

# **PUBLIC DISCLOSURE**

June 23, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

SouthEast Bank  
Certificate Number: 57348

12700 Kingston Pike  
Farragut, Tennessee 37934

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Regional Office

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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

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## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AAs), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

SouthEast Bank's (SEB's) performance is considered satisfactory when analyzed in accordance with Strategic Plan (Plan) goals. Specifically, examiners determined that overall the bank achieved satisfactory goals for lending, community development investments and donations, and community development services. Further, SEB did not receive any CRA-related complaints during the evaluation period. The following supports the overall CRA rating based on Year 1 and Year 2 performances.

### **Lending Goals**

- The bank met the established goal for satisfactory performance regarding home mortgage loans made in LMI census tracts (CTs).
- The bank met the established goal for outstanding performance regarding small business loans made in LMI CTs.
- The bank met the established goal for satisfactory performance regarding home mortgage loans made to LMI borrowers.
- The bank met the established goal for outstanding performance regarding loans made to businesses with gross annual revenues of \$1.0 million or less.
- The bank met the established goal for satisfactory performance regarding community development loans.

### **Community Development Investment and Donation Goals**

The bank met the established goal for satisfactory performance regarding cumulative qualified investments and donations.

### **Community Development Services Goals**

The bank met the established goal for satisfactory performance regarding community development services.

## DESCRIPTION OF INSTITUTION

SEB is a full-service community bank headquartered in Farragut, Tennessee. SouthEast Bancorp, Inc. wholly owns SEB. Education Loan Finance, Inc. (ELFI) is the parent company of SouthEast Bancorp, Inc. The bank has no other subsidiaries or affiliates relevant to this evaluation. SEB

received a “Needs to Improve” rating at the previous FDIC Performance Evaluation, dated April 24, 2023, based on Large Bank Examination Procedures.

SEB operates 14 full-service offices throughout eastern and middle Tennessee in the following counties: Bradley, Hamilton, Knox, Loudon, McMinn, Meigs, Putnam, and Rhea. During the evaluation period, SEB did not open or close any branches. No mergers or acquisitions occurred since the prior evaluation.

SEB’s primary business focus is student lending followed by commercial and residential real estate lending. The student loan portfolio consists of originated ELFI loans and purchased Federal Family Education Loan Program loans. SEB launched the ELFI loan program in 2015, to provide low-cost student loan refinancing options to borrowers in all 50 states as well as the District of Columbia and Puerto Rico.

Retail banking products offered include standard deposit account products, such as checking, savings, and time deposits. Standard real estate secured and non-real estate secured loan products offered include residential real estate, construction, commercial, agricultural, home equity, credit cards, automobile, and other consumer loans. Other specialty services offered are insurance and merchant services. The bank offers hours and days of service consistent with area and industry norms.

Alternative banking services expand 24/7 access for customers, including the following digital offerings: telephone banking, online banking, bill-pay, mobile banking application, mobile alerts, digital wallet, mobile deposit for consumer accounts, and remote deposit capture for commercial accounts. Deposit activity is accessible outside of branch banking hours through 14 deposit-taking automated teller machines. Deposit consumer transactional accounts can be opened remotely 24/7 on the website.

SEB’s assets totaled approximately \$3.3 billion as of March 31, 2025, and included total loans of \$2.8 billion. Total deposits equaled \$3.0 billion and securities totaled \$516,000 as of the same date. Consumer loans constitute the largest percentage of outstanding gross loans. The following table details the mix of outstanding loans as of March 31, 2025.

<b>Loan Portfolio Distribution as of March 31, 2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	252,860	8.9
Secured by Farmland	9,266	0.3
Secured by 1-4 Family Residential Properties	286,132	10.1
Secured by Multifamily (5 or more) Residential Properties	48,166	1.7
Secured by Nonfarm Nonresidential Properties	510,827	18.0
<b>Total Real Estate Loans</b>	<b>1,107,251</b>	<b>39.1</b>
Commercial and Industrial Loans	105,102	3.7
Agricultural Production and Other Loans to Farmers	308	0.0
Consumer Loans	1,617,048	57.1
Other Loans	4,074	0.2
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(2,596)	(0.1)
<b>Total Loans</b>	<b>2,831,187</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet AA credit needs.

**DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more AAs for which examiners will evaluate its CRA performance. SEB designated five AAs: 1) Chattanooga Metropolitan Statistical Area (MSA) AA, 2) Cleveland MSA AA, 3) Knoxville MSA AA, 4) Middle Tennessee Non-MSA AA (Putnam County), and 5) Southeast Tennessee Non-MSA AA (McMinn, Meigs, and Rhea counties). Each AA conforms to technical CRA regulatory requirements.

The two Tennessee Non-MSA AAs are not contiguous. However, the Plan provides performances for these AAs combined as these AAs reflect similar economic and demographic conditions. Therefore, for presentation purposes, these AAs are collectively referred to as the Tennessee Non-MSA AA. The following table provides additional information for each AA. Please refer to the individual discussions of the AAs for more details.

<b>Description of Tennessee Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Chattanooga MSA	Hamilton	82	2
Cleveland MSA	Bradley	25	1
Knoxville MSA	Knox, Loudon	135	5
*Tennessee Non-MSA	McMinn, Meigs, Putnam, Rhea	41	6

*Source: Bank records and 2020 Census data*  
*\*As mentioned previously, this AA combines both non-MSA AAs*

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated April 24, 2023, through the current evaluation dated June 23, 2025. Examiners used Interagency Strategic Plan Examination Procedures to evaluate SEB’s CRA performance.

SEB operated under two FDIC-approved Plans during the evaluation period. Specifically, Plan One covers annual bank goals and performances from April 1, 2023, through March 31, 2024 (Year 1), and from April 1, 2024, through March 31, 2025 (Year 2). Examiners did not review performance for Plan Two, which began on April 1, 2025, since there was not a full plan cycle to assess measurable goals.

