

PUBLIC DISCLOSURE

October 16, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Millennium Bank
Certificate Number: 35138

6392 Artesian Circle
Ooltewah, Tennessee 37363

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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and AA credit needs.
- A majority of loans are in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels (including LMI).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

The Community Development Test is rated Satisfactory.

Millennium Bank's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans (CDLs), qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AAs.

DESCRIPTION OF INSTITUTION

Headquartered in Ooltewah, Tennessee, Millennium Bank operates in Hamilton County, Tennessee, as well as Alachua, Columbia, and Marion Counties in Florida. Millennium Bancshares, Inc., a one-bank holding company also located in Ooltewah, Tennessee, wholly owns the bank. The institution received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated October 16, 2017, utilizing Small Institution Examination Procedures.

Millennium Bank is a full-service community bank operating from nine full-service offices in two states. On June 1, 2020, the institution merged with Columbia Bank headquartered in Lake City, Florida. From this merger, the institution obtained five full-service branches. The bank closed one branch in Lake City, Florida in March 2021. The openings and closings did not affect the bank's presence in LMI areas.

The bank offers a variety of loan products, including commercial, residential, consumer, and agricultural loans, primarily focusing on commercial lending. The bank also offers deposit services, including checking, savings, and time deposit accounts. Alternative banking services include online and mobile banking with mobile deposit, and bill pay. Additionally, the bank maintains automated teller machines (ATMs) at each of its nine branches, eight of which accept deposits. The bank maintains hours typical for the industry and areas in which it operates.

As of June 30, 2023, the bank reported total assets of \$531.4 million, total loans of \$389.4 million, and total deposits of \$462.8 million. As reflected in the following table, the major loan products include commercial loans with 63.7 percent of the loan portfolio and residential loans with 24.3 percent.

Loan Portfolio Distribution as of 6/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	39,715	10.2
Secured by Farmland	3,490	0.9
Secured by 1-4 Family Residential Properties	81,185	20.9
Secured by Multifamily (5 or more) Residential Properties	13,342	3.4
Secured by Nonfarm Nonresidential Properties	195,256	50.1
Total Real Estate Loans	332,988	85.5
Commercial and Industrial Loans	52,948	13.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,089	0.3
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	3,500	0.9
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	1,085	0.3
Total Loans	389,440	100.0
<i>Source: Report of Condition and Income</i>		

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 CRA performance. Millennium Bank designated four AAs in two rated areas. In the State of Tennessee rated area, the bank has designated one AA consisting of all of Hamilton County in the Chattanooga, Tennessee-Georgia (Chattanooga) Metropolitan Statistical Area (MSA). This makes up the Chattanooga MSA AA. In the State of Florida rated area, the bank has designated three contiguous AAs: the Gainesville MSA AA consisting of all of Alachua County in the Gainesville, Florida (Gainesville) MSA; the Ocala MSA AA consisting of all of Marion County in the Ocala, Florida (Ocala) MSA; and the Florida Non-MSA AA consisting of all of Columbia

County in the non-MSA areas of Florida. The bank expanded to this new rated area in June 2020 when they merged with Columbia Bank.

Each AA conforms to the technical requirements of the CRA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated October 16, 2017, to the current evaluation dated October 16, 2023. Examiners used the Interagency Intermediate Small Institution Procedures to evaluate CRA performance, which includes the Lending Test and Community Development Test. The Appendix lists each Test's criteria.

As seen in the following table, the majority of activity takes place in the State of Tennessee rated area. Therefore, the State of Tennessee will hold more weight when arriving at overall conclusions. The State of Tennessee rated area contains a single AA and the State of Florida rated area contains three AAs. Since this is the bank's first multi-rated area evaluation, examiners performed full-scope reviews for each AA.

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
State of Florida	64,133	30.0	254,455	52.3	4	44.4
State of Tennessee	149,797	70.0	232,140	47.7	5	55.6
Total	213,930	100.0	486,595	100.0	9	100.0

Source: Bank data and FDIC Summary of Deposits (6/30/2022)

Activities Reviewed

Intermediate Small Institution Procedures require examiners to determine the major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: small business, small farm, home mortgage, and consumer loans. The following table shows the lending activity for 2022.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	80,155	29.1	129	23.7
Secured by Farmland	840	0.3	2	0.4
Secured by 1-4 Family Residential Properties	47,818	17.4	175	32.1
Multi-Family (5 or more) Residential Properties	7,875	2.8	10	1.8
Commercial Real Estate Loans	102,600	37.3	91	16.7
Commercial and Industrial Loans	31,036	11.3	112	20.5
Agricultural Loans	0	0.0	0	0.0
Consumer Loans	1,484	0.5	24	4.4
Other Loans	3,500	1.3	2	0.4
Total Loans	275,308	100.0	545	100.0

Source: 2022 Bank data

Considering the dollar volume and number of loans originated during 2022, as well as management's stated business strategy, examiners determined the major product lines (among those typically considered for CRA) consist of small business and home mortgage loans. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Since none of the other categories typically reviewed represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of agricultural or consumer loans.

Examiners reviewed the universe of 162 small business loans totaling approximately \$45.1 million originated or purchased in 2022. D&B data for 2022 served as a standard of comparison for small business loans.

Millennium Bank is subject to the Home Mortgage Disclosure (HMDA) reporting requirements. Therefore, examiners reviewed all HMDA loan application register (LAR) data for 2017, 2018, 2019, 2020, 2021, and 2022. This evaluation only presents 2022 home mortgage loan data, as no significant trends exist between the different years' data that materially affect conclusions or ratings. As a standard of comparison, examiners used HMDA aggregate data for the respective years. The Assessment Area Concentration table presents all years of home mortgage loan data reviewed. The following lists the universes of HMDA loans by year.

- 2017: 60 loans totaling \$10.1 million
- 2018: 85 loans totaling \$31.1 million
- 2019: 126 loans totaling \$37.0 million
- 2020: 105 loans totaling \$20.6 million
- 2021: 83 loans totaling \$32.4 million
- 2022: 139 loans totaling \$40.9 million

Examiners considered both the dollar volume and number of loans among the 2022 universes of small business and home mortgage loans as well as management's stated business strategy when determining loan product weight for overall conclusions. Consequently, examiners applied more weight to small business loans when drawing conclusions.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. Examiners focused on performance by number of loans because the number of loans provides a better indicator of the number of businesses and individuals served.

For the Community Development Test, bank management provided data on CDLs, QIs, and CD services since the prior evaluation dated October 16, 2017. The scope of this evaluation also considered all QIs purchased prior to the previous evaluation and still outstanding as of this evaluation's date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Millennium Bank demonstrated a satisfactory record regarding the Lending Test. The reasonable performances regarding the LTD ratio, geographic distribution, and borrower profile, along with the majority of loans inside the AAs support this conclusion. Satisfactory records in both the State of Tennessee and the State of Florida further support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and AA credit needs. Examiners considered the bank's size, business strategy, and capacity relative to AA credit needs when arriving at this conclusion.

For the 23 quarters since the previous evaluation, the bank recorded a 79.8 percent average, net LTD ratio, representing an increase from the 75.2 percent average, net LTD ratio noted at the previous evaluation. The ratio ranged from a low of 66.2 percent as of December 31, 2021, to a high of 87.6 percent as of March 31, 2020.

Examiners identified two similarly-situated institutions that reflect comparable asset sizes and lending emphasis.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2023 (\$000s)	Average Net LTD Ratio (%)
Millennium Bank – Ooltewah, Tennessee	531,367	79.8
SimplyBank. – Dayton, Tennessee	699,227	87.5
CBBC Bank – Maryville, Tennessee	499,105	61.1
<i>Source: Reports of Condition and Income (12/31/2017 – 6/30/2023)</i>		

Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's AAs.

