	340	2.3%	5.5%
	Moderate	43	47.3%	4,417	30.0%	26.0%
	Middle	17	18.7%	3,401	23.1%	32.1%
	Upper	26	28.6%	6,156	41.8%	32.7%
	Unknown	2	2.2%	425	2.9%	3.8%
	Tr Unknown	0	0.0%	0	0.0%	
	<i>Total</i>		<i>91</i>	<i>100%</i>	<i>14,740</i>	<i>100%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

For the review period, the bank’s performance of 3.3 percent of loans in low-income tracts (by count) was below the percentage of total businesses in low-income tracts at 5.5 percent. Lending in moderate-income tracts (by count) at 47.3 percent was above the percentage of the total businesses in moderate-income tracts at 26.0 percent. This represents reasonable performance for the geographic distribution of small business loans.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Based on the following analysis, the overall distribution of the bank’s HMDA and small business loans by borrower income and business revenue reflects reasonable dispersion throughout the bank’s AA.

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 - Table 1 of 2

Assessment Area: Nashville

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022						2023			
		Bank				Families by Family Income %	Count			Dollar			Count		Dollar	
		Count	%	Dollar \$ (000s)	\$ %		Bank #	%	Agg %	Bank \$ (000s)	\$ %	Agg %	Bank #	%	Dollar \$ (000s)	\$ %
HOME PURCHASE	Low	4	2.9%	702	1.5%	21.7%	3	3.5%	3.9%	486	1.6%	2.0%	1	2.0%	216	1.2%
	Moderate	25	18.2%	6,652	13.9%	18.4%	17	19.8%	18.4%	4,971	16.9%	12.6%	8	15.7%	1,681	9.2%
	Middle	30	21.9%	11,257	23.5%	21.9%	16	18.6%	21.1%	6,616	22.4%	18.5%	14	27.5%	4,641	25.3%
	Upper	59	43.1%	23,852	49.8%	38.0%	38	44.2%	37.8%	14,016	47.5%	48.0%	21	41.2%	9,836	53.5%
	Unknown	19	13.9%	5,397	11.3%	0.0%	12	14.0%	18.8%	3,400	11.5%	18.8%	7	13.7%	1,997	10.9%
	<i>Total</i>	<i>137</i>	<i>100%</i>	<i>47,860</i>	<i>100%</i>	<i>100.0%</i>	<i>86</i>	<i>100%</i>	<i>100%</i>	<i>29,489</i>	<i>100%</i>	<i>100%</i>	<i>51</i>	<i>100%</i>	<i>18,371</i>	<i>100%</i>
REFINANCE	Low	6	6.8%	975	3.9%	21.7%	2	3.7%	12.2%	398	2.3%	6.8%	4	11.8%	577	7.3%
	Moderate	18	20.5%	3,836	15.2%	18.4%	14	25.9%	23.5%	3,466	20.0%	17.2%	4	11.8%	370	4.7%
	Middle	9	10.2%	2,418	9.6%	21.9%	7	13.0%	21.2%	1,998	11.6%	18.9%	2	5.9%	420	5.3%
	Upper	37	42.0%	13,762	54.7%	38.0%	23	42.6%	28.2%	8,957	51.8%	40.0%	14	41.2%	4,805	61.1%
	Unknown	18	20.5%	4,172	16.6%	0.0%	8	14.8%	14.9%	2,479	14.3%	17.2%	10	29.4%	1,693	21.5%
	<i>Total</i>	<i>88</i>	<i>100%</i>	<i>25,163</i>	<i>100%</i>	<i>100.0%</i>	<i>54</i>	<i>100%</i>	<i>100%</i>	<i>17,298</i>	<i>100%</i>	<i>100%</i>	<i>34</i>	<i>100%</i>	<i>7,865</i>	<i>100%</i>
HOME IMPROVEMENT	Low	2	33.3%	46	10.0%	21.7%	2	50.0%	6.7%	46	13.6%	3.5%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.4%	0	0.0%	17.5%	0	0.0%	10.8%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	21.9%	0	0.0%	23.8%	0	0.0%	17.0%	0	0.0%	0	0.0%
	Upper	3	50.0%	338	73.6%	38.0%	2	50.0%	48.6%	291	86.4%	63.1%	1	50.0%	47	38.5%
	Unknown	1	16.7%	75	16.3%	0.0%	0	0.0%	3.4%	0	0.0%	5.7%	1	50.0%	75	61.5%
	<i>Total</i>	<i>6</i>	<i>100%</i>	<i>459</i>	<i>100%</i>	<i>100.0%</i>	<i>4</i>	<i>100%</i>	<i>100%</i>	<i>337</i>	<i>100%</i>	<i>100%</i>	<i>2</i>	<i>100%</i>	<i>122</i>	<i>100%</i>
MULTI FAMILY	Low	0	0.0%	0	0.0%	21.7%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.4%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	21.9%	0	0.0%	0.5%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	38.0%	0	0.0%	12.9%	0	0.0%	1.0%	0	0.0%	0	0.0%
	Unknown	3	100.0%	3,531	100.0%	0.0%	1	100.0%	86.6%	1,200	100.0%	99.0%	2	100.0%	2,331	100.0%
	<i>Total</i>	<i>3</i>	<i>100%</i>	<i>3,531</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>1,200</i>	<i>100%</i>	<i>100%</i>	<i>2</i>	<i>100%</i>	<i>2,331</i>	<i>100%</i>
OTHER PURPOSE LOC	Low	0	0.0%	0	0.0%	21.7%	0	0.0%	5.8%	0	0.0%	3.2%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.4%	0	0.0%	15.3%	0	0.0%	7.4%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	21.9%	0	0.0%	22.7%	0	0.0%	14.9%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	38.0%	0	0.0%	53.1%	0	0.0%	72.3%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	3.1%	0	0.0%	2.2%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Borrower Distribution of HMDA Loans - Table 2 of 2