Examiners conducted a full-scope review of the performance in the Knoxville MSA AA as the majority of operations are in this AA. All other AAs received limited-scope reviews. Examiners also placed most weight on the Knoxville MSA AA when drawing conclusions for each goal, followed by the Tennessee Non-MSA AA, the Chattanooga MSA AA, and the Cleveland MSA AA.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Chattanooga MSA	69,112	23.1	299,320	11.8	2	14.3
Cleveland MSA	25,167	8.4	152,036	6.0	1	7.1
Knoxville MSA	151,960	50.8	1,220,485	47.9	5	35.7
Tennessee Non-MSA	53,130	17.7	874,527	34.3	6	42.9
<b>Total</b>	<b>299,369</b>	<b>100.0</b>	<b>2,546,368</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>
<small>Source: 4/1/2023 – 3/31/2025 Home Mortgage Disclosure Loan Application Register, 4/1/2023 – 3/31/2025 CRA data and 6/30/2024 FDIC Summary of Deposits            Due to rounding, totals may not equal 100.0 percent</small>						

### Activities Reviewed

SEB established lending goals; community development investments, donations, and grants goals; and community development services goals. The goals contain a minimum volume threshold necessary to achieve favorable CRA performance levels of satisfactory and outstanding regarding specific activities for each AA and each year of the Plan. The following describes each goal.

#### ***Lending Goals***

1. *Home Mortgage Loans in LMI CTs* – This goal focuses a specific dollar volume of home mortgage loans originated to individuals located in combined LMI CTs within each AA.
2. *Small Business Loans in LMI CTs* – This goal focuses on a specific dollar volume of small business loans originated or renewed to businesses located in combined LMI CTs within each AA.

3. *Home Mortgage Loans to LMI Borrowers* – This goal focuses on a specific dollar volume of home mortgage loans originated to LMI borrowers within each AA.
4. *Small Business Loans to Businesses with Gross Annual Revenues of \$1.0 Million or Less* – This goal focuses on a specific dollar volume of small business loans originated or renewed to businesses with gross annual revenues of \$1.0 million or less within each AA.
5. *Community Development Loans* – This goal focuses on a specific dollar volume of community development lending activities within each AA.

### ***Community Development Investments/Donations/Grants***

This goal focuses on a specific dollar volume of qualified investments and donations within each AA. The Plan also includes a subcategory that requires at least 20.0 percent of the dollar volume goal be allocated for community development donations to support education.

### ***Community Development Services***

This goal focuses on a specific number of community development service activities within each AA.

In order to achieve an overall satisfactory rating, SEB must achieve:

1. A “Satisfactory” rating for the Lending goals;
2. A “Satisfactory” rating for at least one of the other two measurable goals; and
3. At least 75.0 percent of a “Satisfactory” level on the remaining goal

For purposes of evaluating the measurable goals, examiners analyzed home mortgage and small business lending activity as well as community development lending; community development investments and donations; and community development services during the evaluation period.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

SEB demonstrated an overall satisfactory performance under the Plan. Specifically, the bank achieved a satisfactory for the lending goals and achieved a satisfactory for each of the community development investments and donations and the community development services goals for the review period.

### **Lending Goals**

SEB achieved an overall satisfactory for lending goals in the AAs. The satisfactory performances for home mortgage loans in LMI CTs, home mortgage loans to LMI borrowers, and community development loans outweighed the outstanding performances for small business loans in LMI CTs and small business loans to businesses with gross annual revenues of \$1.0 or less to support this conclusion. This is further supported by satisfactory performances in the Knoxville MSA AA, the Tennessee Non-MSA AA, and the Chattanooga MSA AA, and the outstanding performance in the Cleveland MSA AA.

**1: Home Mortgage Loans in Low- and Moderate-Income Census Tracts**

SEB achieved an overall satisfactory for home mortgage lending in LMI CTs in the AAs. The satisfactory Year 1 performance outweighed the outstanding Year 2 performance to support this conclusion. This is further supported by the satisfactory performances in the Knoxville MSA AA, the Tennessee Non-MSA AA, and the Cleveland MSA AA, and the outstanding performance in the Chattanooga MSA AA. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Geographic Distribution of Home Mortgage Loans</b>				
<b>Year 1 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	7,210	14,265	10,540	Satisfactory
<b>Year 2 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	7,280	14,415	14,677	Outstanding

*Source: Bank records*

**2: Small Business Loans in Low- and Moderate-Income Census Tracts**

SEB achieved an overall outstanding for small business lending in LMI CTs in the AAs. The outstanding performances for both Year 1 and Year 2 support this conclusion. This is further supported by the outstanding performances in the Knoxville MSA AA, the Chattanooga MSA AA, and the Cleveland MSA AA, and the satisfactory performance in the Tennessee Non-MSA AA. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Geographic Distribution of Small Business Loans</b>				
<b>Year 1 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	10,020	16,995	21,748	Outstanding
<b>Year 2 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	10,130	17,205	22,817	Outstanding

*Source: Bank records*

**3: Home Mortgage Loans to Low- and Moderate-Income Borrowers**

SEB achieved an overall satisfactory for home mortgage lending to LMI borrowers in the AAs. The satisfactory performances for both Year 1 and Year 2 support this conclusion. This is further supported by the satisfactory performances in each of the AAs. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Borrower Profile of Home Mortgage Loans</b>				
<b>Year 1 Goals and Performance</b>				
<b>Borrower Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	4,400	14,135	6,919	Satisfactory
<b>Year 2 Goals and Performance</b>				
<b>Borrower Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low- and Moderate-	4,420	14,185	11,219	Satisfactory