The following table shows Millennium Bank originated a majority of small business and home mortgage loans, by both number and dollar volume, within the AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	124	76.5	38	23.5	162	33,563	74.5	11,495	25.5	45,058
Home Mortgage										
2017	47	78.3	13	21.7	60	7,194	71.1	2,926	28.9	10,120
2018	59	69.4	26	30.6	85	13,869	44.5	17,279	55.5	31,148
2019	83	65.9	43	34.1	126	24,196	65.4	12,773	34.6	36,969
2020	83	79.0	22	21.0	105	16,759	81.5	3,798	18.5	20,557
2021	47	56.6	36	43.4	83	15,874	49.0	16,495	51.0	32,369
2022	91	65.5	48	34.5	139	27,736	67.8	13,173	32.2	40,909
Home Mortgage Subtotal	410	68.6	188	31.4	598	105,628	61.4	66,444	38.6	172,072

*Source: 2022 Bank data and 2017, 2018, 2019, 2020, 2021, and 2022 HMDA LAR data
Due to rounding, totals may not equal 100.0 percent*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable performances in both the State of Tennessee and the State of Florida support this conclusion. Examiners focused on the percentage by number of loans in LMI CTs relative to comparative data while taking into account any performance context issues when arriving at conclusions for this performance factor. This factor only considered loans originated inside the AAs. Refer to each AA for a more detailed discussion of the geographic loan distribution performance.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels (including LMI). Reasonable performance in the State of Tennessee outweighed the poor performance in the State of Florida to support this conclusion. Examiners focused on the percentage by number of loans made to small businesses reporting gross annual revenues (GARs) of \$1.0 million or less relative to the comparative data, as well as home mortgage loans originated to LMI borrowers, while also taking into account any performance context issues when arriving at conclusions for this performance factor. This factor only considered loans originated within the AAs. Refer to each AA for a more detailed discussion of the borrower profile distribution performance.

In response to the COVID-19 Pandemic, the Coronavirus Aid Relief and Economic Security Act, signed into law on March 27, 2020, established the Paycheck Protection Program (PPP). The PPP provided loans to qualified businesses to retain employees through the COVID-19 Pandemic, which included loan forgiveness subject to certain conditions. Participation in the PPP during the

evaluation period reflects the willingness to meet the credit needs of businesses of different sizes, including small businesses in response to the COVID-19 Pandemic. Millennium Bank originated 394 PPP loans totaling approximately \$47.4 million during the evaluation period.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated a satisfactory record regarding the Community Development Test. Millennium Bank's CD performance demonstrates adequate responsiveness to CD needs in its AAs through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD activities in the AAs. Satisfactory performances in both the State of Tennessee and the State of Florida rated areas further support this conclusion.

Examiners considered QI and CD service activities provided by Columbia Bank between the previous evaluation date of July 14, 2014, and the merger date. These CD activities are presented in the tables as regional activities.

Community Development Loans

The bank exhibited a high level of CDLs by dollar volume and responsiveness to CD needs in the AAs.

Since the prior evaluation, Millennium Bank originated nine CDLs totaling approximately \$6.9 million. This level of CD lending represents 1.9 percent of the average total assets of \$370.4 million and 2.7 percent of average net loans of \$257.3 million for the same period.

The CDLs demonstrate responsiveness to the AAs primarily through providing CDLs in three of the four CD categories identified as needs in the AAs.

The following table illustrates the CDLs by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	2	1,176	1	185	1	5,000	0	0	4	6,361
2023	5	513	0	0	0	0	0	0	5	513
Total	7	1,689	1	185	1	5,000	0	0	9	6,874

Source: Bank data (10/16/2017 – 10/16/2023)

The following table further illustrates CDLs by rated area benefited and purpose.

Community Development Lending										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Florida	1	637	1	185	0	0	0	0	2	822
State of Tennessee	6	1,052	0	0	1	5,000	0	0	7	6,052
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	7	1,689	1	185	1	5,000	0	0	9	6,874

Source: Bank data (10/16/2017 – 10/16/2023)

Refer to the Community Development Test section for each rated area regarding CDLs specific to individual AAs.

Qualified Investments

The institution displayed a moderate level of QIs, by dollar, and responsiveness to CD needs in the AAs.

The following table shows that the bank made 13 QIs totaling approximately \$2.9 million, including 10 donations of \$10,000. By dollar volume, the QIs represent 0.8 percent of average total assets since the prior evaluation and 8.1 percent of average total securities of \$35.7 million for the same period.

The QIs benefited affordable housing, community services, and revitalization or stabilization efforts, all of which were identified needs of the AAs. This reflects the responsiveness in addressing identified CD needs of the AAs.

The following table shows the breakout of QIs by activity year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	3	2,886	0	0	0	0	0	0	3	2,886
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
Subtotal	3	2,886	0	0	0	0	0	0	3	2,886
Qualified Grants & Donations	0	0	9	8	0	0	1	2	10	10
Total	3	2,886	9	8	0	0	1	2	13	2,896

Source: Bank data (10/16/2017 – 10/16/2023)

The following table illustrates QIs by rated area and purpose.

Qualified Investments										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Florida	2	1,122	4	2	0	0	1	2	7	1,126
State of Tennessee	1	1,764	5	6	0	0	0	0	6	1,770
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	3	2,886	9	8	0	0	1	2	13	2,896

Source: Bank data (10/16/2017 – 10/16/2023)

Refer to the Community Development Test section for each rated area regarding QI activities specific to individual AAs.

Community Development Services

The bank exhibited a moderate level of providing CD services, has been responsiveness to CD needs, and makes services available in the AAs.

The following table shows that the bank provided 52 CD services since the prior evaluation. All of the services involved bank employees using their financial or technical expertise to benefit organizations or projects with a primary purpose consistent with CD.

The bank provided CD services for all four categories, reflecting the responsiveness in addressing identified needs of the AAs.

The following table shows the breakout of CD services by year and purpose.

Community Development Services					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2017	1	2	0	0	3
2018	1	3	0	0	4
2019	1	3	1	0	5
2020	1	3	2	0	6
2021	1	4	2	1	8
2022	1	7	2	1	11
2023	1	11	2	1	15
Total	7	33	9	3	52

Source: Bank data (10/16/2017 – 10/16/2023)

The following table illustrates CD services by rated area and purpose.

Community Development Services					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
State of Florida	3	21	6	3	33
State of Tennessee	0	3	0	0	3
Regional Activities	4	9	3	0	16
Total	7	33	9	3	52

Source: Bank data (10/16/2017 – 10/9/2023)

The following point highlights CD services benefiting regional areas:

- **Affordable Housing** – Throughout the evaluation period, a bank employee served as a Board member for a local affordable housing agency, supporting affordable housing efforts directed to LMI individuals.

Refer to the Community Development Test section for each rated area regarding CD service activities specific to individual AAs.

The following table shows that all branches are located in middle- and upper-income CTs within the AAs.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	14	5.6	52,332	4.8	0	0.0	0	0.0
Moderate	47	18.7	181,067	16.6	0	0.0	0	0.0
Middle	111	44.2	497,328	45.6	6	66.7	6	66.7
Upper	68	27.1	332,354	30.5	3	33.3	3	33.3
NA	11	4.4	27,200	2.5	0	0.0	0	0.0
Total	251	100.0	1,090,281	100.0	9	100.0	9	100.0

*Source: 2020 Census data and Bank data
Due to rounding, totals may not equal 100.0 percent*

Millennium Bank offers hours and days of service consistent with the industry for its branch locations. Alternative delivery systems include online banking, telephone banking, mobile banking, and debit cards. Online banking provides a convenient way for customers to deposit checks, check account balances, review recent account activity, transfer funds between accounts, and pay bills. These alternative delivery systems help avail services to LMI individuals across the AAs.

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 overall CRA rating.

