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# Community Reinvestment Act Public File

Updated April 1, 2026

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Peoples Bank of Alabama has not received any written public comments regarding CRA during the current year nor the prior two years.

# **PUBLIC DISCLOSURE**

March 6, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Peoples Bank of Alabama  
Certificate Number: 22537

1912 Cherokee Avenue SW  
Cullman, Alabama 35055

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

10 10th Street NE, Suite 800  
Atlanta, Georgia 30309-3849

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 area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of loans and other lending-related activities are in the institution's assessment areas.
- The geographic distribution of loans reflect a reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different sizes and individuals of different income levels.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Outstanding.**

- The bank's community development performance demonstrates excellent responsiveness to community development needs in the assessment areas. The bank met these needs through community development loans, qualified investments, and community development services. Examiners consider the bank's capacity and the need and availability of such opportunities for community development in a bank's assessment areas.

## DESCRIPTION OF INSTITUTION

### **Background**

Established in 1977, Peoples Bank of Alabama (Peoples Bank) is a \$1.2 billion state-chartered commercial bank headquartered in Cullman, Alabama (AL). The bank is wholly owned by Altrust Financial Services, Inc., a one-bank holding company also located in Cullman, AL. The institution does not have any subsidiaries or affiliates, and no merger activities have occurred since the previous evaluation. Peoples Bank received a “Satisfactory” rating at the previous FDIC Performance Evaluation, dated May 4, 2020, based on the Intermediate Small Institution Examination Procedures.

### **Operations**

Peoples Bank currently operates from 28 full-service and one limited-service offices located throughout the central northern portion of AL. These 29 offices are located in eight counties in AL: Blount, Cherokee, Cullman, Etowah, Jefferson, Madison, Marshall, and Morgan. The institution has opened two full-service offices since the previous evaluation. In August 2022, the bank acquired the Trussville Branch (Jefferson County) from Union State Bank; and, in October 2022, the institution opened the Huntsville Branch (Madison County) that resulted in the bank expanding into the Huntsville MSA. Both recently opened branches are located in upper-income census tracts. The bank has not closed any branches since the previous evaluation.

The institution offers a full range of banking and financial services. Business credit products offered include commercial real estate loans, construction lines and loans, commercial term loans, business lines of credit, and commercial credit cards. The institution also offers Small Business Administration (SBA) term loans and lines of credit, such as 7a and 504 small business credit programs. Peoples Bank assisted the community with the SBA’s 7a Paycheck Protection Program (PPP). During the evaluation period, the bank originated 1,865 PPP loans totaling \$106.8 million. The SBA guarantees these loans under the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. The loans serve to retain jobs that would otherwise be lost due to business closures because of the COVID-19 pandemic. Additionally, Peoples Bank processed 691 COVID-19-related loan deferrals/extensions for business and consumer customers to help communities.

Consumer credit products offered include real estate mortgage loans (including those sold by the bank on the secondary market), home equity lines of credit, automobile loans, personal loans, and personal credit cards. Additionally, Peoples Bank offers two affordable small dollar loan programs, which are responsive to community credit needs. The first small dollar loan program, which has been in place since prior to the previous evaluation, is an alternative credit product in comparison to high-cost credit products such as payday loans and fee-based overdraft programs. The bank’s existing small-dollar, short-term automated digital consumer loan product offers streamlined processing, underwriting, and funding with deposits placed into consumer deposit accounts quickly. Additionally, in March 2021, Peoples Bank began offering an affordable small-dollar, microloan program to assist its communities. These loans are unsecured with fixed-rates, amounts ranging between \$1,000 to \$2,999, and terms of 36 months or less.