*Source: Bank records*

**4: Small Business Loans to Businesses with Gross Annual Revenues of \$1.0 Million or Less**

SEB achieved an overall outstanding for small business lending to businesses with gross annual revenues of \$1.0 million or less in the AAs. The outstanding performances for both Year 1 and Year 2 support this conclusion. This is further supported by the outstanding performances in the Knoxville MSA AA, the Tennessee Non-MSA AA, and the Cleveland MSA AA, and the satisfactory performance in the Chattanooga MSA AA. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Distribution of Small Business Loans by Gross Annual Revenue</b>				
<b>Year 1 Goals and Performance</b>				
<b>Gross Annual Revenue</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
\$1.0 million or less	16,490	24,735	27,110	Outstanding
<b>Year 2 Goals and Performance</b>				
<b>Gross Annual Revenue</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
\$1.0 million or less	16,680	25,020	29,204	Outstanding

*Source: Bank records*

**5: Community Development Loans**

SEB achieved an overall satisfactory for community development lending in the AAs. The

outstanding performance for Year 1 and the unmet goal for Year 2 support this conclusion. This is further supported by the satisfactory performances in the Knoxville MSA AA, the Tennessee Non-MSA AA, and the Chattanooga MSA AA, and the outstanding performance in the Cleveland MSA AA. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Community Development Loans</b>				
	<b>Bank Established Goals</b>		<b>Community Development Loan Performance</b>	<b>Plan Goal Result</b>
<b>Plan Year</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	64,070	96,110	110,669	Outstanding
Year 2	65,350	98,030	63,363	Did Not Meet

*Source: Bank records*

### **Community Development Investments/Donations/Grants**

SEB achieved an overall satisfactory for community development investments and donations in the AAs. The satisfactory performances for both Year 1 and Year 2 outweighed the unmet community development donation goal to support education for both Year 1 and Year 2 to support this conclusion. This is further supported by satisfactory performances in each of the AAs. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Community Development Investments and Donations</b>				
	<b>Bank Established Goals</b>		<b>Community Development Investment and Donation Performance</b>	<b>Plan Goal Result</b>
<b>Plan Year</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	5,400	15,048	8,453*	Satisfactory
Year 2	5,560	15,500	12,459*	Satisfactory

*Source: Bank records*  
*\* Includes broader statewide activities that benefit the AAs*

SEB made the following notable community development donations in broader statewide activities that benefit the AAs. Broader regional activities were considered after the bank met the goal for satisfactory performance based on activities inside the AAs:

- **Community Services** – The bank donated \$143,000 to an organization for hunger relief programs, primarily focused on LMI children and individuals located in East Tennessee.
- **Community Services** – The bank donated over \$97,000 to an organization with a mission to help immigrants and others who are LMI individuals with limited financial resources to gain employment and access to higher education.

***Community Development Donations to Support Education***

SEB did not meet the community development donation goal to support education. The unmet goals for both Year 1 and Year 2 support this conclusion. This is further supported by the unmet goal in the Knoxville MSA AA, the satisfactory performances in the Chattanooga MSA AA and the Cleveland MSA AA, and the outstanding performance in the Tennessee Non-MSA AA.

<b>Community Development Donations to Support Education</b>				
	<b>Bank Established Goals</b>		<b>Community Development Donations to Support Education Performance</b>	<b>Plan Goal Result</b>
<b>Plan Year</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	1,080	3,010	1,021	Did Not Meet
Year 2	1,110	3,100	1,046	Did Not Meet

*Source: Bank records*

**Community Development Services**

SEB achieved an overall satisfactory for community development services in the AAs. The satisfactory performances for both Year 1 and Year 2 support this conclusion. This is further supported by satisfactory performances in the Knoxville MSA AA and the Tennessee Non-MSA AA and the outstanding performances in the Chattanooga MSA AA and the Cleveland MSA AA. The following table shows the bank’s performance in comparison to the Plan goals.

<b>Community Development Services</b>				
	<b>Bank Established Goals</b>		<b>Community Development Service Performance</b>	<b>Plan Goal Result</b>
<b>Plan Year</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>Total Services</b>	
	<b>Total Services</b>	<b>Total Services</b>		
Year 1	40	60	45	Satisfactory
Year 2	40	60	48	Satisfactory

*Source: Bank records*

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution’s overall CRA rating.

## **KNOXVILLE MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KNOXVILLE MSA AA**

The Knoxville MSA AA includes all of Knox and Loudon counties, which encompass two of nine counties in the Knoxville, Tennessee MSA. The bank operates five full-service branches in this AA.

The CTs changed income designations from 2015 American Community Survey data at the previous CRA evaluation to 2020 Census data at the current CRA evaluation. As a result, the income levels changed for 27 CTs resulting in 3 additional low-income tracts, 7 fewer moderate-income tracts, 7 additional middle-income tracts, 8 additional upper-income tracts, and 2 fewer tracts with no income. Federal Emergency Management Agency declared the counties in this AA as a major disaster area due to severe storms, winds, and tornadoes for the majority of the evaluation period.

#### **Economic and Demographic Data**

According to 2020 Census data, the 135 CTs in the Knoxville MSA AA reflect the following income designations: 12 low-, 16 moderate-, 55 middle-, 48 upper-, and 4 tracts without an income designation.