STATE OF FLORIDA

CRA RATING FOR THE STATE OF FLORIDA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF FLORIDA

The State of Florida includes three designated AAs, the Florida Non-MSA AA, the Gainesville MSA AA, and the Ocala MSA AA. All AAs and the State of Florida rated area are new since the previous evaluation and the bank operates four full-service branches in these AAs. The three AAs presented in the State of Florida are detailed in the following table.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Florida Non-MSA	Columbia	13	2
Gainesville MSA	Alachua	58	1
Ocala MSA	Marion	93	1

Source: 2020 Census data and Bank data

SCOPE OF EVALUATION – STATE OF FLORIDA

Examiners performed full-scope reviews for the Florida Non-MSA AA, the Gainesville MSA AA, and the Ocala MSA AA. Considering the portion of lending, deposits, and branches in the State of Florida, as shown in the following table, examiners place more weight on conclusions in the Florida Non-MSA AA followed by the Ocala MSA AA.

Assessment Area Breakdown of Loans, Deposits, and Branches in the State of Florida						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Florida Non-MSA	23,297	36.3	165,541	65.1	2	50.0
Gainesville MSA	15,002	23.4	53,248	20.9	1	25.0
Ocala MSA	25,834	40.3	35,666	14.0	1	25.0
Total	64,133	100.0	254,455	100.0	4	100.0

Source: Bank data and FDIC Summary of Deposits (6/30/2022)

For this rated area, the lending emphasis and product weighting is consistent with the overall lending focus as discussed under the Scope of the Evaluation section of the performance evaluation. The conclusions derived from these three AA's drove the conclusions for the overall State of Florida. Examiners primarily relied on the geographic loan distribution and borrower profile conclusions to arrive at this rated area's Lending Test rating.

The scope of the Community Development Test for the State of Florida is consistent with the scope for the institution overall. Refer to the Scope of Evaluation at the institution level for details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF FLORIDA

LENDING TEST

Millennium Bank demonstrated a satisfactory record in the State of Florida regarding the Lending Test. The reasonable geographic distribution outweighed the poor borrower profile to support this conclusion. Adequate Lending Test records in the Florida Non-MSA AA, the Ocala MSA AA, and the Gainesville MSA AA further support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the State of Florida. Reasonable lending levels in the Florida Non-MSA AA and Gainesville MSA AA outweighed the excellent lending levels in the Ocala MSA AA to support this conclusion.

Borrower Profile

The distribution of borrowers reflects, give the demographics of the AAs, poor penetration among businesses of different sizes and individuals of different income levels (including LMI). Poor records in the Florida Non-MSA AA outweighed the reasonable lending levels in the Ocala MSA AA and the Gainesville MSA AA to support this conclusion.

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated a satisfactory record in the State of Florida regarding the Community Development Test. Millennium Bank’s CD performance demonstrates adequate responsiveness to CD needs in the State of Florida through CDLs, QIs, and CD services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for CD in the State of Florida. The adequate performance in the Florida Non-MSA AA, excellent performance in the Gainesville MSA AA, and very poor performance in the Ocala MSA AA further support this conclusion.

Community Development Loans

The bank exhibited a low level of CDLs but was responsive to CD needs in the State of Florida.

Since the prior evaluation, Millennium Bank originated two CDLs totaling \$822,000 in the State of Florida. The total dollar volume equates to 12.0 percent of the total CDLs as compared to 30.0 percent of all loans originated in this rated area.

The CDLs benefited affordable housing and community services, which were identified needs of the AAs in the State of Florida. This reflects responsiveness in addressing identified CD needs in the AAs.

The following table illustrates CDLs by AA and purpose in the State of Florida.

Community Development Lending by Assessment Area State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Florida Non-MSA	0	0	1	185	0	0	0	0	1	185
Gainesville MSA	1	637	0	0	0	0	0	0	1	637
Ocala MSA	0	0	0	0	0	0	0	0	0	0
Total	1	637	1	185	0	0	0	0	2	822

Source: Bank data (10/16/2017– 10/16/2023)

Qualified Investments

The institution displayed a low level of QIs but was responsive to CD needs in the State of Florida.

The following table shows that Millennium Bank made seven QIs totaling approximately \$1.1 million in the State of Florida. The total dollar volume equates to 38.9 percent of the level of QIs as compared to 52.3 percent of the total deposits in the State of Florida.

These QIs benefited three of the four categories, which were identified needs of the AAs. This demonstrates responsiveness in addressing identified needs of the AAs.

The following table shows the QIs by AA and purpose in the State of Florida.

Qualified Investments by Assessment Area State of Florida										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Florida Non-MSA	0	0	3	1	0	0	1	2	4	3
Gainesville MSA	1	667	0	0	0	0	0	0	1	667
Ocala MSA	1	455	1	1	0	0	0	0	2	456
Total	2	1,122	4	2	0	0	1	2	7	1,126

Source: Bank data (10/16/2017 – 10/16/2023)

Community Development Services

The bank exhibited a very high level of providing CD services, was responsive to CD needs, and made services available in the State of Florida.

The following table shows that the bank provided 33 CD services in the State of Florida. This level equates to 63.5 percent of the total amount of CD services, exceeding the 44.4 percent of the branches located in the State of Florida.

The CD services benefited all four CD categories, demonstrating responsiveness in addressing all CD needs in the AAs.

The following table presents the CD services by AA and purpose within the State of Florida.

Community Development Services by Assessment Area State of Florida					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
Florida Non-MSA	3	14	0	0	17
Gainesville MSA	0	5	3	0	8
Ocala MSA	0	0	3	3	6
Total	3	21	6	3	33

Source: Bank data (10/16/2017 – 10/16/2023)

The following table shows that all of the branches in the State of Florida are located in middle-income CTs. The delivery systems in the State of Florida remain consistent with that offered bank-wide. Refer to the overall bank CD services for additional information.

Branch and ATM Distribution by Geography Income Level State of Florida								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	1	1.1	5,156	1.4	0	0.0	0	0.0
Moderate	19	20.4	72,880	19.4	0	0.0	0	0.0
Middle	51	54.8	219,062	58.3	4	100.0	4	100.0
Upper	18	19.4	75,353	20.0	0	0.0	0	0.0
NA	4	4.3	3,457	0.9	0	0.0	0	0.0
Total	93	100.0	375,908	100.0	4	100.0	4	100.0

*Source: 2020 Census data and Bank data
Due to rounding, totals may not equal 100.0 percent*

The alternative delivery systems in the State of Florida are the same as those described at the institution level. These alternative delivery systems help avail services to LMI individuals across the State of Florida. Refer to the CD services section at the institution level for more details.

FLORIDA NON-MSA AA– Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE FLORIDA NON-MSA AA

The Florida Non-MSA AA includes all 13 CTs in Columbia County in the non-MSA areas of Florida. The CTs reflect the following income designations according to the 2020 Census data: two moderate-, eight middle-, and three upper-income. Federal Emergency Management Agency (FEMA) declared Columbia County as a major disaster area due to the national COVID-19 Pandemic from March 2020 through May 2023.

Economic and Demographic Data

The following table contains select demographic data of the Florida Non-MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: Florida Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	15.4	61.5	23.1	0.0
Population by Geography	69,698	0.0	14.2	65.1	20.8	0.0
Housing Units by Geography	29,155	0.0	12.3	67.3	20.4	0.0
Owner-Occupied Units by Geography	18,301	0.0	8.5	69.0	22.5	0.0
Occupied Rental Units by Geography	6,904	0.0	18.4	61.8	19.7	0.0
Vacant Units by Geography	3,950	0.0	19.3	68.9	11.8	0.0
Businesses by Geography	9,584	0.0	11.4	69.0	19.5	0.0
Farms by Geography	479	0.0	7.3	67.0	25.7	0.0
Family Distribution by Income Level	15,740	16.6	18.5	18.9	46.0	0.0
Household Distribution by Income Level	25,205	22.2	16.2	17.9	43.8	0.0
Median Family Income Non-MSAs - FL		\$53,858	Median Housing Value			\$133,493
			Median Gross Rent			\$796
			Families Below Poverty Level			8.9%
<i>Source: 2020 Census data and 2022 D&B data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification</i>						

Major employers in the AA include Columbia County School Board, Veterans Affairs Medical Center, and HAECO Aviation Services. Since the previous evaluation, unemployment rates increased substantially starting in April 2020 from the COVID-19 Pandemic, peaking in December 2020, with rates steadily declining since. As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates for Columbia County have consistently exceeded the State of Florida rates and fluctuated around the national average rates.