Assessment Area: Nashville

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022				2023					
		Bank		Dollar		Families by Family Income %	Count		Dollar		Count		Dollar			
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Bank #	%	\$ (000s)	\$ %		
OTHER PURPOSE CLOSED/EXEMPT	Low	0	0.0%	0	0.0%	21.7%	0	0.0%	8.2%	0	0.0%	2.7%	0	0.0%	0	0.0%
	Moderate	1	50.0%	35	16.7%	18.4%	0	0.0%	15.3%	0	0.0%	6.4%	1	100.0%	35	100.0%
	Middle	1	50.0%	175	83.3%	21.9%	1	100.0%	20.9%	175	100.0%	9.9%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	38.0%	0	0.0%	47.4%	0	0.0%	70.7%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	8.2%	0	0.0%	10.3%	0	0.0%	0	0.0%
	<i>Total</i>	<i>2</i>	<i>100%</i>	<i>210</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>175</i>	<i>100%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>35</i>	<i>100%</i>
PURPOSE NOT APPLICABLE	Low	0	0.0%	0	0.0%	21.7%	0	0.0%	2.7%	0	0.0%	1.8%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	18.4%	0	0.0%	1.5%	0	0.0%	1.3%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	21.9%	0	0.0%	0.6%	0	0.0%	0.4%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	38.0%	0	0.0%	0.3%	0	0.0%	0.2%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	94.9%	0	0.0%	96.3%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
HMDA TOTALS	Low	12	5.1%	1,723	2.2%	21.7%	7	4.8%	6.9%	930	1.9%	3.0%	5	5.6%	793	2.8%
	Moderate	44	18.6%	10,523	13.6%	18.4%	31	21.2%	19.5%	8,437	17.4%	11.7%	13	14.4%	2,086	7.3%
	Middle	40	16.9%	13,850	17.9%	21.9%	24	16.4%	21.2%	8,789	18.1%	15.8%	16	17.8%	5,061	17.6%
	Upper	99	41.9%	37,952	49.1%	38.0%	63	43.2%	36.4%	23,264	48.0%	40.9%	36	40.0%	14,688	51.1%
	Unknown	41	17.4%	13,175	17.1%	0.0%	21	14.4%	16.1%	7,079	14.6%	28.5%	20	22.2%	6,096	21.2%
	<i>Total</i>	<i>236</i>	<i>100%</i>	<i>77,223</i>	<i>100%</i>	<i>100.0%</i>	<i>146</i>	<i>100%</i>	<i>100%</i>	<i>48,499</i>	<i>100%</i>	<i>100%</i>	<i>90</i>	<i>100%</i>	<i>28,724</i>	<i>100%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

HMDA-reportable lending by borrower income in the Nashville AA is reasonable. The bank’s lending was compared to the demographic characteristics of the community and the performance of aggregate HMDA lenders with loan originations and purchases in the AA. The volume of the specific loan products was also considered along with performance context factors, such as the shortage of affordable housing.