<b>Demographic Information of the Assessment Area Knoxville MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	135	8.9	11.9	40.7	35.6	3.0
Population by Geography	533,857	7.0	10.8	42.2	37.6	2.3
Housing Units by Geography	231,004	8.3	11.9	42.9	36.0	1.0
Owner-Occupied Units by Geography	139,897	3.3	10.0	45.0	41.8	0.0
Occupied Rental Units by Geography	70,606	16.2	15.6	38.9	26.6	2.8
Vacant Units by Geography	20,501	15.0	12.6	42.3	28.5	1.6
Businesses by Geography	47,344	6.0	9.7	34.1	49.4	0.8
Farms by Geography	373	4.0	2.1	54.2	38.9	0.8
Family Distribution by Income Level	131,456	18.8	16.1	19.9	45.2	0.0
Household Distribution by Income Level	210,503	23.0	15.3	17.2	44.5	0.0
Median Family Income MSA - 2020 28940 Knoxville, TN MSA	\$71,711	Median Housing Value		\$ 205,574		
		Median Gross Rent		\$911		
		Families Below Poverty Level		8.6%		
<i>Source: 2020 Census data and 2024 D&amp;B data            (*) The NA category consists of geographies that have not been assigned an income classification            Due to rounding, totals may not equal 100 percent</i>						

Interest rates for the mortgage industry experienced significant fluctuations between 2023 and 2025, rising sharply in 2023 and then declining somewhat in 2024 before rising again by the end of 2024. In 2025, interest rates for mortgages remained relatively stable. The rise in mortgage interest rates contributed to slowing house sales, resulting in a declining volume of home mortgage originations in the mortgage industry during this period.

According to 2024 D&B data, the largest industries in the Knoxville MSA AA are professional, scientific, and technical services; construction; and retail trade. Bureau of Labor Statistics data shows the unemployment rates were relatively stable in the AA from 2023 to 2025, with Knox and Loudon counties slightly below the national and State of Tennessee unemployment rates.

The AA’s economy relies heavily upon small businesses. According to the most recent 2024 D&B data, 65.9 percent of businesses have four or fewer employees and 90.8 percent operate from a single location. 2024 D&B data shows 88.5 percent of businesses in the area have gross annual revenues (GARs) of \$1.0 million or less.

The 2023 and 2024 Federal Financial Institutions Examination Council (FFIEC) estimated median family incomes used for home mortgage loans are noted in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Knoxville, TN MSA Median Family Income (28940)</b>				
2024 (\$87,700)	<\$43,850	\$43,850 To <\$70,160	\$70,160 To <\$105,240	≥\$105,240
2023 (\$88,600)	<\$44,300	\$44,300 To <\$70,880	\$70,880 To <\$106,320	≥\$106,320
<i>Source: FFIEC</i>				

**Competition**

The Knoxville MSA AA is competitive for financial services. According to the June 30, 2024, FDIC Deposit Market Share report, 33 financial institutions operated 137 offices within the AA. Of these institutions, SEB ranked 6<sup>th</sup>, with approximately a 6.5 percent deposit market share. The 5 institutions with the highest deposit market shares accounted for 68.2 percent of total market share.

SEB is required to collect and report small business CRA loan data. The aggregate CRA data provides an indication of the level of demand for small business loans and the level of competition within the Knoxville MSA AA. According to 2023 aggregate CRA data (most recent available), 109 CRA data reporters collectively reported 11,803 small business loans within the AA. The top lenders by number are large national banks and credit card lenders. The overall volume of small business lending reflects a moderately competitive market.

SEB is also required to collect and report home mortgage data. The aggregate HMDA data provides an indication of the level of demand for home mortgage loans and the level of competition within the AA. According to 2023 aggregate HMDA data (most recent available), 497 HMDA data reporters collectively reported 15,090 home mortgage loans within the Knoxville MSA AA. The top lenders by number are large mortgage companies, credit unions, and regional banks. The overall volume of home mortgage lending reflects a moderately competitive market.

**Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

For this evaluation, examiners reviewed comments from a recently conducted community contact interview with a representative of an affordable housing organization familiar with the AA. The organization’s mission is to strengthen the community by being a resource to help potential homeowners and tenants find sustainable housing in the community for LMI individuals. The contact stated that a majority of banks in the area sufficiently meet the needs of the community. The contract stated that housing has become an issue since there are not enough affordable housing units for starter homes and that this will continue to be an issue as people from other states move into town. The contact stated that banks could be more responsive if they

were more cognizant of the actual needs of the area, specifically for LMI individuals and small businesses by offering tailored products such as homebuying assistance programs for first-time homebuyers and more lending opportunities for LMI individuals.

### **Credit and Community Development Needs and Opportunities**

Examiners considered comments made by bank management and the community contact and information obtained from demographic and economic data to determine consumer, home mortgage, and small business loans are the primary credit needs of the Knoxville MSA AA, including financing for start-up businesses and micro-lending. Opportunities exist for originating loans in the AA and for streamlining loan processes to effectively serve credit needs. Additionally, community development opportunities in the AA include affordable housing, economic development, community services for LMI individuals (including community services with an educational focus), and revitalization or stabilization efforts.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE KNOXVILLE MSA AA**

SEB demonstrated overall satisfactory performance in the Knoxville MSA AA. Satisfactory performances for lending goals, community development investments and donations goals, and community services goals support this conclusion.

### **Lending Goals**

SEB achieved an overall satisfactory for lending goals in the Knoxville MSA AA. The satisfactory performances for home mortgage loans in LMI CTs, home mortgage loans to LMI borrowers, and community development loans outweighed the outstanding performances for small business loans in LMI CTs and small business loans to businesses with gross annual revenues of \$1.0 or less to support this conclusion.

#### ***1: Home Mortgage Loans in Low- and Moderate-Income Census Tracts***

SEB achieved an overall satisfactory for home mortgage lending in LMI CTs in the Knoxville MSA AA. The satisfactory performances for both Year 1 and Year 2 support this conclusion.

The following table shows that in Year 1, the bank achieved satisfactory results. The outstanding performance in low-income CTs and unmet performance goals in moderate-income CTs support this conclusion. For Year 2, the bank achieved satisfactory results. The satisfactory performance in moderate-income CTs outweighed the outstanding performance in low-income CTs to support this conclusion.

