

PUBLIC DISCLOSURE

August 4, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Patriot Bank
RSSD #3120646**

**8376 Highway 51 North
Millington, Tennessee 38053**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

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 the 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.

TABLE OF CONTENTS

Institution's CRA Rating	1
Scope of Examination	1
Description of Institution	2
Description of Assessment Area	4
Conclusions with Respect to Performance Criteria	7
Fair Lending or Other Illegal Credit Practices Review	13
Appendix A: Map of the Assessment Area	14
Appendix B: Glossary	15

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Satisfactory

Patriot Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans and other lending-related activities are in the AA.
- The borrower's profile analysis reveals reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) levels, and businesses of different revenue sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its AA, considering the bank's capacity and the need and availability of such opportunities for community development in its AA. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) *Intermediate Small Bank Institution Examination Procedures*, which entail two performance tests: the Lending Test and the Community Development Test. Residential real estate (RRE) loans reported under the Home Mortgage Disclosure Act (HMDA) and small business loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan category carried the most significance toward the bank's overall performance conclusions.

The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2022 – June 30, 2025
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	February 7, 2022 – August 3, 2025
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey (ACS) data; certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank’s lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$539.3 million to \$1.1 billion as of June 30, 2025.

As part of the Community Development Test, the bank’s performance was evaluated using the following criteria, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AA:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank’s previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank’s AA. Information from this interview also assisted in evaluating the bank’s responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Patriot Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Patriot of Tennessee Corporation, Millington, Tennessee, a one-bank holding company that is 45.0 percent owned by Security Bancorp of Tennessee, Inc.

(Security Bancorp), a multibank holding company headquartered in Halls, Tennessee. Security Bancorp also has 36.0 percent ownership in Westenn Bancorp, Inc., which wholly owns Bank of Jackson, Jackson, Tennessee. In addition, Security Bancorp wholly owns three other banks located in Tennessee: Security Bank in Newbern, Bank of Crockett in Bells, and Bank of Halls in Halls.

The bank's branch network consists of eight branches and two loan production offices (LPOs), one of which also serves as its corporate office. The bank operates five branches and both LPOs in Shelby County, Tennessee, along with three branches and a stand-alone automated teller machine (ATM) in neighboring Tipton County, Tennessee. All branches are full-service facilities with cash-dispensing-only ATMs on site, while seven of the eight branches have drive-up accessibility. During the review period, an LPO in Shelby County was converted into a full-service branch. The bank also changed its hours of operation to be consistent across all branches during the review period. Of the bank's branches, four are located in LMI areas along with one of the LPOs. Based on this branch network and other service delivery systems, such as full-service online banking capabilities, the bank is well positioned to deliver financial services to its entire AA.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting AA credit needs based on its available resources and financial products. As of June 30, 2025, the bank reported total assets of \$439.0 million. As of the same date, loans and leases outstanding were \$235.4 million (53.6 percent of total assets), and deposits totaled \$387.8 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2025		
Credit Category	Amount \$ (000s)	Percentage (%) of Total Loans
1-4 Family Residential	84,707	36.0
Commercial Real Estate	68,002	28.9
Construction and Development	46,134	19.6
Commercial and Industrial	12,644	5.4
Multifamily Residential	7,931	3.4
Loans to Individuals	6,332	2.7
Farmland	5,383	2.3
Total Other Loans	3,283	1.4
Farm Loans	936	0.4
TOTAL	235,352	100
<i>Note: Percentages may not total 100.0% due to rounding.</i>		

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties, commercial real estate loans, and construction and development loans. The bank also originates and subsequently sells a significant volume of loans related to RRE. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table. Since its previous CRA evaluation, Patriot Bank originated 1,854 loans totaling \$536.0 million, which were sold into the secondary market.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on February 7, 2022, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's AA, which has a population of 1,032,704, is located in southwestern Tennessee in the Memphis, Tennessee-Mississippi-Arkansas metropolitan statistical area (Memphis MSA). The Memphis MSA contains nine counties in three states. However, the bank's AA consists of the entirety of Fayette, Shelby, and Tipton counties, which make up the Tennessee portion of the MSA. This AA has more urban areas to the southwest and more rural and suburban areas to the north and east. Within this AA, Shelby County has the largest population, at 929,744.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2025, there are 35 FDIC-insured depository institutions in the AA that operate 237 offices. Patriot Bank ranked 17th in terms of deposit market share, with 1.1 percent of the total AA deposit dollars.