During the combined 2022-2023 period, Southern Bank of Tennessee originated 12 HMDA-reportable loans, or 5.1 percent, to low-income borrowers, which is lower than the percentage of low-income families in the AA at 21.7 percent. The bank also made 44 HMDA-reportable loans, or 18.6 percent, to moderate-income borrowers, which is similar to the percentage of moderate-income families in the AA at 18.4 percent.

The percentage of loans to low-income borrowers in 2022 (by count) was 4.8 percent, which is below aggregate lenders at 6.9 percent. The bank’s HMDA-reportable lending to moderate-income borrowers (by count) in 2022 at 21.2 percent was above aggregate lenders at 19.5 percent. Aggregate lending data was not available for 2023.

Small Business Lending

The following table shows, by business revenue and loan size, the number and dollar volume of small business loans originated by Southern Bank of Tennessee in the AA during the review period.

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Nashville

		Bank Lending & Demographic Data				
		2022, 2023				
		Bank				Total Businesses
		Count		Dollar		
#	%	\$ (000s)	\$ %	%		
Revenue	\$1 Million or Less	35	38.5%	5,859	39.7%	91.3%
	Over \$1 Million	53	58.2%	8,486	57.6%	8.0%
	<i>Total Rev. available</i>	88	96.7%	14,345	97.3%	99.2%
	Rev. Not Known	3	3.3%	395	2.7%	0.8%
	<i>Total</i>	91	100%	14,740	100%	100%
Loan Size	\$100,000 or Less	61	67.0%	3,331	22.6%	
	\$100,001 - \$250,000	12	13.2%	1,909	13.0%	
	\$250,001 - \$1 Million	18	19.8%	9,501	64.5%	
	<i>Total</i>	91	100%	14,740	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	22	62.9%	838	14.3%	
	\$100,001 - \$250,000	4	11.4%	643	11.0%	
	\$250,001 - \$1 Million	9	25.7%	4,379	74.7%	
	<i>Total</i>	35	100%	5,860	100%	

Originations & Purchases
Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

Of the 91 originated loans, 35 (38.5 percent) were made to businesses with gross annual revenues of \$1 million or less. While this is less than the percentage of total businesses in the AA (91.3 percent), 73 of 91 originations (80.2 percent) were in amounts of \$250,000 or less, showing the bank’s willingness to make small dollar loans to help meet the credit needs of businesses in its community. Given competition and other performance context factors, small business lending by business revenue and loan size is reasonable.

**METROPOLITAN AREA(S)
LIMITED-SCOPE REVIEW**

The Knoxville AA was reviewed using limited-scope examination procedures. Through these procedures, conclusions regarding CRA performance are drawn from the review of available facts and data, including performance and demographic information. The limited-scope review revealed the bank's CRA performance in this AA is consistent with the area that received a full-scope review. Please refer to the demographic and lending tables in Appendix D for additional information regarding the area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE KNOXVILLE ASSESSMENT AREA

The Knoxville AA consists of Anderson County, which is part of the Knoxville MSA. Southern Bank of Tennessee operates one branch in Clinton, which is the county seat. The bank's deposits in the AA totaled \$65.3 million as of June 30, 2023. Since the previous evaluation in 2019, one less bank and three fewer branches operate in the AA. The FDIC Deposit Market Share report from June 30, 2023 indicates that 11 institutions operate 16 branches in the AA. Southern Bank of Tennessee ranked sixth in deposit market share, with 4.9 percent of total deposits. Regions Bank ranked first with market share of 30.9 percent.