<b>Geographic Distribution of Home Mortgage Loans Knoxville MSA AA</b>				
<b>Year 1 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	370	1,110	1,172	Outstanding
Moderate	3,100	4,650	2,147	Did Not Meet
<b>Year 2 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	370	1,110	1,524	Outstanding
Moderate	3,130	4,695	3,727	Satisfactory
<i>Source: Bank records</i>				

**2: Small Business Loans in Low- and Moderate-Income Census Tracts**

SEB achieved an overall outstanding for small business lending in LMI CTs in the Knoxville MSA AA. The outstanding performances for both Year 1 and Year 2 support this conclusion.

The following table shows that in Year 1, the bank achieved outstanding results. The outstanding performance in moderate-income CTs outweighed the satisfactory performance in low-income CTs to support this conclusion. For Year 2, the bank achieved outstanding results. The outstanding performance in moderate-income CTs outweighed the satisfactory performance in low-income CTs to support this conclusion.

<b>Geographic Distribution of Small Business Loans Knoxville MSA AA</b>				
<b>Year 1 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	800	2,400	1,635	Satisfactory
Moderate	1,260	1,890	2,862	Outstanding
<b>Year 2 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	810	2,430	1,125	Satisfactory
Moderate	1,270	1,905	5,739	Outstanding

*Source: Bank records*

**3: Home Mortgage Loans to Low- and Moderate-Income Borrowers**

SEB achieved an overall satisfactory for home mortgage lending to LMI borrowers in the Knoxville MSA AA. The satisfactory performance in Year 1 outweighed the outstanding performance in Year 2 to support this conclusion.

The following table shows that in Year 1, the bank achieved satisfactory results. The satisfactory performances for both LMI borrowers support this conclusion. For Year 2, the bank achieved outstanding results. The outstanding performance to moderate-income borrowers outweighed the satisfactory performance to low-income borrowers to support this conclusion.

<b>Borrower Profile of Home Mortgage Loans Knoxville MSA AA</b>				
<b>Year 1 Goals and Performance</b>				
<b>Borrower Profile</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	500	2,000	1,132	Satisfactory
Moderate	1,010	2,525	1,410	Satisfactory
<b>Year 2 Goals and Performance</b>				
<b>Borrower Profile</b>	<b>Bank Established Goals</b>		<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	500	2,000	1,373	Satisfactory
Moderate	1,020	2,550	3,381	Outstanding

*Source: Bank records*

**4: Small Business Loans to Businesses with Gross Annual Revenues of \$1.0 Million or Less**  
 SEB achieved an overall outstanding for small business lending to businesses with gross annual revenues of \$1.0 million or less in the Knoxville MSA AA. The outstanding performance in Year 2 outweighed the satisfactory performance in Year 1 to support this conclusion.

<b>Distribution of Small Business Loans by Gross Annual Revenue Knoxville MSA AA</b>				
<b>Year 1 Goals and Performance</b>				
<b>Gross Annual Revenue</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
\$1 million or less	6,080	9,120	7,992	Satisfactory
<b>Year 2 Goals and Performance</b>				
<b>Gross Annual Revenue</b>	<b>Bank Established Goals</b>		<b>Small Business Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>		
\$1 million or less	6,150	9,225	14,471	Outstanding

*Source: Bank records*

**5: Community Development Loans**  
 SEB achieved an overall satisfactory for community development lending in the Knoxville MSA AA. The satisfactory performance in Year 2 outweighed the outstanding performance in Year 1

to support this conclusion.

Community Development Loans Knoxville MSA AA				
Plan Year	Bank Established Goals		Bank Performance	Plan Goal Result
	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	25,300	50,500	62,188	Outstanding
Year 2	25,800	51,500	26,693	Satisfactory

*Source: Bank records*

SEB originated the following notable community development loans in the Knoxville MSA AA:

- **Affordable Housing** – The bank originated a loan totaling \$12.6 million to construct a 72-unit apartment as Section 8 housing affordable to LMI individuals. This property is in partnership with a community development corporation issuing housing choice vouchers.
- **Revitalize or Stabilize** – The bank originated a loan totaling \$43.0 million to construct 206 student housing units in a tract in Knox County designated by the State of Tennessee, based on income criteria, as a Low-Income Opportunity Zone.

**Community Development Investments/Donations/Grants**

SEB achieved an overall satisfactory for community development investments and donations in the Knoxville MSA AA. The satisfactory performances for both Year 1 and Year 2 outweigh the unmet goals for community development donations that support education to support this conclusion. The following table shows the bank’s performance in comparison to the Plan goals.

Community Development Investments and Donations Knoxville MSA AA				
Plan Year	Bank Established Goals		Bank Performance	Plan Goal Result
	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	3,230	12,000	7,274	Satisfactory
Year 2	3,330	12,360	11,021	Satisfactory

*Source: Bank records*

SEB made the following notable community development investments and donations in the Knoxville MSA AA:

- **Affordable Housing** – The bank invested \$7.2 million in Low-Income Housing Tax Credits to fund a 96-unit apartment complex with rents affordable to LMI individuals.

- **Affordable Housing** – The bank invested \$7.2 million in Low-Income Housing Tax Credits to fund a 72-unit apartment complex with rents affordable to LMI individuals.

**Community Development Donations to Support Education**

SEB did not meet the community development donation goal to support education in the Knoxville MSA AA. The unmet goals for both Year 1 and Year 2 support this conclusion.

Community Development Donations to Support Education				
Plan Year	Bank Established Goals		Community Development Donations to Support Education Performance	Plan Goal Result
	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	646	2,400	611	Did Not Meet
Year 2	666	2,472	644	Did Not Meet

*Source: Bank records*

**Community Development Services**

SEB achieved an overall satisfactory for community development services in the Knoxville MSA AA. The satisfactory performances for both Year 1 and Year 2 support this conclusion. The following table shows the bank’s performance in comparison to the Plan goals.