The mix of urban, suburban, and rural areas results in broad credit needs, including a standard blend of consumer and commercial loan products. Other credit needs in the AA, as noted primarily by a community contact, include affordable housing, loans to small businesses, flexible lending terms, financial literacy, and more banking access in LMI neighborhoods. Considering the needs of the LMI population in the AA, along with the available sources of community development intermediaries, such as nonprofit agencies and government assistance entities, there is a sufficient level of community development opportunities for financial institution participation.

Income and Wealth Demographics

The following table summarizes the distribution of AA census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	51	69	65	76	12	273
	18.7%	25.3%	23.8%	27.8%	4.4%	100%
Family Population	30,319	59,901	66,403	90,099	1,228	247,950
	12.2%	24.2%	26.8%	36.3%	0.5%	100%

As shown above, 44.0 percent of the census tracts in the AA are LMI geographies, but only 36.4 percent of the family population resides in these tracts. These LMI areas are primarily concentrated in and around the city of Memphis in Shelby County.

Based on 2020 ACS data, the median family income for the AA was \$67,730. At the same time, the median family income for the state of Tennessee was \$68,793. The following table displays population percentages of AA families by income level compared to the Tennessee family population as a whole.

Family Population by Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Assessment Area	59,995	39,367	44,201	104,387	0	247,950
	24.2%	15.9%	17.8%	42.1%	0.0%	100%
Tennessee	364,945	304,686	352,060	705,248	0	1,726,939
	21.1%	17.6%	20.4%	40.8%	0.0%	100%

As shown in the table above, 40.1 percent of families within the AA were considered LMI, which is slightly higher than LMI family percentages of 38.7 percent in the state of Tennessee. Further, the percentage of families living below the poverty threshold in the AA, 13.7 percent, is higher than the 10.6 percent level in Tennessee overall. Considering these factors, families in the AA appear slightly less affluent than those in the state of Tennessee as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be less affordable than the state overall.

Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	79.7%	52.7%	47.3%	64.4%	35.6%	19.5%
Tennessee	72.4%	45.0%	40.9%	55.2%	28.8%	16.7%
<i>Cost burden is housing cost that equals 30% or more of household income. Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy</i>						

According to the table above, more LMI renters are cost burdened in the AA than the state as a whole, which suggests that LMI families in the AA might struggle to save for a down payment and, ultimately, purchase a home. This is further supported by the AA having a higher median rental rate (\$952/month) than the state as a whole (\$897/month).

Similarly, the table shows that homeowners in the assessment are more cost burdened than homeowners throughout the state. This could be explained by the fact that the AA has a lower median family income (\$67,729) than the overall state's median family income (\$68,793).

Industry and Employment Demographics

The AA supports a large and diverse business community, including a strong small business sector, with Dun & Bradstreet data indicating that 90.7 percent of AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the U.S. Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages data, there are 500,441 employees in the AA (including 65,071 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the AA are healthcare and social assistance (17.3 percent), followed by transportation and warehousing (15.0 percent) and retail trade (10.5 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA and Tennessee as a whole.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2022	2023	2024
Assessment Area	4.3%	4.1%	4.4%
Tennessee	3.4%	3.2%	3.4%

As shown in the table above, unemployment levels in the AA are higher than Tennessee levels overall. Additionally, unemployment levels in the AA and across the state overall decreased from 2022 to 2023 before increasing in 2024.