Unemployment Rates			
Area	December 2020	December 2021	December 2022
	%	%	%
Florida Non-MSA	6.4	4.2	3.3
State of Florida	6.4	3.6	2.7
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

To determine the borrowers’ income designation to analyze home mortgage loans under the borrower profile criterion, examiners used the Federal Financial Institutions Examination Council’s (FFIEC’s) 2022 estimated-median family income of \$60,700 for the Florida Non-MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Florida Non-MSA Median Family Income (99999)				
2022 (\$60,700)	<\$30,350	\$30,350 to <\$48,560	\$48,560 to <\$72,840	≥\$72,840
<i>Source: FFIEC</i>				

Competition

Millennium Bank operates in a competitive environment in the Florida Non-MSA AA. Competition comes from other local, regional, and national banks, digital mortgage lenders, mortgage companies, and credit unions. According to the FDIC’s Deposit Market Share Report as of June 30, 2022, the AA contains six financial institutions that operate 12 full-service branches. Of these institutions, Millennium Bank ranked third with 7.9 percent of the deposit market share. The top lender accounted for 61.6 percent of the total market share.

The 2022 HMDA aggregate data shows that 221 lenders reported 1,685 home mortgage loans in the AA, indicating a moderate level of competition. The top three lenders were Rocket Mortgage, 21st Mortgage, and Vystar Credit Union, collectively, accounting for 15.0 percent of the total market share.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the AA include small business and home mortgage loans. With respect to the area’s CD needs, demographic data supports the need for projects that provide affordable housing, community services targeted to LMI individuals, economic development for small businesses, and revitalization and stabilization of the LMI CTs.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE
FLORIDA NON-MSA AA**

LENDING TEST

Millennium Bank demonstrated an adequate record regarding the Lending Test in the Florida Non-MSA AA. Reasonable performance in geographic distribution outweighed the poor performance in borrower profile to support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Florida Non-MSA AA. The reasonable performances for small business and home mortgage loans support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Florida Non-MSA AA. The reasonable performance in moderate-income geographies supports this conclusion.

The following table shows that in moderate-income CTs, the level of lending fell below demographic data by 6.9 percentage points, reflective of reasonable performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Florida Non-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	11.4	1	4.5	50	1.1
Middle	69.0	17	77.3	3,408	79.0
Upper	19.5	4	18.2	858	19.9
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	22	100.0	4,316	100.0

Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Florida Non-MSA AA. The reasonable performance in moderate-income CTs supports this conclusion.

Although the bank did not originate any home mortgage loans in the two moderate-income CTs, as shown in the following table, it is still deemed reasonable as it only falls below aggregate performance by 5.9 percentage points.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Florida Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	8.5	5.9	0	0.0	0	0.0
Middle	69.0	70.7	16	100.0	3,998	100.0
Upper	22.5	23.4	0	0.0	0	0.0
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	16	100.0	3,998	100.0

*Source: 2020 Census data, 2022 HMDA Aggregate data, and 2022 HMDA LAR data
Due to rounding, totals may not equal 100.0 percent*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among businesses of different sizes and individuals of different income levels (including LMI) in the Florida Non-MSA AA. Poor small business and home mortgage loan performances support this conclusion.

Small Business Loans

The distribution of small business loans, based on the borrowers' profiles, reflects a poor record in the Florida Non-MSA AA. Poor performance to businesses with GARs of \$1.0 million or less supports this conclusion.

The following table shows that the bank originated less than four out of every 10 loans to businesses with GARs of \$1.0 million or less, thereby reflecting a poor level. The table further shows that the performance lagged demographics by 59.6 percentage points, further supporting a poor level. Examiners did consider that the bank originated 92 PPP loans totaling approximately \$6.6 million during the evaluation period in 2020 and 2021, not captured in the below table. Although these loans show responsiveness to the credit needs of the community and the willingness to lend to small businesses, they do not sufficiently uplift the poor record of lending.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Florida Non-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	91.4	7	31.8	1,228	28.5
>\$1,000,000	2.0	14	63.6	2,988	69.2
Revenue Not Available	6.6	1	4.6	100	2.3
Total	100.0	22	100.0	4,316	100.0

*Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent*

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels in the Florida Non-MSA AA. The poor level of lending to moderate-income borrowers outweighed the reasonable level of lending to low-income borrowers to support this conclusion.

The bank did not originate any loans to low-income borrowers; however, this only falls below aggregate data by 2.9 percentage points, reflecting reasonable performance. To moderate-income borrowers, the lending level is 8.8 percentage points lower than the aggregate data, reflecting poor performance. Examiners placed more weight on performance to moderate-income borrowers because the aggregate data is higher for this income level, reflecting more loan demand.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Florida Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	16.6	2.9	0	0.0	0	0.0
Moderate	18.5	15.1	1	6.3	185	4.6
Middle	18.9	21.9	1	6.3	225	5.6
Upper	46.0	45.4	7	43.8	1,104	27.6
Not Available	0.0	14.7	7	43.8	2,484	62.2
Totals	100.0	100.0	16	100.0	3,998	100.0

*Source: 2020 Census data, 2022 HMDA Aggregate data, and 2022 HMDA LAR data
Due to rounding, totals may not equal 100.0 percent*

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated an adequate record regarding the Community Development Test in the Florida Non-MSA AA. Millennium Bank's CD performance demonstrates adequate responsiveness to CD needs in the Florida Non-MSA AA through CDLs, QIs, and CD services, as appropriate, considering the capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

The bank exhibited a moderate level of CDLs and was responsive to CD needs in the Florida Non-MSA AA.

Since the prior evaluation, the bank granted one CDL totaling approximately \$185,000 in the Florida Non-MSA AA. The dollar volume equates to 22.5 percent of the total CD lending, as compared to the 36.3 percent of loans generated by this AA within the State of Florida.

The CDL benefited community services targeted to LMI individuals and represents responsiveness to identified needs of the Florida Non-MSA AA. Refer to the CDL table at the State of Florida level for more information.

The following describes the CDL in the Florida Non-MSA AA.

- **Community Services** – The bank made a loan to refinance and provide funds for improvements to a property that serves as a daycare facility that is 100.0 percent government subsidized, providing a community service targeted to LMI individuals.

Qualified Investments

The institution displayed a low level of QIs but was responsive to the needs in the Florida Non-MSA AA.

Since the prior evaluation, the bank made four QIs totaling approximately \$3,000 in the Florida Non-MSA AA. The total dollar volume equates to 0.3 percent of the total QIs in the State of Florida as compared to 65.1 percent of total deposits in this AA in the State of Florida.

The QIs helped to support community services and revitalization or stabilization efforts. This shows the responsiveness in addressing identified needs of the AA. Refer to the QI table at the State of Florida level for more information.

The following lists notable examples of QIs in the Florida Non-MSA AA.

- **Community Services** – The bank made donations to a local non-profit organization that provides training, employment, residential, and other support opportunities for persons with disabilities, providing community services targeted to LMI individuals.
- **Revitalize or Stabilize** – The bank made a donation to a local organization that works to attract businesses and industries to the moderate-income areas, supporting revitalization or stabilization efforts.

Community Development Services

The bank exhibited a moderate level of providing CD services, was responsive to CD needs, and made services available in the Florida Non-MSA AA.

Since the prior evaluation, bank employees provided 17 instances of financial expertise or technical assistance to various CD-related organizations in the Florida Non-MSA AA. This level equates to 51.5 percent of the total CD services in the State of Florida, compared to 50.0 percent of branches in this AA.

The CD services benefited affordable housing and community service efforts, demonstrating responsiveness to identified CD needs in the AA. Refer to the CD services table at the State of Florida level for more information.

The following lists examples of notable CD services in the Florida Non-MSA AA.