Community Development Services Knoxville MSA AA				
Plan Year	Bank Established Goals		Bank Performance	Plan Goal Result
	Satisfactory	Outstanding	Total Services	
	Total Services	Total Services		
Year 1	18	28	21	Satisfactory
Year 2	18	28	18	Satisfactory

*Source: Bank records*

SEB participated in the following notable community development services in the Knoxville MSA AA:

- **Economic Development** – An employee serves as a board member to an organization with a mission to recruit new business and grow existing businesses through educating both new entrepreneurs and established business owners about incentives, workforce training opportunities, and business assistance programs. The organization primarily focuses on start-up and other small businesses, particularly those in technology industries.

- **Community Services** – An employee serves on the finance committee with duties relating to budget planning and financial statement analysis for an organization offering basic food and other necessities to LMI families with children having serious illnesses at hospitals in need of assistance.

**OTHER ASSESSMENT AREAS – Limited-Scope Review**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED- SCOPE REVIEW ASSESSMENT AREAS**

The following table summarizes the conclusions for the AAs reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures. The conclusions did not alter the overall performance rating.

<b>Goals and Performance</b>			
<b>Assessment Area</b>	<b>Performance Goals</b>		
	<b>Lending</b>	<b>Community Development Investments/Donations/Grants</b>	<b>Community Development Services</b>
Chattanooga MSA	Consistent	Consistent	Exceeds
Cleveland MSA	Exceeds	Consistent	Exceeds
Tennessee Non-MSA	Consistent	Consistent	Consistent

Demographic data for the limited-scope AAs is in the Appendix.

**Lending Goals**

***1: Home Mortgage Loans in Low- and Moderate-Income Census Tracts***

<b>Geographic Distribution of Home Mortgage Loans Chattanooga MSA AA</b>					<b>Geographic Distribution of Home Mortgage Loans Chattanooga MSA AA</b>				
<b>Year 1 Goals and Performance</b>					<b>Year 2 Goals and Performance</b>				
<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>	<b>Bank Established Goals</b>	<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>	<b>Census Tract Income Level</b>	<b>Bank Established Goals</b>	<b>Bank Established Goals</b>	<b>Home Mortgage Loan Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>				<b>Satisfactory</b>	<b>Outstanding</b>		
	<b>\$(000s)</b>	<b>\$(000s)</b>				<b>\$(000s)</b>	<b>\$(000s)</b>		
Low	580	1,740	915	Satisfactory	Low	590	1,770	2,519	Outstanding
Moderate	930	2,790	4,011	Outstanding	Moderate	940	2,820	2,438	Satisfactory

*Source: Bank records*

Geographic Distribution of Home Mortgage Loans Cleveland MSA AA					Geographic Distribution of Home Mortgage Loans Cleveland MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Census Tract Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result	Census Tract Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	190	570	0	Did Not Meet	Low	200	600	250	Satisfactory
Moderate	230	690	286	Satisfactory	Moderate	230	690	959	Outstanding

Source: Bank records

Geographic Distribution of Home Mortgage Loans Tennessee Non-MSA AA					Geographic Distribution of Home Mortgage Loans Tennessee Non-MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Census Tract Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result	Census Tract Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	N/A	N/A	N/A	N/A	Low	N/A	N/A	N/A	N/A
Moderate	1,810	2,715	2,009	Satisfactory	Moderate	1,820	2,730	3,260	Outstanding

Source: Bank records

**2: Small Business Loans in Low- and Moderate-Income Census Tracts**

Geographic Distribution of Small Business Loans Chattanooga MSA AA					Geographic Distribution of Small Business Loans Chattanooga MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	2,400	3,600	5,986	Outstanding	Low	2,430	3,645	4,137	Outstanding
Moderate	1,630	2,445	4,681	Outstanding	Moderate	1,640	2,460	4,293	Outstanding

Source: Bank records

Geographic Distribution of Small Business Loans Cleveland MSA AA					Geographic Distribution of Small Business Loans Cleveland MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	340	1,020	450	Satisfactory	Low	350	1,050	450	Satisfactory
Moderate	170	510	2,667	Outstanding	Moderate	180	540	2,395	Outstanding

Source: Bank records

Geographic Distribution of Small Business Loans Tennessee Non-MSA AA					Geographic Distribution of Small Business Loans Tennessee Non-MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Census Tract Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	N/A	N/A	N/A	N/A	Low	N/A	N/A	N/A	N/A
Moderate	3,420	5,130	3,467	Satisfactory	Moderate	3,450	5,175	4,678	Satisfactory

Source: Bank records

### 3: Home Mortgage Loans to Low- and Moderate-Income Borrowers

Borrower Profile for Home Mortgage Loans Chattanooga MSA AA					Borrower Profile for Home Mortgage Loans Chattanooga MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Borrower Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	440	1,760	1,846	Outstanding	Low	440	1,760	1,634	Satisfactory
Moderate	1,300	3,250	1,155	Did Not Meet	Moderate	1,310	3,275	1,758	Satisfactory

Source: Bank records

Borrower Profile for Home Mortgage Loans Cleveland MSA AA					Borrower Profile for Home Mortgage Loans Cleveland MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Borrower Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Home Mortgage Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	110	440	286	Satisfactory	Low	110	440	397	Satisfactory
Moderate	330	1,320	190	Did Not Meet	Moderate	330	1,320	666	Satisfactory

Source: Bank records

Borrower Profile for Home Mortgage Loans Tennessee Non-MSA AA					Borrower Profile for Home Mortgage Loans Tennessee Non-MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Borrower Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
Low	250	1,000	206	Did Not Meet	Low	250	1,000	696	Satisfactory
Moderate	460	1,840	694	Satisfactory	Moderate	460	1,840	1,314	Satisfactory