Community Contact Information

Information from a community contact was used to help shape the performance context in which the bank's activities in this AA were evaluated. The community contact interview was with an individual specializing in economic development. The contact described the greater Memphis area as a vibrant community that serves as a strong hub for distribution and transportation and categorized the economy as steady but feeling the uncertainty of macroeconomic conditions. The contact further stated that there are many small businesses in the AA, but some lack the necessary tools to advance to the next level, such as business plans, legal company structure, capital, and good credit, which can prevent them from meeting bank lending standards. Thus, the contact indicated a strong need for credit counseling and small business financing. Additionally, the contact stated that a lack of public transportation and affordable housing is an underlying issue that has contributed to urban disinvestment in some portions of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 14-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of June 30, 2025	Average LTD Ratio
Patriot Bank	Millington, Tennessee	\$438,999	59.5%
Regional Banks	Paris, Tennessee	\$1,108,214	54.9%
	Bartlett, Tennessee	\$588,981	73.2%
	Brownsville, Tennessee	\$539,287	83.9%

Based on data from the previous table, the bank's level of lending is in line with that of other banks in the region. During the review period, the LTD ratio experienced a slightly increasing but generally stable trend, with a 14-quarter average of 59.5 percent. In comparison, the average LTD ratios for regional peers showed an increasing trend. While two peer banks had an average LTD ratio higher than the bank, the majority of the bank's mortgage loan originations are sold on the secondary market and would not be reflected in the LTD ratio. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and AA credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's AA.

Lending Inside and Outside the Assessment Area January 1, 2023 through December 31, 2023								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
HMDA	572	88.3	125,620	84.7	76	11.7	22,652	15.3
Small Business	32	94.1	4,222	91.5	2	5.9	391	8.5
TOTAL LOANS	604	88.6	129,842	84.9	78	11.4	23,043	15.1
<i>Note: Percentages may not total 100.0% due to rounding.</i>								

A majority of loans and other lending-related activities were made in the bank's AA. As shown above, 88.6 percent of the total loans were made inside the AA, accounting for 84.9 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$79,200 for the Memphis MSA as of 2023). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the AA. Additionally, 2023 aggregate data for the AA is displayed.

Borrower Distribution of HMDA Loans Assessment Area: Partial Memphis MSA								
Product Type	Borrower Income Levels	2023						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	9	2.0	2.9	896	0.8	1.3	24.2
	Moderate	61	13.5	13.5	10,057	8.6	8.0	15.9
	Middle	102	22.5	18.3	24,791	21.1	15.5	17.8
	Upper	235	51.9	42.1	80,500	68.4	52.8	42.1
	Unknown	46	10.2	23.2	1,369	1.2	22.4	0.0
	TOTAL	453	100.0	100.0	117,613	100.0	100.0	100.0
Refinance	Low	2	4.7	7.0	150	2.2	2.9	24.2
	Moderate	2	4.7	16.1	422	6.2	9.4	15.9
	Middle	12	27.9	19.8	2,300	33.9	15.4	17.8
	Upper	11	25.6	35.6	3,422	50.5	40.1	42.1
	Unknown	16	37.2	21.6	488	7.2	32.2	0.0
	TOTAL	43	100.0	100.0	6,782	100.0	100.0	100.0
Home Improvement	Low	16	21.3	5.9	128	10.9	2.2	24.2
	Moderate	27	36.0	16.1	216	18.5	8.0	15.9
	Middle	15	20.0	20.5	120	10.3	14.6	17.8
	Upper	10	13.3	52.9	103	8.8	70.0	42.1
	Unknown	7	9.3	4.6	603	51.5	5.3	0.0
	TOTAL	75	100.0	100.0	1,170	100.0	100.0	100.0
Multifamily	Low	0	0.0	0.0	0	0.0	0.0	N/A
	Moderate	0	0.0	0.0	0	0.0	0.0	N/A
	Middle	0	0.0	0.0	0	0.0	0.0	N/A
	Upper	0	0.0	5.1	0	0.0	1.2	N/A
	Unknown	0	0.0	94.9	0	0.0	98.8	N/A
	TOTAL	0	0.0	100.0	0	0.0	100.0	N/A