- **Affordable Housing** – A bank employee served on the Board for the local Habitat for

Humanity, providing affordable housing to LMI individuals.

- **Community Services** – Two bank employees served as committee and Board members for a local organization that provides grant funding to support healthcare, education, and initiatives that impact children and under-resourced communities, along with providing disaster relief aid programs, demonstrating the support of community services targeted to LMI individuals.

The following table shows that the two branches in the AA are both located in middle-income CTs. The delivery systems in this AA remain consistent with that offered bank-wide. Refer to the overall bank CD services section for additional information.

Branch and ATM Distribution by Geography Income Level State of Florida – Florida Non-MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	15.4	9,865	14.2	0	0.0	0	0.0
Middle	8	61.5	45,343	65.1	2	100.0	1	100.0
Upper	3	23.1	14,490	20.8	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	13	100.0	69,698	100.0	2	100.0	1	100.0
<i>Source: 2020 Census data and Bank data Due to rounding, totals may not equal 100.0 percent</i>								

GAINESVILLE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GAINESVILLE MSA AA

The Gainesville MSA AA includes all 58 CTs in Alachua County in the Gainesville MSA. The CTs reflect the following income designations according to the 2020 Census data: five low-, 11 moderate-, 19 middle-, 19 upper-income, and four with no income designation. FEMA declared Alachua County as a major disaster area due to the national COVID-19 Pandemic from March 2020 through May 2023.

Economic and Demographic Data

The following table contains select demographic data of the Gainesville MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: Gainesville MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	58	8.6	19.0	32.8	32.8	6.9
Population by Geography	278,468	6.8	18.5	29.2	38.1	7.5
Housing Units by Geography	118,861	6.1	20.7	30.5	37.1	5.5
Owner-Occupied Units by Geography	55,696	4.4	14.6	28.2	51.8	0.9
Occupied Rental Units by Geography	46,283	8.0	25.8	32.4	24.0	9.8
Vacant Units by Geography	16,882	6.5	26.9	32.9	24.3	9.3
Businesses by Geography	41,076	4.5	18.1	29.8	44.4	3.2
Farms by Geography	1,515	4.8	18.7	27.5	48.4	0.7
Family Distribution by Income Level	50,803	18.6	16.5	18.9	46.0	0.0
Household Distribution by Income Level	101,979	26.1	13.2	16.7	44.0	0.0
Median Family Income MSA - 23540 Gainesville, FL MSA		\$67,742	Median Housing Value			\$179,567
			Median Gross Rent			\$1,027
			Families Below Poverty Level			9.4%
<i>Source: 2020 Census data and 2022 D&B data</i>						
<i>Due to rounding, totals may not equal 100.0 percent</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification</i>						

Major employers in the AA include UF Health Shands, University of Florida, North Florida Regional Medical Center, and Malcom Randall Veterans Affairs Medical Center. Since the previous evaluation, unemployment rates increased substantially starting in April 2020 from the COVID-19 Pandemic, peaking in December 2020, with rates steadily declining since. As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates for Alachua County have consistently fallen below rates of the State of Florida and national averages.

Unemployment Rates			
Area	December 2020	December 2021	December 2022
	%	%	%
Gainesville MSA	4.8	3.2	2.5
State of Florida	6.4	3.6	2.7
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

Competition

Millennium Bank operates in a moderately competitive environment. Competition comes from other local, regional, and national banks, digital mortgage lenders, mortgage companies, and credit unions. According to the FDIC's Deposit Market Share Report as of June 30, 2022, the AA

contains 16 financial institutions that operate 55 full-service branches. Of these institutions, Millennium Bank ranked 14th with 0.9 percent of the deposit market share. The top two lenders account for 53.3 percent of the total market share.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the AA include small business and home mortgage loans. With respect to the area's CD needs, demographic data supports the need for projects that provide affordable housing, community services targeted to LMI individuals, economic development for small businesses, and revitalization and stabilization of the LMI CTs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GAINESVILLE MSA AA

LENDING TEST

Millennium Bank demonstrated an adequate record regarding the Lending Test in the Gainesville MSA AA. Reasonable performances in geographic distribution and borrower profile support this conclusion.

The Lending Test scope for the Gainesville MSA AA is limited to small business loan performance. The low levels of home mortgage loans for 2022 in this AA did not provide examiners with meaningful conclusions; therefore, no analysis was performed for this product type.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Gainesville MSA AA. The reasonable performance for small business loans supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Gainesville MSA AA. The reasonable performances in both LMI geographies support this conclusion.

The following table shows that, in low-income tracts, the level of lending exceeds demographic data by 1.8 percentage points, reflecting reasonable performance. In moderate-income CTs, the level of lending falls below demographic data by only 5.6 percentage points, reflecting reasonable performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Gainesville MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.5	1	6.3	75	1.8
Moderate	18.1	2	12.5	837	20.1
Middle	29.8	3	18.8	125	3.0
Upper	44.4	8	50.0	1,842	44.2
Not Available	3.2	2	12.5	1,288	30.9
Totals	100.0	16	100.0	4,168	100.0

*Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes in the Gainesville MSA AA. Reasonable small business loan performance supports this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Gainesville MSA AA. The reasonable level of lending to businesses with GARs of \$1.0 million or less supports this conclusion.

The following table shows that the bank made five out of every 10 loans to businesses with GARs of \$1.0 million or less, reflecting reasonable performance. While this level lags the demographic data by 41.3 percentage points, examiners considered that the bank originated 53 PPP loans totaling approximately \$3.4 million during the evaluation period in 2020 and 2021, which is not captured in the below table. These loans show responsiveness to the credit needs of the community and the willingness to lend to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Gainesville MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	91.3	8	50.0	2,319	55.6
>\$1,000,000	2.1	2	12.5	838	20.1
Revenue Not Available	6.6	6	37.5	1,011	24.3
Total	100.0	16	100.0	4,168	100.0

*Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent*

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated an excellent record regarding the Community Development Test in the Gainesville MSA AA. Millennium Bank's CD performance demonstrates excellent responsiveness to CD needs in the Gainesville MSA AA through CDLs, QIs, and CD services, as appropriate, considering the capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

The bank exhibited a very high level of CDLs and was responsive to CD needs in the Gainesville MSA AA.

Since the prior evaluation, the bank originated one CDL totaling approximately \$637,000 in the Gainesville MSA AA. The dollar volume equates to 77.5 percent of the total CD lending in the State of Florida, significantly higher than the 23.45 percent of loans generated by this AA within the State of Florida.

The CDL demonstrates responsiveness in addressing an identified need for affordable housing to LMI individuals in the Gainesville MSA AA. Refer to the CDL table at the State of Florida level for more information.

The following describes the CDL in the Gainesville MSA AA.

- ***Affordable Housing*** – The bank originated a \$637,000 loan to refinance, consolidate, and make home improvements to various properties that provide below market rents, supporting affordable housing to LMI individuals.

Qualified Investments

The institution displayed a very high level of QIs and was responsive to CD needs in the Gainesville MSA AA.

Since the prior evaluation, the bank made one QI totaling approximately \$667,000 in the Gainesville MSA AA. The dollar volume equates to 59.2 percent of the total QIs in the State of Florida, exceeding the 20.9 percent of total deposits for the State of Florida.

The QI helped to support affordable housing efforts, an identified need of the AA. This shows the responsiveness in addressing an identified need of the AA. Refer to the QI table at the State of Florida level for more information.

The following lists the QI in the Gainesville MSA AA.

- ***Affordable Housing*** – The bank invested \$667,000 in a Freddie Mac mortgage-backed security pool consisting 100.0 percent of LMI borrowers, thereby providing affordable housing to LMI individuals.

Community Development Services

The bank exhibited a moderate level of providing CD services, was responsive to CD needs, and makes services available in the Gainesville MSA AA.

Since the prior evaluation, bank employees provided eight instances of financial expertise or technical assistance to various CD-related organizations in the Gainesville MSA AA. This level equates to 24.2 percent of the total CD services in the State of Florida, compared to 25.0 percent of branches in this AA.