Source: Bank records

**4: Small Business Loans to Businesses with Gross Annual Revenues of \$1.0 Million or Less**

Gross Annual Revenues for Small Business Loans Chattanooga MSA AA					Gross Annual Revenues for Small Business Loans Chattanooga MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Gross Annual Revenues	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
\$1 Million or Less	4,090	6,135	7,386	Outstanding	\$1 Million or Less	4,140	6,210	4,943	Satisfactory

Source: Bank records

Gross Annual Revenues for Small Business Loans Cleveland MSA AA					Gross Annual Revenues for Small Business Loans Cleveland MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Gross Annual Revenues	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
\$1 Million or Less	1,430	2,145	2,928	Outstanding	\$1 Million or Less	1,450	2,175	2,531	Outstanding

Source: Bank records

Gross Annual Revenues for Small Business Loans Tennessee Non-MSA AA					Gross Annual Revenues for Small Business Loans Tennessee Non-MSA AA				
Year 1 Goals and Performance					Year 2 Goals and Performance				
Gross Annual Revenues	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result	Borrower Income Level	Bank Established Goals	Bank Established Goals	Small Business Loan Performance	Plan Goal Result
	Satisfactory	Outstanding				Satisfactory	Outstanding		
	\$(000s)	\$(000s)				\$(000s)	\$(000s)		
\$1 Million or Less	4,890	7,335	8,804	Outstanding	\$1 Million or Less	4,940	7,410	7,259	Satisfactory

Source: Bank records

### 5: Community Development Loans

Community Development Loans Chattanooga MSA AA				
Plan Year	Bank Established Goals		Bank Performance	Plan Goal Result
	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	16,000	32,100	38,093	Outstanding
Year 2	16,400	32,700	18,075	Satisfactory

Source: Bank records

Community Development Loans Cleveland MSA AA				
Plan Year	Bank Established Goals		Bank Performance	Plan Goal Result
	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	3,300	6,600	5,388	Satisfactory
Year 2	3,400	6,700	11,495	Outstanding

Source: Bank records

<b>Community Development Loans Tennessee Non-MSA AA</b>				
<b>Plan Year</b>	<b>Bank Established Goals</b>		<b>Bank Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	3,200	6,500	5,000	Satisfactory
Year 2	3,300	6,600	7,100	Outstanding

*Source: Bank records*

**Community Development Investments/Donations/Grants**

<b>Community Development Investments and Donations Chattanooga MSA AA</b>				
<b>Plan Year</b>	<b>Bank Established Goals</b>		<b>Bank Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	530	1,960	753	Satisfactory
Year 2	540	2,020	855	Satisfactory

*Source: Bank records*

<b>Community Development Investments and Donations Cleveland MSA AA</b>				
<b>Plan Year</b>	<b>Bank Established Goals</b>		<b>Bank Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	150	550	178	Satisfactory
Year 2	150	560	227	Satisfactory

*Source: Bank records*

<b>Community Development Investments and Donations Tennessee Non-MSA AA</b>				
<b>Plan Year</b>	<b>Bank Established Goals</b>		<b>Bank Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	150	540	155	Satisfactory
Year 2	150	560	158	Satisfactory

*Source: Bank records*

**Community Development Donations to Support Education**

<b>Community Development Donations to Support Education Chattanooga MSA AA</b>				
<b>Plan Year</b>	<b>Bank Established Goals</b>		<b>Community Development Donations to Support Education Performance</b>	<b>Plan Goal Result</b>
	<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$(000s)</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>		
Year 1	106	392	300	Satisfactory
Year 2	108	404	405	Outstanding

*Source: Bank records*

Community Development Donations to Support Education Cleveland MSA AA				
	Bank Established Goals		Community Development Donations to Support Education Performance	Plan Goal Result
Plan Year	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	30	110	72	Satisfactory
Year 2	30	112	76	Satisfactory

Source: Bank records

Community Development Donations to Support Education Tennessee Non-MSA AA				
	Bank Established Goals		Community Development Donations to Support Education Performance	Plan Goal Result
Plan Year	Satisfactory	Outstanding	\$(000s)	
	\$(000s)	\$(000s)		
Year 1	30	108	151	Outstanding
Year 2	30	112	110	Satisfactory

Source: Bank records

**Community Development Services**

Community Development Services Chattanooga MSA AA				
	Bank Established Goals		Bank Performance	Plan Goal Result
Plan Year	Satisfactory	Outstanding	Total Services	
	Total Services	Total Services		
Year 1	4	6	4	Satisfactory
Year 2	4	6	8	Outstanding

Source: Bank records

Community Development Services Cleveland MSA AA				
	Bank Established Goals		Bank Performance	Plan Goal Result
Plan Year	Satisfactory	Outstanding	Total Services	
	Total Services	Total Services		
Year 1	4	6	6	Outstanding
Year 2	4	6	6	Outstanding

Source: Bank records

Community Development Services Tennessee Non-MSA AA				
	Bank Established Goals		Bank Performance	Plan Goal Result
Plan Year	Satisfactory	Outstanding	Total Services	
	Total Services	Total Services		
Year 1	14	20	14	Satisfactory
Year 2	14	20	16	Satisfactory

Source: Bank records

## APPENDIX

### DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

#### ***Chattanooga MSA AA***

The Chattanooga MSA AA consists of all of Hamilton County, Tennessee in the Chattanooga, Tennessee-Georgia MSA. Demographic data for this AA is included in the following table. The bank operates two full-service branches in this AA.