HMDA TOTALS	Low	27	4.7	4.1	1,174	0.9	1.5	24.2
	Moderate	90	15.8	14.1	10,695	8.5	7.5	15.9
	Middle	129	22.6	18.5	27,211	21.7	13.9	17.8
	Upper	256	44.8	40.9	84,025	66.9	45.6	42.1
	Unknown	69	12.1	22.4	2,460	2.0	31.5	0.0
	TOTAL	571	100.0	100.0	125,565	100.0	100.0	100.0
<i>Note: Percentages may not total 100.0% due to rounding.</i>								

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (4.7 percent) is substantially below the low-income family population figure (24.2 percent) but slightly above the aggregate lending level to low-income borrowers (4.1 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (15.8 percent) is similar to the moderate-income family population percentage (15.9 percent) and slightly above the aggregate lending level to moderate-income borrowers (14.1 percent), reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of HMDA-reported loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Partial Memphis MSA								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	17	53.1	48.8	2,624	62.2	29.6	90.7
	Over \$1 Million/ Unknown	15	46.9	51.2	1,598	37.8	70.4	9.3
	TOTAL	32	100.0	100.0	4,222	100.0	100.0	100.0
Loan Size	\$100,000 or Less	20	62.5	91.9	931	22.1	32.2	
	\$100,001– \$250,000	7	21.9	4.3	1,179	27.9	16.9	
	\$250,001– \$1 Million	5	15.6	3.9	2,112	50.0	50.9	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	32	100.0	100.0	4,222	100.0	100.0	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	10	58.8		568	21.6	
		\$100,001– \$250,000	4	23.5		703	26.8	
		\$250,001– \$1 Million	3	17.6		1,353	51.6	
		Over \$1 Million	0	0.0		0	0.0	
		TOTAL	17	100.0		2,624	100.0	
Note: Percentages may not total 100.0% due to rounding.								

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (53.1 percent) to businesses with revenues of \$1 million or less. In comparison, AA demographics estimate that 90.7 percent of businesses in the AA had annual revenues of \$1 million or less, and the 2023 aggregate lending level to small businesses is 48.8 percent.

Geographic Distribution of Loans

As noted previously, the AA includes 51 low-income and 69 moderate-income census tracts, representing 44.0 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects reasonable penetration throughout these LMI census tracts, based on the HMDA and small business loan categories. As previously stated, performance in the HMDA loan category carried the most significance in the overall rating of reasonable for geographic distribution. Furthermore, based on reviews from both loan categories, the bank had loan activity in 63.7 percent of all AA census tracts, and there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable.

The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the AA.

Geographic Distribution of HMDA Loans Assessment Area: Partial Memphis MSA								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	20	4.4	6.3	1,563	1.3	2.9	7.8
	Moderate	75	16.6	19.0	9,586	8.2	10.6	21.2
	Middle	130	28.7	27.8	31,636	26.9	24.5	27.9
	Upper	227	50.1	46.5	74,640	63.5	61.7	42.7
	Unknown	1	0.2	0.4	188	0.2	0.4	0.3
	TOTAL	453	100.0	100.0	117,613	100.0	100.0	100.0
Refinance	Low	6	14.0	7.8	115	1.7	3.6	7.8
	Moderate	7	16.3	21.2	251	3.7	11.2	21.2
	Middle	15	34.9	29.9	3,245	47.8	23.7	27.9
	Upper	15	34.9	40.8	3,171	46.8	61.3	42.7
	Unknown	0	0.0	0.4	0	0.0	0.2	0.3
	TOTAL	43	100.0	100.0	6,782	100.0	100.0	100.0