The CD services primarily benefited community services targeted to LMI individuals and economic development, demonstrating responsiveness in addressing identified CD needs in the AA. Refer to the CD services table at the State of Florida level for more information.

The following lists examples of notable CD services in the Gainesville MSA AA.

- **Community Services** – Throughout the review period, a bank employee served on the Board of a charitable organization that provides community services targeted to LMI families.
- **Economic Development** – Throughout the review period, a bank employee served as a Board member for a local Chamber of Commerce that promotes small business development in this AA and creates jobs for LMI people and areas.

The following table shows that the branch in this AA is located in a middle-income CT. The delivery systems in this AA remain consistent with that offered bank-wide. Refer to the overall bank CD services section for additional information.

Branch and ATM Distribution by Geography Income Level State of Florida – Gainesville MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	5	8.6	18,837	6.8	0	0.0	0	0.0
Moderate	11	19.0	51,503	18.5	0	0.0	0	0.0
Middle	19	32.8	81,303	29.2	1	100.0	1	100.0
Upper	19	32.8	105,974	38.0	0	0.0	0	0.0
NA	4	6.9	20,851	7.5	0	0.0	0	0.0
Total	58	100.0	278,468	100.0	1	100.0	1	100.0

Source: 2020 Census data and Bank data
Due to rounding, totals may not equal 100.0 percent

OCALA MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE OCALA MSA AA

The Ocala MSA AA includes all 93 CTs in Marion County in the Ocala MSA. The CTs reflect the following income designations according to the 2020 Census data: one low-, 19 moderate-, 51 middle-, 18 upper-income, and four with no income designation. FEMA declared Marion County as a major disaster area due to the national COVID-19 Pandemic from March 2020 through May 2023.

Economic and Demographic Data

The following table contains select demographic data of the Ocala MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: Ocala MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	93	1.1	20.4	54.8	19.4	4.3
Population by Geography	375,908	1.4	19.4	58.3	20.0	0.9
Housing Units by Geography	170,926	1.4	19.5	58.6	19.5	0.9
Owner-Occupied Units by Geography	109,169	0.3	16.7	61.7	20.3	1.1
Occupied Rental Units by Geography	36,694	5.0	25.6	52.4	16.6	0.4
Vacant Units by Geography	25,063	0.6	22.9	54.6	20.7	1.2
Businesses by Geography	56,454	1.3	19.6	56.1	22.2	0.8
Farms by Geography	3,372	0.8	23.6	46.7	27.4	1.5
Family Distribution by Income Level	94,676	18.0	19.8	22.1	40.2	0.0
Household Distribution by Income Level	145,863	22.1	17.0	19.6	41.3	0.0
Median Family Income MSA - 36100 Ocala, FL MSA		\$56,181	Median Housing Value			\$150,910
			Median Gross Rent			\$883
			Families Below Poverty Level			10.7%
<small>Source: 2020 Census data and 2022 D&B data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification</small>						

Major employers in the AA include AdventHealth Ocala, Lockheed Martin, HCA Florida Ocala Hospital, and HCA Healthcare. Since the previous evaluation, unemployment rates increased substantially starting in April 2020 from the COVID-19 Pandemic, peaking in December 2020, with rates steadily declining since. As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates for Marion County have consistently fallen below national averages and fluctuated around rates for the State of Florida.

Unemployment Rates			
Area	December 2020	December 2021	December 2022
	%	%	%
Ocala MSA	5.8	3.8	2.8
State of Florida	6.4	3.6	2.7
National Average	6.7	3.9	3.5

Source: Bureau of Labor Statistics

Competition

Millennium Bank operates in a highly competitive environment. Competition comes from other local, regional, and national banks, digital mortgage lenders, mortgage companies, and credit unions. According to the FDIC’s Deposit Market Share Report as of June 30, 2022, the AA contains 18 financial institutions that operate 61 full-service branches. Of these institutions, Millennium Bank ranked 18th with 0.4 percent of the deposit market share. The top four lenders account for 68.9 percent of the total market share.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the AA include small business and home mortgage loans. With respect to the area’s CD needs, demographic data supports the need for projects that provide affordable housing, community services targeted to LMI individuals, economic development for small businesses, and revitalization and stabilization of the LMI CTs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE OCALA MSA AA

LENDING TEST

Millennium Bank demonstrated an adequate record regarding the Lending Test in the Ocala MSA AA. The reasonable performance for borrower profile outweighed the excellent performance in geographic distribution to support this conclusion.

The Lending Test scope for the Ocala MSA AA is limited to small business loan performance. The low levels of home mortgage loans for 2022 in this AA did not provide examiners with meaningful conclusions; therefore, no analysis was performed for this product type.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Ocala MSA AA. The excellent performance for small business loans supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion in the Ocala MSA AA. The excellent performance in moderate-income geographies outweighed the reasonable performance in low-income geographies to support this conclusion.

As shown in the following table, no small business loans were originated in the low-income tract; however, this reflects a reasonable level when considering it only falls below the demographic data by 1.3 percentage points. In moderate-income CTs, the level of lending exceeded demographic data by 16.4 percentage points, reflecting excellent performance. Examiners placed more weight on lending in moderate-income CTs as there is a higher percent of businesses, reflecting more opportunities for lending.

Geographic Distribution of Small Business Loans					
Assessment Area: Ocala MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	1.3	0	0.0	0	0.0
Moderate	19.6	9	36.0	2,931	45.2
Middle	56.1	12	48.0	3,218	49.7
Upper	22.2	3	12.0	290	4.5
Not Available	0.8	1	4.0	40	0.6
Totals	100.0	25	100.0	6,479	100.0

*Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes in the Ocala MSA AA. Reasonable small business loan penetration supports this conclusion.

Small Business Loans

The distribution of small business loans, based on the borrowers' profiles, reflects a reasonable record in the Ocala MSA AA. Reasonable performance to businesses with GARs of \$1.0 million or less supports this conclusion.

The following table shows that the bank made over five out of every 10 loans to businesses with GARs of \$1.0 million or less, thereby reflecting reasonable performance. Although this performance trails demographic data by 41.5 percentage points, examiners considered that the bank originated 45 PPP loans totaling approximately \$8.3 million during the evaluation period in 2020 and 2021, which is not captured in the below table. These loans show responsiveness to the credit needs of the community and the willingness to lend to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Ocala MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	93.5	13	52.0	3,500	54.0
>\$1,000,000	1.8	12	48.0	2,979	46.0
Revenue Not Available	4.8	0	0.0	0	0.0
Total	100.0	25	100.0	6,479	100.0
<i>Source: 2022 D&B data and 2022 Bank data</i>					
<i>Due to rounding, totals may not equal 100.0 percent</i>					

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated a very poor record regarding the Community Development Test in the Ocala MSA AA. The CD performance demonstrates very poor responsiveness to CD needs in the Ocala MSA AA through CDLs, QIs, and CD services, as appropriate, considering the capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

The bank exhibited no CD lending and was not responsive to the CD needs in the Ocala MSA AA.

Since the prior evaluation, the bank did not make any CDLs in the Ocala MSA AA.

The lack of any CDLs demonstrates no responsiveness to the CD needs within the Ocala MSA AA.

Qualified Investments

The institution displayed a very high level of QIs and was responsive to the CD needs in the Ocala MSA AA.

Since the prior evaluation, the bank made two QIs totaling approximately \$456,000 in the Ocala MSA AA. The total dollar volume equates to 40.5 percent of the total QIs in the State of Florida, significantly higher than the 14.0 percent of total deposits for the State of Florida.

The QIs helped to support affordable housing efforts and community services directed to LMI individuals, which are identified needs of the AA. This shows the responsiveness in addressing identified needs of the AA. Refer to the QI table at the State of Florida level for more information.

The following lists the QIs in the Ocala MSA AA.

- ***Affordable Housing*** – The bank invested \$455,000 in a Freddie Mac mortgage-backed security pool consisting 100.0 percent of LMI borrowers, providing affordable housing to LMI individuals.