According to 2023 FFIEC census data, the AA contains 20 census tracts, of which zero (0.0 percent) are low-income; 8 (40.0 percent) are moderate-income; 9 (45.0 percent) are middle-income; 2 (10.0 percent) are upper-income; and one (5.0 percent) has an unknown-income level. Of the families in the AA, 45.5 percent are LMI, and 11.9 percent live below the poverty level.

CONCLUSION(S) WITH RESPECT TO PERFORMANCE CRITERIA IN KNOXVILLE ASSESSMENT AREA

The bank's geographic distribution of HMDA-reportable and small business loans and borrower distribution were generally consistent with the performance in the full-scope AA. The bank made five HMDA-reportable loans and five small business loans in the AA during the review period. According to bank management, competition in the market, specifically from credit unions, continues to affect its ability to make loans in the AA. Conclusions regarding the bank's performance in the Knoxville AA did not affect the overall rating.

APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED January 1, 2022 to December 31, 2023			
FINANCIAL INSTITUTION Southern Bank of Tennessee, Mount Juliet, Tennessee		PRODUCTS REVIEWED HMDA-reportable Loans Small Business Loans	
AFFILIATE(S) N/A	AFFILIATE RELATIONSHIP N/A	PRODUCTS REVIEWED N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
<i>ASSESSMENT AREA</i>	<i>TYPE OF EXAMINATION</i>	<i>BRANCHES VISITED</i>	<i>OTHER INFORMATION</i>
Tennessee - Nashville-Davidson-Murfreesboro-Franklin MSA (Davidson, Wilson and Rutherford counties)	Full-scope	None	N/A
Tennessee – Knoxville MSA (Anderson County)	Limited-scope	None	N/A

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.

General Information

The 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 Southern Bank of Tennessee prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **June 10, 2024**. 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 MSAs. 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 (Board), Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) 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, FDIC, and OCC, 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.

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 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).

APPENDIX C – GLOSSARY (Continued)

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 MSA 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 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 metropolitan area/assessment area.

Metropolitan area (MA): A 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 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.

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.

APPENDIX C – GLOSSARY (Continued)

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 MA. 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 MA, the institution will receive a rating for the multistate MA.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the 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 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 at least 120 percent of the area median income, or a median family income at least 120 percent, in the case of a geography.

APPENDIX D- DEMOGRAPHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT AREA

Geographic Distribution of HMDA Loans - Table 1 of 2

Assessment Area: Knoxville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022						2023			
		Bank				Owner Occupied Units %	Count			Dollar			Count		Dollar	
		Count #	%	Dollar \$ (000s)	\$ %		Bank #	Agg %	Dollar \$ (000s)	\$ %	Agg \$ %	Bank #	%	Dollar \$ (000s)	\$ %	
HOME PURCHASE	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	34.3%	0	0.0%	29.0%	0	0.0%	0	0.0%
	Middle	1	100.0%	140	100.0%	57.3%	0	0.0%	51.6%	0	0.0%	53.7%	1	100.0%	140	100.0%
	Upper	0	0.0%	0	0.0%	12.0%	0	0.0%	14.1%	0	0.0%	17.2%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.1%	0	0.0%	0.1%	0	0.0%	0	0.0%
	<i>Total</i>	<i>1</i>	<i>100%</i>	<i>140</i>	<i>100%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>140</i>	<i>100%</i>
REFINANCE	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	32.3%	0	0.0%	28.3%	0	0.0%	0	0.0%
	Middle	1	50.0%	100	55.2%	57.3%	0	0.0%	56.2%	0	0.0%	57.0%	1	100.0%	100	100.0%
	Upper	1	50.0%	81	44.8%	12.0%	1	100.0%	11.5%	81	100.0%	14.7%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	<i>Total</i>	<i>2</i>	<i>100%</i>	<i>181</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>81</i>	<i>100%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>100</i>	<i>100%</i>
HOME IMPROVEMENT	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	28.3%	0	0.0%	23.9%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	57.3%	0	0.0%	53.8%	0	0.0%	57.5%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	12.0%	0	0.0%	17.9%	0	0.0%	18.6%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
MULTI FAMILY						Multi-Family Units										
	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	1	0.0%	249	100.0%	62.4%	1	100.0%	70.0%	249	100.0%	55.3%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	19.8%	0	0.0%	20.0%	0	0.0%	2.1%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	17.7%	0	0.0%	10.0%	0	0.0%	42.6%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>1</i>	<i>0.0%</i>	<i>249</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>249</i>	<i>100%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	
OTHER PURPOSE LOC	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	28.4%	0	0.0%	22.5%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	57.3%	0	0.0%	59.0%	0	0.0%	63.3%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	12.0%	0	0.0%	12.7%	0	0.0%	14.2%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