**Patriot Bank
Millington, Tennessee**

**CRA Performance Evaluation
August 4, 2025**

Home Improvement	Low	18	24.0	5.3	190	16.2	2.6	7.8
	Moderate	36	48.0	16.2	448	38.3	8.8	21.2
	Middle	17	22.7	24.4	500	42.7	20.6	27.9
	Upper	4	5.3	53.8	32	2.7	67.8	42.7
	Unknown	0	0.0	0.3	0	0.0	0.2	0.3
	TOTAL	75	100.0	100.0	1,170	100.0	100.0	100.0
Multifamily	Low	0	0.0	35.9	0	0.0	47.8	24.2
	Moderate	0	0.0	24.4	0	0.0	18.2	23.8
	Middle	0	0.0	25.6	0	0.0	13.5	22.5
	Upper	0	0.0	12.8	0	0.0	20.2	26.6
	Unknown	0	0.0	1.3	0	0.0	0.3	2.9
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
HMDA TOTALS	Low	44	7.7	6.7	1,868	1.5	7.3	7.8
	Moderate	118	20.7	19.4	10,285	8.2	11.6	21.2
	Middle	162	28.4	28.0	35,381	28.2	23.2	27.9
	Upper	246	43.1	45.4	77,843	62.0	57.6	42.7
	Unknown	1	0.2	0.4	188	0.1	0.3	0.3
	TOTAL	571	100.0	100.0	125,565	100.0	100.0	100.0
<i>Note: Percentages may not total 100.0% due to rounding.</i>								

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in low-income geographies. The bank's total penetration of low-income census tracts by number of loans (7.7 percent) is similar to the percentage of owner-occupied housing units in low-income census tracts (7.8 percent). The bank's performance in low-income census tracts is similar to other lenders in the AA, based on 2023 HMDA aggregate data, which indicates that 6.7 percent of aggregate HMDA loans inside this AA were made to borrowers residing in low-income geographies.

Bank performance in moderate-income census tracts was similar to comparison data and deemed reasonable. The bank's total penetration of moderate-income census tracts by number of loans (20.7 percent) is similar to the percentage of owner-occupied housing units in moderate-income census tracts (21.2 percent). The bank's performance in moderate-income census tracts is also similar to that of other lenders based on aggregate lending data, which indicates that 19.4 percent of aggregate HMDA loans inside this AA were made to borrowers residing in moderate-income census tracts. Therefore, the bank's overall geographic distribution of HMDA loans in LMI geographies is considered reasonable.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the bank's AA and 2023 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Partial Memphis MSA							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	8.1	0	0.0	9.9	10.3
Moderate	3	9.4	20.1	631	14.9	21.2	22.7
Middle	18	56.3	21.5	2,101	49.8	16.5	23.1
Upper	11	34.4	47.3	1,490	35.3	43.8	41.3
Unknown	0	0.0	3.0	0	0.0	8.6	2.5
TOTAL	32	100.0	100.0	4,222	100.0	100.0	100.0
<i>Note: Percentages may not total 100.0% due to rounding.</i>							

The bank's level of lending in low-income census tracts (0.0 percent) is below the estimated percentage of businesses operating inside these census tracts (10.3 percent) and 2023 aggregate lending levels in low-income census tracts (8.1 percent). Consequently, the bank's performance in low-income areas is poor. Similarly, the bank's percentage of loans in moderate-income census tracts (9.4 percent) is below the aggregate lending percentage in moderate-income census tracts (20.1 percent) and lower than the percentage of small businesses in moderate-income census tracts (22.7 percent), representing poor performance. Therefore, the bank's overall geographic distribution of small business loans is poor.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (February 7, 2022 through August 3, 2025).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of its AA, considering the bank's capacity and the need and availability of such opportunities for community development in the AA. The following table summarizes the bank's qualified community development activity during the review period, along with qualified prior-period investments that remain outstanding.