Deposit products offered include business and personal checking and savings accounts, money market accounts, certificates of deposits (CD) and individual retirement accounts. Alternative banking services include Internet banking, bill payment, telephone banking, mobile banking, 36 deposit-accepting automated teller machines (ATM) with most located at the bank’s offices. These also include nine stand-alone ATMs located in convenient areas outside of the bank’s offices and four Interactive Teller Machines or ITMs that offer access to live tellers during banking hours. During the evaluation period, to assist customers during the COVID-19 pandemic, Peoples Bank temporarily waived fees for CDs withdrawals, excess withdrawals of savings and money market accounts, foreign ATM transactions, and late fees on loan and credit card payments.

### **Ability and Capacity**

According to the December 31, 2022, Consolidated Reports of Condition and Income (Call Report), Peoples Bank had total loans of \$781.9 million, or 62.7 percent of total assets, and total deposits of \$1.1 billion. As shown in the following table, commercial real estate loans and commercial and industrial loans comprise 60.2 percent of total loans, while one-to-four family residential loans comprise 14.3 percent of total loans.

<b>Loan Portfolio Distribution as of December 31, 2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	85,378	10.9
Secured by Farmland	27,710	3.5
1-4 Family Residential	111,522	14.3
Multi-family (5 or more) Residential	46,085	5.9
Commercial Real Estate	281,164	36.0
<b>Total Real Estate Loans</b>	<b>551,859</b>	<b>70.6</b>
Commercial and Industrial	189,618	24.2
Agricultural	4,519	0.6
Consumer	14,316	1.8
Other	21,616	2.8
Less: Unearned Income	2	<0.1
<b>Total Loans</b>	<b>781,926</b>	<b>100.0</b>
<i>Source: Call Report</i>		

There are no financial or legal impediments, other than legal lending limits, to prevent the bank from meeting the credit needs of its assessment areas. However, during the evaluation timeframe, there have been five Federal Emergency Management Agency (FEMA) major declared disasters within Peoples Bank’s assessment areas:

- 1) DR-4546 AL Severe Storms and Flooding declared on May 21, 2020, affecting Cullman and Blount Counties; 2) DR-4555 AL Severe Thunderstorms declared on July 10, 2020, affecting Blount, Cullman, Etowah, and Marshall Counties; 3) DR-4573 AL Hurricane Zeta declared on December 10, 2020, affecting Cherokee County; 4) DR-4596 AL Severe Storms, Straight-line Winds, and Tornados declared on April 26, 2021, affecting Jefferson County; and 5) DR-4632 AL Severe Storms and Flooding declared on December 21, 2021, affecting Jefferson County.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define assessment areas within which its CRA performance will be evaluated. Peoples Bank has defined five assessment areas located in the state of AL. These assessment areas represent either whole metropolitan statistical areas (MSA) or portions of MSAs and have changed since the previous evaluation. Specifically, in 2022, the bank added the Huntsville, AL MSA AA that includes all of Madison County. While Madison County comprises the Huntsville, AL MSA AA, it is not included in the Performance Evaluation analysis, given there was no branch presence in Madison County until October 3, 2022. The bank has defined each assessment area in accordance with the technical requirements of the CRA regulation. The following table provides descriptions of the assessment areas.

<b>Description of Assessment Areas</b>			
<b>Assessment Area (AA)</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
AL Non-MSA AA	Cherokee, Cullman, Marshall	56	13
Birmingham-Hoover MSA AA	Blount and Jefferson	205	8
Decatur MSA AA	Morgan	31	5
Gadsden MSA AA	Etowah	33	2
Huntsville MSA AA	Madison	95	1
<b>Totals</b>		<b>420</b>	<b>29</b>
<i>Source: Bank Records; 2020 Census Data</i>			