**APPENDIX D- DEMOGRPAHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT
AREA (Continued)**

Geographic Distribution of HMDA Loans - Table 2 of 2
Assessment Area: Knoxville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending										
		2022, 2023					2022					2023					
		Bank				Owner Occupied Units %	Count			Dollar			Count		Dollar		
		Count #	%	Dollar \$ (000s)	\$ %		Bank #	Agg %	Dollar \$ (000s)	\$ %	Agg \$ %	Bank #	%	Dollar \$ (000s)	\$ %		
OTHER PURPOSE CLOSED/EXEMPT	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	36.1%	0	0.0%	23.0%	0	0.0%	0	0.0%	
	Middle	1	100.0%	22	100.0%	57.3%	0	0.0%	52.8%	0	0.0%	56.5%	1	100.0%	22	100.0%	
	Upper	0	0.0%	0	0.0%	12.0%	0	0.0%	11.1%	0	0.0%	20.5%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>1</i>	<i>100%</i>	<i>22</i>	<i>100%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>22</i>	<i>100%</i>	
PURPOSE NOT APPLICABLE	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	30.7%	0	0.0%	25.0%	0	0.0%	16.5%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	57.3%	0	0.0%	75.0%	0	0.0%	83.5%	0	0.0%	0	0.0%	
	Upper	0	0.0%	0	0.0%	12.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	
HMDA TOTALS	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Moderate	1	20.0%	249	42.1%	30.7%	1	50.0%	33.1%	249	75.5%	31.9%	0	0.0%	0	0.0%	
	Middle	3	60.0%	262	44.3%	57.3%	0	0.0%	53.5%	0	0.0%	48.3%	3	100.0%	262	100.0%	
	Upper	1	20.0%	81	13.7%	12.0%	1	50.0%	13.4%	81	24.5%	19.8%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.1%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>5</i>	<i>100%</i>	<i>592</i>	<i>100%</i>	<i>100.0%</i>	<i>2</i>	<i>100%</i>	<i>100%</i>	<i>330</i>	<i>100%</i>	<i>100%</i>	<i>3</i>	<i>100%</i>	<i>262</i>	<i>100%</i>	

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

APPENDIX D- DEMOGRPAHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT AREA (Continued)