- **Community Services** – The bank made a donation to a non-profit foundation that provides scholarship funding to send underprivileged youth to summer programs, providing a community service targeted to LMI individuals.

Community Development Services

The bank exhibited a moderate level of providing CD services, was responsive to CD needs, and made services available in the Ocala MSA AA.

Since the prior evaluation, bank employees provided six instances of financial expertise or technical assistance to various CD-related organizations in the Ocala MSA AA. This level equates to 18.2 percent of the total CD services in the State of Florida, compared to 25.0 percent of branches in this AA.

The CD services benefited economic development and revitalization or stabilization efforts, demonstrating responsiveness in addressing identified CD needs in the AA. Refer to the CD services table at the State of Florida level for more information.

The following lists examples of notable CD services in the Ocala MSA AA.

- **Economic Development** – Throughout the review period, a bank employee served as Vice President for a local club that brings business leaders together to enhance local businesses and communities by promoting the creation, retention, and improvement of jobs for LMI and providing financial assistance to small businesses.
- **Economic Development** – Throughout the review period, a bank employee served on the Board for a local organization working with bringing in business leaders for the creation and retention of permanent jobs in this AA.

The following table shows that the branch in the AA is located in a middle-income CT. The delivery systems in this AA remain consistent with that offered bank-wide. Refer to the overall bank CD services section for additional information.

Branch and ATM Distribution by Geography Income Level State of Florida – Ocala MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	1	1.1	5,156	1.4	0	0.0	0	0.0
Moderate	19	20.4	72,880	19.4	0	0.0	0	0.0
Middle	51	54.8	219,062	58.3	1	100.0	0	0.0
Upper	18	19.4	75,353	20.0	0	0.0	0	0.0
NA	4	4.3	3,457	0.9	0	0.0	0	0.0
Total	93	100.0	375,908	100.0	1	100.0	0	100.0

*Source: 2020 Census data and Bank data
Due to rounding, totals may not equal 100.0 percent*

STATE OF TENNESSEE – Full-Scope Review

CRA RATING FOR THE STATE OF TENNESSEE: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF TENNESSEE

The State of Tennessee includes only one AA, the Chattanooga MSA AA. The Chattanooga MSA AA is unchanged since the prior evaluation and includes all 87 CTs in Hamilton County in the Chattanooga MSA. The bank operates five full-service branches in this AA.

The CTs reflect the following income designations according to the 2020 Census data: eight low-, 15 moderate-, 33 middle-, 28 upper-income, and three with no income designation. FEMA declared Hamilton County as a major disaster area due to the following: severe storms, tornadoes, straight-line winds, and flooding in April 2020; and the national COVID-19 Pandemic from March 2020 through May 2023.

Economic and Demographic Data

The following table contains select demographic data of the Chattanooga MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: Chattanooga MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	87	9.2	17.2	37.9	32.2	3.4
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	15.2	18.0	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	45,164	7.4	16.8	34.6	40.5	0.8
Farms by Geography	976	4.7	12.1	43.8	38.8	0.6
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	43.9	0.0
Median Family Income MSA - 16860 Chattanooga, TN-GA MSA		\$70,533	Median Housing Value			\$202,001
			Median Gross Rent			\$919
			Families Below Poverty Level			8.2%
<i>Source: 2020 Census data and 2022 D&B data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification</i>						

Major employers in the area include Erlanger Health System, Children’s Hospital At Erlanger, Blue Cross & Blue Shield of Tennessee, and Tennessee Valley Authority. Since the previous evaluation, unemployment rates increased substantially starting in April 2020 from the COVID-19 Pandemic, peaking in December 2020, with rates steadily declining since. As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that Hamilton County unemployment rates are comparable to the State of Tennessee and the national average rates.

Unemployment Rates			
Area	December 2020	December 2021	December 2022
	%	%	%
Chattanooga MSA	5.6	3.7	3.6
State of Tennessee	5.7	3.6	3.5
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

The following table shows the 2022 estimated-median family income of \$75,200 for the Chattanooga MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Chattanooga, TN-GA MSA Median Family Income (16860)				
2022 (\$75,200)	<\$37,600	\$37,600 to <\$60,160	\$60,160 to <\$90,240	≥\$90,240
<i>Source: FFIEC</i>				

Competition

Millennium Bank operates in a highly competitive environment in this AA from other local, regional, and national banks, digital mortgage lenders, mortgage companies, and credit unions. According to the FDIC Deposit Market Share data as of June 30, 2022, the AA contains 20 financial institutions that operate 95 full-service branches. Of these institutions, Millennium Bank ranked 10th with 1.9 percent deposit market share. The top four lenders account for 71.8 percent of the total market share.

The 2022 HMDA aggregate data shows that 489 lenders reported 13,892 home mortgage loans in the AA, indicating a high level of competition. The top four lenders were Tennessee Valley Federal Credit Union, Rocket Mortgage, Regions Bank, and Truist Bank, collectively, accounting for 21.2 percent of the total market share.

Community Contact

As part of the evaluation process, examiners contact a third party active in the AA to assist in identifying the credit and CD needs. This information helps determine local financial institutions' responsiveness to these needs and shows available credit and CD opportunities.

Examiners utilized information obtained from a representative from a local non-profit organization focused on economic development throughout the Chattanooga MSA, with a specific focus on Hamilton County. The organization provides for-profit businesses with free services for starting, growing, and sustaining business. The contact indicated that the local economy is doing well overall. However, as financial institutions tighten credit standards, individuals and businesses are looking towards other sources of lending. The contact also revealed that the highest population and concentration of underserved communities is within Hamilton County. Gentrification has been a significant challenge revealing an uneven economic recovery, with urban communities being split between low- and high-income families.

The contact indicated that affordable housing and employment services are a significant need due to job losses incurred as a result of the COVID-19 Pandemic. Further, the contact indicated a strong need for technical assistance in the form of financial education geared towards LMI individuals, small businesses, and first-time homebuyers. Various opportunities exist for local financial institutions to provide financial technical expertise through partnerships with local non-profit organizations.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the AA include small business and home mortgage loans. With respect to the area's CD needs, demographic data supports the need for projects that provide affordable housing, community services targeted to LMI individuals, economic development for small businesses, and revitalization or stabilization of the LMI CTs and disaster areas.

SCOPE OF EVALUATION – STATE OF TENNESSEE

Examiners performed a full-scope review of the Chattanooga MSA AA, which is the only AA in this rated area. The conclusions derived from the Chattanooga MSA AA drove the conclusions for the overall State of Tennessee. The lending emphasis in the Chattanooga MSA AA is consistent with the overall lending focus as discussed under the Scope of the Evaluation section of the performance evaluation. Examiners primarily relied on the geographic loan distribution and borrower profile conclusions to arrive at this rated area's Lending Test rating.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF TENNESSEE

LENDING TEST

Millennium Bank demonstrated a satisfactory Lending Test record in the State of Tennessee. This was driven by the adequate record in the Chattanooga MSA AA through reasonable performances regarding geographic distribution and borrower profile to support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Chattanooga MSA AA. Reasonable performances for small business and home mortgage loans support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Chattanooga MSA AA. The reasonable performances in both LMI CTs support this conclusion.

The following table shows that in low-income CTs, the lending trailed demographic data by only 2.5 percentage points, reflecting reasonable performance. In moderate-income CTs, the lending exceeded demographic data by 1.2 percentage points, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Chattanooga MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	7.4	3	4.9	210	1.1
Moderate	16.8	11	18.0	2,899	15.6
Middle	34.6	22	36.1	7,836	42.1
Upper	40.5	25	41.0	7,655	41.2
Not Available	0.8	0	0.0	0	0.0
Totals	100.0	61	100.0	18,600	100.0

*Source: 2022 D&B data and 2022 Bank data
Due to rounding, totals may not equal 100.0 percent*

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Chattanooga MSA AA. Reasonable performances in both LMI CTs support this conclusion.

