FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of LINEAGE BANK FRANKLIN, TENNESSEE (Insured State Nonmember Bank)	)))))))))	CONSENT ORDER FDIC-26-0028b

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for LINEAGE BANK, FRANKLIN, TENNESSEE ("Bank"), under Section 3(q)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q)(2).

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("STIPULATION"), dated June 24, 2026, that is accepted by the FDIC. With the STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices, to the issuance of this CONSENT ORDER ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under Section 8(b) of the Act, 12 U.S.C. § 1818(b), have been satisfied, the FDIC hereby orders that:

BUSINESS PLAN

1. (a) Within ninety (90) days of the effective date of this ORDER, the Board shall provide a Business Plan covering a three-year time period. The Business Plan shall be comprehensive and include the associated risks, such as strategic, credit, operational, compliance, legal, concentration, and any other identifiable risk for any existing and any proposed products or services.

(b) The written Business Plan shall address, at a minimum:

1) All major lines of business;

2) Short and long-term (up to three years) goals;

3) Staffing needs;

4) Discussion of the Bank's existing and proposed products, geographic markets, and services for the time period covered in the Strategic Plan with a detailed description of each product or service to be offered, the source and cost of funding, targeted customer category and delivery channel, along with a discussion of how the particular product or service would assist the Bank in attaining its stated mission;

5) Assessment of growth and volume of each line of business in relation to the Strategic Plan, including analysis of any deviations from the Business Plan;

6) Liquidity and funds management strategies for sustaining adequate liquidity including back-up lines of credit to meet unanticipated liquidity needs;

7) Financial goals, including pro-forma statements for asset growth, capital adequacy, and earnings along with specific plans to achieve and maintain capital levels at or above the limits required by this ORDER;

8) Development of risk mitigation strategies related to compliance with applicable laws and regulations; and

9) Assumptions used to develop the Business Plan.

(c) The Bank shall submit the Business Plan to the Regional Director of the FDIC ("Regional Director") for review and comment. After the Regional Director comments on the Business Plan, the Board shall adopt the Business Plan as amended or modified.

(d) The Bank shall operate within the parameters of the Business Plan submitted to the FDIC. While this ORDER is in effect, the Bank will seek the prior approval of the Regional Director, for any proposed material deviation from the submitted Business Plan.

EARNINGS, PROFIT PLAN, & BUDGET

2. Within ninety (90) days of the date of this ORDER, the Board shall develop a written profit plan and budget to improve earnings. The plan will establish specific strategies and remedial measures to improve the profitability of the Bank. At a minimum, the plan shall address the following items:

(a) The major areas in which the Board will seek to improve the Bank's operating performance;

(b) A budget which incorporates realistic and comprehensive assumptions;

(c) A budget review process which compares actual income and expense with projections;

(d) A description of the assumptions that support projected income and expense components; and

(e) Submit the draft budget to the Regional Director for review prior to Board approval.

PROBLEM CREDIT REDUCTION PLAN AND CREDIT ADMINISTRATION PLAN

3. (a) Within sixty (60) days of the effective date of this ORDER, the Bank shall formulate a written plan ("Problem Credit Reduction Plan") to improve each problem loan relationship noted within the most recent Report of Examination, dated August 11, 2025.

(b) Within ninety (90) days of the effective date of this Order, the Bank shall formulate a plan to improve credit underwriting and credit administrative practices ("Credit Administration Plan"); including developing clear guidance on collateral inspections, appropriately establishing the appropriate underwriting for accounts receivable lending, appropriately handling loans with interest reserves, collateral perfection, enforcement of borrower signed provisions, and providing reports to the Board of problem credits.

ALLOWANCE FOR CREDIT LOSSES LEVEL & METHODOLOGY

4. (a) Throughout the time this ORDER is in effect, the Bank shall ensure that the Allowance for Credit Losses ("ACL") is appropriately funded.

(b) Within sixty (60) days of the effective date of this ORDER, Bank management shall develop bank-specific, reasonable, and supported qualitative factors within the ACL methodology for Board approval and implementation. All qualitative adjustment factors within the ACL Methodology shall be supported and reflect Board and management assessment of risks. The Board shall review and document approval of qualitative factor adjustments and support as a part of quarterly ACL reporting.

CAPITAL PLAN AND MAINTENANCE

5. (a) Within thirty (30) days of the effective date of this ORDER, and while this ORDER is in effect, the Bank shall maintain its Tier 1 Leverage Capital ratio equal to or greater than 10 percent of the Bank's Average Total Assets, and shall maintain its Total Risk-Based Capital ratio equal to or greater than 14 percent of the Bank's Total Risk Weighted Assets.

(b) Within sixty (60) days of the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director a written plan ("Capital Plan") for maintaining capital above the minimum requirements of this ORDER.

DIVIDEND RESTRICTION

6. As of the effective date of this ORDER, the Bank shall not declare or pay any dividend or management fees without prior written consent of the Regional Director.

BROKERED DEPOSIT PLAN

7. Within one hundred twenty (120) days of the effective date of this ORDER:

a) The Bank shall formulate a Board-approved written plan ("Brokered Deposit Plan") to manage and reduce the volume of traditional brokered deposits. The Brokered Deposit Plan shall define goals and timeframes for the Bank to accomplish the funding reduction plan.

b) The Brokered Deposit Plan shall include the Bank's strategy for use of reciprocal deposits and outline ceiling limits for reciprocal deposit amounts.

c) After Board approval, the Brokered Deposit Plan shall be submitted to the Regional Director for non-objection.

INTEREST RATE RISK

8. Within ninety (90) days after the effective date of this ORDER, the Bank shall formulate an Interest Rate Risk ("IRR") Mitigation Plan. The Plan should:

(a) Assess the Economic Value of Equity assumptions to ensure they are appropriate given the risks to capital inherent in the balance sheet structure; and

(b) Document and execute actions within the IRR Mitigation Plan that the Board and management will take to address the current IRR exposure along with the currently compressed net interest margin that restricts profitability.

PROGRESS REPORTS

9. Within forty-five (45) days of the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Regional Director written progress reports detailing the actions taken to secure compliance with the ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director has released, in writing, the Bank from making further reports.

SHAREHOLDER NOTIFICATION

10. Within thirty (30) days of the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company. The description shall fully describe this ORDER in all material respects.

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC or any other federal or state agency or department, from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance by the FDIC.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the FDIC.

Issued pursuant to delegated authority. Dated this 24th day of June 2026.

/s/
J. Mark Love
Deputy Regional Director
Division of Risk Management Supervision
Federal Deposit Insurance Corporation