Borrower Distribution of HMDA Loans - Table 1 of 2
Assessment Area: Knoxville

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending										
		2022, 2023					2022					2023					
		Bank				Families by Family Income %	Count			Dollar			Count		Dollar		
		Count #	%	Dollar \$ (000s)	\$ %		Bank #	Agg %	Dollar \$ (000s)	\$ %	Agg %	Bank #	%	Dollar \$ (000s)	\$ %		
HOME PURCHASE	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	7.4%	0	0.0%	4.2%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	24.6%	0	0.0%	18.5%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	21.0%	0	0.0%	20.5%	0	0.0%	0	0.0%	
	Upper	1	100.0%	140	100.0%	34.3%	0	0.0%	30.7%	0	0.0%	40.5%	1	100.0%	140	100.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	16.4%	0	0.0%	16.4%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>1</i>	<i>100%</i>	<i>140</i>	<i>100%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>140</i>	<i>100%</i>	
REFINANCE	Low	1	50.0%	100	55.2%	23.7%	0	0.0%	16.4%	0	0.0%	10.4%	1	100.0%	100	100.0%	
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	22.6%	0	0.0%	18.5%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	24.4%	0	0.0%	24.6%	0	0.0%	0	0.0%	
	Upper	1	50.0%	81	44.8%	34.3%	1	100.0%	24.4%	81	100.0%	32.3%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	12.2%	0	0.0%	14.2%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>2</i>	<i>100%</i>	<i>181</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>81</i>	<i>100%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>100</i>	<i>100%</i>	
HOME IMPROVEMENT	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	10.8%	0	0.0%	7.9%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	17.9%	0	0.0%	15.9%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	33.5%	0	0.0%	26.1%	0	0.0%	0	0.0%	
	Upper	0	0.0%	0	0.0%	34.3%	0	0.0%	36.3%	0	0.0%	47.4%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	1.6%	0	0.0%	2.7%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	
MULTI FAMILY	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	
	Upper	0	0.0%	0	0.0%	34.3%	0	0.0%	45.0%	0	0.0%	3.3%	0	0.0%	0	0.0%	
	Unknown	1	100.0%	249	100.0%	0.0%	1	100.0%	55.0%	249	100.0%	96.7%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>1</i>	<i>100%</i>	<i>249</i>	<i>100%</i>	<i>100.0%</i>	<i>1</i>	<i>100%</i>	<i>100%</i>	<i>249</i>	<i>100%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	
OTHER PURPOSE LOC	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	8.2%	0	0.0%	4.6%	0	0.0%	0	0.0%	
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	14.9%	0	0.0%	11.5%	0	0.0%	0	0.0%	
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	32.1%	0	0.0%	27.6%	0	0.0%	0	0.0%	
	Upper	0	0.0%	0	0.0%	34.3%	0	0.0%	41.8%	0	0.0%	53.9%	0	0.0%	0	0.0%	
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	3.0%	0	0.0%	2.4%	0	0.0%	0	0.0%	
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

APPENDIX D- DEMOGRPAHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT AREA (Continued)

Borrower Distribution of HMDA Loans - Table 2 of 2

Assessment Area: Knoxville

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data					Bank & Aggregate Lending									
		2022, 2023					2022					2023				
		Bank		Families by Family Income %	Count		Dollar			Count		Dollar				
		Count	Dollar		Bank	Agg	Bank	Agg	Bank	Dollar						
#	%	\$ (000s)	\$ %	%	#	%	%	\$ (000s)	\$ %	\$ %	#	%	\$ (000s)	\$ %		
OTHER PURPOSE CLOSED/EXEMPT	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	11.1%	0	0.0%	3.3%	0	0.0%	0	0.0%
	Moderate	1	100.0%	22	100.0%	21.8%	0	0.0%	13.9%	0	0.0%	4.4%	1	100.0%	22	100.0%
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	25.0%	0	0.0%	29.7%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	34.3%	0	0.0%	50.0%	0	0.0%	62.6%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	<i>Total</i>	<i>1</i>	<i>100%</i>	<i>22</i>	<i>100%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>1</i>	<i>100%</i>	<i>22</i>	<i>100%</i>
PURPOSE NOT APPLICABLE	Low	0	0.0%	0	0.0%	23.7%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Moderate	0	0.0%	0	0.0%	21.8%	0	0.0%	12.5%	0	0.0%	9.2%	0	0.0%	0	0.0%
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Upper	0	0.0%	0	0.0%	34.3%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	87.5%	0	0.0%	90.8%	0	0.0%	0	0.0%
	<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
HMDA TOTALS	Low	1	20.0%	100	16.9%	23.7%	0	0.0%	10.5%	0	0.0%	5.3%	1	33.3%	100	38.2%
	Moderate	1	20.0%	22	3.7%	21.8%	0	0.0%	22.6%	0	0.0%	15.9%	1	33.3%	22	8.4%
	Middle	0	0.0%	0	0.0%	20.3%	0	0.0%	23.4%	0	0.0%	19.2%	0	0.0%	0	0.0%
	Upper	2	40.0%	221	37.3%	34.3%	1	50.0%	29.9%	81	24.5%	34.3%	1	33.3%	140	53.4%
	Unknown	1	20.0%	249	42.1%	0.0%	1	50.0%	13.7%	249	75.5%	25.4%	0	0.0%	0	0.0%
	<i>Total</i>	<i>5</i>	<i>100%</i>	<i>592</i>	<i>100%</i>	<i>100.0%</i>	<i>2</i>	<i>100%</i>	<i>100%</i>	<i>330</i>	<i>100%</i>	<i>100%</i>	<i>3</i>	<i>100%</i>	<i>262</i>	<i>100%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Geographic Distribution of Small Business Loans