The following table shows that lending in low-income CTs exceeds aggregate data by 2.3 percentage points, reflecting reasonable performance. In moderate-income CTs, lending data exceeds aggregate data by 7.6 percentage points, also reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Chattanooga MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.2	4.1	4	6.4	926	5.5
Moderate	11.2	11.4	12	19.0	3,284	19.6
Middle	44.0	41.0	23	36.5	6,327	37.8
Upper	39.5	42.8	24	38.1	6,199	37.1
Not Available	1.1	0.7	0	0.0	0	0.0
Totals	100.0	100.0	63	100.0	16,736	100.0

*Source: 2020 Census data, 2022 HMDA Aggregate data, and 2022 HMDA LAR data
Due to rounding, totals may not equal 100.0 percent*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the Chattanooga MSA AA, reasonable penetration among businesses of different sizes and individuals of different income levels (including LMI). Reasonable records for small business loans outweighed the poor records for home mortgage loans to support this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Chattanooga MSA AA. The reasonable level of lending to businesses with GARs of \$1.0 million or less supports this conclusion.

The following table shows that the bank made over six out of every 10 loans to businesses with GARs of \$1.0 million or less, reflecting reasonable performance. Although the level of lending to businesses with GARs of \$1.0 million or less falls below demographic data by 25.3 percentage points, examiners considered that the bank originated 135 PPP loans totaling approximately \$11.9 million during the evaluation period in 2020 and 2021, which is not captured in the below table. These loans show responsiveness to the credit needs of the community and the willingness to lend to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Chattanooga MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	87.6	38	62.3	10,130	54.5
>\$1,000,000	4.1	18	29.5	7,391	39.7
Revenue Not Available	8.3	5	8.2	1,080	5.8
Total	100.0	61	100.0	18,600	100.0
<i>Source: 2022 D&B data and 2022 Bank data Due to rounding, totals may not equal 100.0 percent</i>					

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among borrowers of different income levels, including LMI in the Chattanooga MSA AA. The poor performance to moderate-income borrowers outweighed the reasonable performance to low-income borrowers to support this conclusion.

The home mortgage lending to low-income borrowers trails the aggregate data by only 1.5 percentage points, reflecting reasonable performance. To moderate-income borrowers, the level of lending trails aggregate data by 8.6 percentage points, reflecting poor performance. Examiners placed more weight on lending to moderate-income borrowers, as the aggregate performance is higher, reflecting more loan demand for these borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Chattanooga MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.3	4.7	2	3.2	212	1.3
Moderate	16.3	14.9	4	6.3	319	1.9
Middle	19.1	20.0	3	4.8	584	3.5
Upper	45.3	44.9	29	46.0	10,384	62.0
Not Available	0.0	15.5	25	39.7	5,237	31.3
Totals	100.0	100.0	63	100.0	16,736	100.0

*Source: 2020 Census data, 2022 HMDA Aggregate data, and 2022 HMDA LAR data
Due to rounding, totals may not equal 100.0 percent*

COMMUNITY DEVELOPMENT TEST

Millennium Bank demonstrated a satisfactory Community Development Test record in the State of Tennessee. This was driven by Millennium Bank demonstrating adequate responsiveness to CD needs in the Chattanooga MSA AA through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

The bank exhibited a very high level of CDLs and was responsive to the CD needs in the Chattanooga MSA AA.

The following table shows that, since the prior evaluation, the bank originated seven CDLs totaling approximately \$6.1 million in the Chattanooga MSA AA. This dollar volume equates to 88.0 percent of the level of CDLs and is significantly higher than the level of lending in this AA at 70.0 percent.

The CDLs benefited economic development and affordable housing efforts, which are both identified needs of the AA. This demonstrates responsiveness in addressing identified needs in the AA.

The following table illustrates the CDLs by year and purpose in the Chattanooga MSA AA.

Community Development Lending State of Tennessee – Chattanooga MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	539	0	0	1	5,000	0	0	2	5,539
2023	5	513	0	0	0	0	0	0	5	513
Total	6	1,052	0	0	1	5,000	0	0	7	6,052

Source: Bank data (10/16/2017 – 10/16/2023)

The following lists notable examples of CDLs in the Chattanooga MSA AA.

- **Affordable Housing** – The bank originated six loans to purchase, refinance, or renovate properties providing affordable housing to LMI individuals with below market rents.
- **Economic Development** – The bank made a line of credit to a Community Development Financial Institution located in the AA, providing capital to spur business growth and expansion.

Qualified Investments

The institution displayed a very high level of QIs and was responsive to the CD needs in the Chattanooga MSA AA.

The following table shows that Millennium Bank made use of six QIs totaling approximately \$1.8 million in the Chattanooga MSA AA. The total dollar volume equates to 61.1 percent of the level of QIs, exceeding the level of deposits for this AA at 47.7 percent.

The QIs benefited affordable housing and community services efforts, which are both identified needs of the AA. This demonstrates responsiveness in addressing identified CD needs.

The following table shows the QIs by year and purpose in the Chattanooga MSA AA.

Qualified Investments State of Tennessee – Chattanooga MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	1	1,764	0	0	0	0	0	0	1	1,764
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
Subtotal	1	1,764	0	0	0	0	0	0	1	1,764
Qualified Grants & Donations	0	0	5	6	0	0	0	0	5	6
Total	1	1,764	5	6	0	0	0	0	6	1,770

Source: Bank data (10/16/2017 – 10/16/2023)

The following lists notable examples of QIs in the Chattanooga MSA AA.

- **Affordable Housing** – The bank invested \$1.8 million in a Freddie Mac mortgage-backed security pool consisting 100.0 percent of LMI borrowers, thereby providing affordable housing to LMI individuals.
- **Community Services** – The bank made donations to various organizations that provide community services, including financial literacy, targeted to LMI individuals and communities.

Community Development Services

The bank exhibited a low level of providing CD services, but was responsive to the CD needs, and made services available in the Florida Non-MSA AA.

Since the previous evaluation, bank employees provided three instances of financial expertise or technical assistance to CD organizations in the Chattanooga MSA AA. The current service level equates to 5.8 percent of the level of CD services, which is significantly lower than the level of branches for this AA at 55.6 percent.

The CD services benefited community service efforts, which is an identified need of the AA. This demonstrates responsiveness in addressing CD needs in the AA.

The following table shows the CD services by year and purpose in the Chattanooga MSA AA.

Community Development Services State of Tennessee – Chattanooga MSA AA					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2017	0	0	0	0	0
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	1	0	0	1
2023	0	2	0	0	2
Total	0	3	0	0	3

Source: Bank data (10/16/2017 – 10/16/2023)

The following provides examples of notable CD services in the Chattanooga MSA AA.

- **Community Service** – A bank employee served on the Board of an organization that provides services to those that experience underemployment, lack of healthcare or the inability to access basic necessities, providing a community service targeted to LMI individuals.
- **Community Service** – A bank employee provided financial education to a local elementary school with 98.0 percent of students reported as low-income, providing a community service targeted to LMI individuals.

The following table shows that all of the branches are located in middle- and upper-income CTs within the AA. The delivery systems in this AA remain consistent with those offered bank-wide. Refer to the overall bank CD services section for additional information.

Branch and ATM Distribution by Geography Income Level State of Tennessee – Chattanooga MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	9.2	28,339	7.7	0	0.0	0	0.0
Moderate	15	17.2	46,819	12.8	0	0.0	0	0.0
Middle	33	37.9	151,620	41.4	2	40.0	2	40.0
Upper	28	32.2	136,537	37.3	3	60.0	3	60.0
NA	3	3.5	2,892	0.8	0	0.0	0	0.0
Total	87	100.0	366,207	100.0	5	100.0	5	100.0

Source: 2020 Census data and Bank data
Due to rounding, totals may not equal 100.0 percent

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
State of Florida	Satisfactory	Satisfactory	Satisfactory
State of Tennessee	Satisfactory	Satisfactory	Satisfactory

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.

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.