Total Community Development Activities Inside the Assessment Area February 7, 2022 to August 3, 2025			
Community Development Component	#		\$
Loans	27		\$5.5 million
Investments, Current and Prior	14		\$12.0 million
Current Period	14		\$12.0 million
Prior Period, Still Outstanding	0		\$0 million
Donations	49		\$261,047
Services	246 services	388 hours	23 organizations

During the review period, the bank made 27 qualifying loans in its AA totaling approximately \$5.5 million. Of those loans, 26 were to affordable housing organizations, and 1 was for economic development.

The bank also made community development investments and donations in its AA totaling \$12.3 million. This amount included 14 new qualified investments totaling \$12.0 million and 49 donations totaling \$261,047. The investments included municipal bonds issued by qualifying school districts for community services, investments in community development financial institutions, and affordable housing investments. Furthermore, the 49 donations were to 24 separate organizations having a community development purpose.

During the review period, bank personnel used financial expertise to log 246 service activities to 23 different community development organizations within the bank's AA. Service activities included delivering financial education in schools that primarily serve LMI families, providing financial expertise to community service organizations as board members, presenting new homeowner seminars, and offering financial expertise through financial seminars.

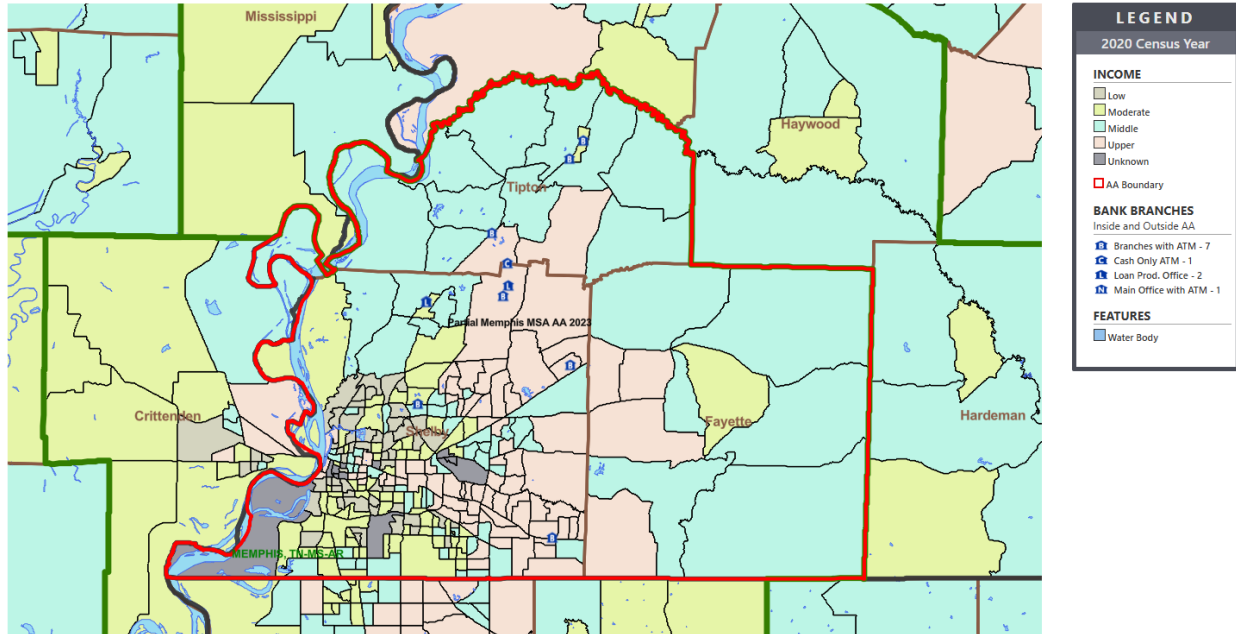
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Patriot Bank - Millington, TN 2025

Partial Memphis MSA AA 2023 PE Map



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 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 (e.g., geographic distribution, borrower distribution, 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

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

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of 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.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured by either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate 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.