Assessment Area: Knoxville

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data				
		2022, 2023				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	0	0.0%	0	0.0%	0.0%
	Moderate	3	60.0%	850	81.0%	39.1%
	Middle	2	40.0%	200	19.0%	45.8%
	Upper	0	0.0%	0	0.0%	10.9%
	Unknown	0	0.0%	0	0.0%	4.2%
	Tr Unknown	0	0.0%	0	0.0%	
	<i>Total</i>	<i>5</i>	<i>100%</i>	<i>1,050</i>	<i>100%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

**APPENDIX D- DEMOGRPAHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT
 AREA (Continued)**

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Knoxville

		Bank Lending & Demographic Data				
		2022, 2023				
		Bank				Total Businesses
		Count		Dollar		
		#	%	\$ (000s)	\$ %	%
Revenue	\$1 Million or Less	4	80.0%	650	61.9%	89.7%
	Over \$1 Million	1	20.0%	400	38.1%	9.3%
	<i>Total Rev. available</i>	5	100.0%	1,050	100.0%	99.0%
	Rev. Not Known	0	0.0%	0	0.0%	1.0%
	<i>Total</i>	5	100%	1,050	100%	100%
Loan Size	\$100,000 or Less	1	20.0%	50	4.8%	
	\$100,001 - \$250,000	3	60.0%	600	57.1%	
	\$250,001 - \$1 Million	1	20.0%	400	38.1%	
	<i>Total</i>	5	100%	1,050	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	25.0%	50	7.7%	
	\$100,001 - \$250,000	3	75.0%	600	92.3%	
	\$250,001 - \$1 Million	0	0.0%	0	0.0%	
	<i>Total</i>	4	100%	650	100%	

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

APPENDIX D- DEMOGRPAHIC AND LENDING TABLES FOR LIMITED-SCOPE ASSESSMENT AREA (Continued)

Combined Demographics Report

Assessment Area: Knoxville

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0%	0	0.0%	0	0.0%	4,977	23.7%
Moderate-income	8	40.0%	7,731	36.7%	1,538	19.9%	4,585	21.8%
Middle-income	9	45.0%	10,824	51.4%	960	8.9%	4,264	20.3%
Upper-income	2	10.0%	2,486	11.8%	13	0.5%	7,215	34.3%
Unknown-income	1	5.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	20	100.0%	21,041	100.0%	2,511	11.9%	21,041	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Moderate-income	13,783	6,418	30.7%	46.6%	5,488	39.8%	1,877	13.6%
Middle-income	17,476	11,972	57.3%	68.5%	3,508	20.1%	1,996	11.4%
Upper-income	3,798	2,496	12.0%	65.7%	1,004	26.4%	298	7.8%
Unknown-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Assessment Area	35,057	20,886	100.0%	59.6%	10,000	28.5%	4,171	11.9%
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	1,027	39.1%	928	39.4%	86	35.1%	13	50.0%
Middle-income	1,203	45.8%	1,099	46.7%	97	39.6%	7	26.9%
Upper-income	286	10.9%	266	11.3%	15	6.1%	5	19.2%
Unknown-income	109	4.2%	61	2.6%	47	19.2%	1	3.8%
Total Assessment Area	2,625	100.0%	2,354	100.0%	245	100.0%	26	100.0%
Percentage of Total Businesses:			89.7%		9.3%		1.0%	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	9	26.5%	9	26.5%	0	0.0%	0	0.0%
Middle-income	21	61.8%	21	61.8%	0	0.0%	0	0.0%
Upper-income	4	11.8%	4	11.8%	0	0.0%	0	0.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	34	100.0%	34	100.0%	0	0.0%	0	0.0%
Percentage of Total Farms:			100.0%		0.0%		0.0%	

Based on 2023 FFIEC Census Data and 2023 D&B Information