<b>Demographic Information of the Assessment Area Chattanooga MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	87	9.2	17.2	37.9	32.2	3.5
Population by Geography	366,207	7.7	12.8	41.4	37.3	0.8
Housing Units by Geography	163,605	8.5	14.2	41.9	34.5	0.9
Owner-Occupied Units by Geography	95,010	4.2	11.2	44.0	39.5	1.1
Occupied Rental Units by Geography	53,286	15.3	18.1	40.0	26.0	0.7
Vacant Units by Geography	15,309	11.8	19.2	35.2	32.7	1.1
Businesses by Geography	41,209	8.5	16.3	33.7	40.9	0.6
Farms by Geography	248	3.2	10.5	39.9	46.0	0.4
Family Distribution by Income Level	89,372	19.3	16.3	19.1	45.3	0.0
Household Distribution by Income Level	148,296	22.4	16.6	17.1	44.0	0.0
Median Family Income MSA - 16860 Chattanooga, TN-GA MSA		\$70,533	Median Housing Value		\$ 202,001	
			Median Gross Rent		\$920	
			Families Below Poverty Level		8.2%	
<i>Source: 2020 Census data and 2024 D&amp;B data                      (*) The NA category consists of geographies that have not been assigned an income classification                      Due to rounding, totals may not equal 100 percent</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2024, 22 institutions operated 91 offices within this AA. Of these institutions, SEB ranked 9<sup>th</sup> with 2.5 percent deposit market share. The top 3 financial institutions account for 59.1 percent of the total deposit market share.

For 2023, the bank's market share of home mortgage and small business lending by dollar volume in the AA is reasonable in comparison with the bank's market share for deposits by dollar amount in the AA. In 2023, the bank's ranking by loan products based on number of loans and market share percentage based on dollar volume in the AA is as follows: home mortgage ranked

34<sup>th</sup> at 0.5 percent market share; and small business ranked 23<sup>rd</sup> at 1.8 percent market share.

**Cleveland MSA AA**

The Cleveland MSA AA consists of all of Bradley County in the Cleveland, Tennessee MSA. Demographic data for this AA is included in the following table. The bank operates one full-service branch in this AA.

Demographic Information of the Assessment Area Cleveland MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	25	4.0	20.0	64.0	12.0	0.0
Population by Geography	108,620	2.6	17.1	66.4	13.9	0.0
Housing Units by Geography	44,149	2.7	16.2	67.5	13.6	0.0
Owner-Occupied Units by Geography	27,212	0.8	7.8	74.2	17.2	0.0
Occupied Rental Units by Geography	13,518	6.3	32.2	55.0	6.5	0.0
Vacant Units by Geography	3,419	4.4	20.4	62.6	12.6	0.0
Businesses by Geography	7,107	1.6	25.7	65.1	7.7	0.0
Farms by Geography	107	0.0	7.5	86.0	6.5	0.0
Family Distribution by Income Level	27,847	20.4	18.3	20.4	40.9	0.0
Household Distribution by Income Level	40,730	22.4	16.2	18.8	42.6	0.0
Median Family Income MSA - 17420 Cleveland, TN MSA		\$63,243	Median Housing Value		\$ 166,484	
			Median Gross Rent		\$798	
			Families Below Poverty Level		11.0%	
<i>Source: 2020 Census data and 2024 D&amp;B data            (*) The NA category consists of geographies that have not been assigned an income classification            Due to rounding, totals may not equal 100 percent</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2024, 12 institutions operated 25 offices within this AA. Of these institutions, SEB ranked 7<sup>th</sup> with 6.1 percent deposit market share. The top 3 financial institutions account for 48.7 percent of the total deposit market share.

For 2023, the bank’s market share of home mortgage and small business lending by dollar volume in the AA is reasonable in comparison with the bank’s market share for deposits by dollar amount in the AA. In 2023, the bank’s ranking by loan products based on number of loans and market share percentage based on dollar volume in the AA is as follows: home mortgage ranked 31<sup>st</sup> at 0.8 percent market share; and small business ranked 10<sup>th</sup> at 8.2 percent market share.

**Tennessee Non-MSA AA**

The Tennessee Non-MSA AA consists of all of McMinn, Meigs, Putnam, and Rhea counties in the non-MSA areas of Tennessee. Demographic data for this AA is included in the following table. The bank operates six full-service branches in this AA.

Demographic Information of the Assessment Area Tennessee Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	41	0.0	14.6	68.3	17.1	0.0
Population by Geography	178,758	0.0	15.0	68.7	16.3	0.0
Housing Units by Geography	79,039	0.0	13.9	70.1	16.0	0.0
Owner-Occupied Units by Geography	48,533	0.0	8.1	74.9	17.1	0.0
Occupied Rental Units by Geography	21,794	0.0	27.4	58.8	13.8	0.0
Vacant Units by Geography	8,712	0.0	12.7	71.5	15.8	0.0
Businesses by Geography	10,717	0.0	17.6	60.9	21.5	0.0
Farms by Geography	252	0.0	5.2	78.6	16.3	0.0
Family Distribution by Income Level	46,255	18.7	18.0	20.5	42.8	(0.0)
Household Distribution by Income Level	70,327	23.7	16.0	17.4	42.9	0.0
Tennessee Non-MSA Median Family Income	\$55,998	Median Housing Value		\$ 148,739		
		Median Gross Rent		\$728		
		Families Below Poverty Level		12.1%		
<i>Source: 2020 Census data and 2024 D&amp;B data            (*) The NA category consists of geographies that have not been assigned an income classification            Due to rounding, totals may not equal 100 percent</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2024, 23 institutions operated 53 offices within this AA. Of these institutions, SEB ranked 1<sup>st</sup> with 16.7 percent deposit market share. The top 3 financial institutions account for 36.1 percent of the total deposit market share.

For 2023, the bank’s market share of home mortgage and small business lending by dollar volume in the AA is reasonable in comparison with the bank’s market share for deposits by dollar amount in the AA. In 2023, the bank’s ranking by loan products based on number of loans and market share percentage based on dollar volume in the AA is as follows: home mortgage ranked 12<sup>th</sup> at 1.0 percent market share; and small business ranked 6<sup>th</sup> at 13.0 percent market share.

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 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.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.