Additionally, since the previous evaluation, the U.S. Census Bureau data was updated during the evaluation period from 2010 to 2020 census information. The 2020 update in census information covers lending analyzed for 2022 small business loans; whereas, the 2010 census information, with 2015 American Community Survey (ACS) update, covers lending analyzed for 2020 and 2021 home mortgage loans. The 2020 updates were provided for MSAs, states, counties, census tracts, and income level indicators, as well as demographic information, including population and housing characteristics. The updates resulted in a change of census tracts in the bank's assessment areas from 344 to 420. Additionally, the number of low-income census tracts was reduced from 48 to 45; and the number of moderate-income census tracts was increased from 88 to 96. Refer to the individual assessment area sections of this evaluation for more detailed information.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the previous evaluation dated May 4, 2020, to the current evaluation dated March 6, 2023. Examiners used the Intermediate Small Institution Examination Procedures to evaluate Peoples Bank's CRA performance. As described in the Appendices, these procedures include two tests: the Lending Test and the Community Development Test. Four of five of the bank's assessment areas received full-scope reviews. As noted previously, the Huntsville, AL MSA AA, it is not included in the Performance Evaluation analysis, given there was no branch presence in Madison County until October 3, 2022.

Examiners evaluate a bank’s lending data, deposit activity, and number of offices to determine which rated areas will receive the most weight in assigning the overall rating. For this evaluation, performance in the AL Non-MSA AA will receive the most weight in the overall conclusions. This assessment area has approximately one-half of the bank’s reviewed lending, deposits, and offices. The Birmingham-Hoover MSA AA and the Decatur MSA AA will equally receive lower weight in the overall conclusions as it contains lower amounts, between one fourth and one fifth, of the bank’s reviewed lending, deposits and offices. The Gadsden MSA AA will receive the least weight as it contains less than 10 percent of the bank’s reviewed lending, deposits, and offices. Refer to the following table for additional details.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
AL Non-MSA AA	197	49.7	580,032	49.5	13	46.4
Birmingham-Hoover MSA AA	85	21.5	260,914	22.3	8	28.6
Decatur MSA AA	87	22.0	277,198	23.7	5	17.9
Gadsden MSA AA	27	6.8	53,020	4.5	2	7.1
<b>Total</b>	<b>396</b>	<b>100.0</b>	<b>1,171,164</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>

*Source: Bank Records; FDIC Summary of Deposits (6/30/2022)*

### **Activities Reviewed**

The CRA regulation requires a review of lending performance with respect to small business, home mortgage, and small farm lending, if significant. Examiners determined the bank’s major product lines were small business and home mortgage loans based on the bank’s business strategy, as well as the number and dollar volume of loans originated or purchased during the evaluation period. Examiners did not evaluate small farm loans because a limited number was originated.

For the Lending Test, examiners collected small business data from bank records for loans originated in 2022 to draw conclusions about the bank’s performance. Based on these records, Peoples Bank originated 539 small business loans totaling \$82.6 million. A sample of 213 small business loans totaling \$32.1 million was used to evaluate the bank’s lending performance. The volume of small business loan originations in 2022 was reflective of the bank’s lending during the evaluation period. As a non-reporter, aggregate small business lending data is not used for comparison purposes; therefore, examiners compared the bank’s 2022 small business lending to Dun and Bradstreet’s (D&B) 2022 business demographic data. The most recent small business aggregate lending data (2021) is referenced, however, to illustrate the level of competition.

The bank is subject to the Home Mortgage Disclosure Act (HMDA). For the Lending Test, examiners reviewed all loans reported pursuant to HMDA for 2020 and 2021 to draw conclusions about the bank’s performance. In 2020, the bank reported 137 home mortgage loans totaling \$32.9 million. In 2021, the institution reported 135 home mortgage loans totaling \$50.9 million. Examiners did not identify any trends between 2020 and 2021 for home mortgage lending that materially affected conclusions. Therefore, the tables presented herein reflect the number and dollar volume of loans and address 2021 lending. However, examiners reviewed 2020 lending performance and only discussed significant performance variances where appropriate under the

*Geographic Distribution* and *Borrower Profile* performance factors. Examiners compared the bank's performance to the 2021 aggregate HMDA data, which is the most recent year available. In addition, examiners compared the bank's home mortgage lending performance to applicable demographic data based on the 2015 ACS data.

Additionally, the bank's two small dollar loan programs are being considered in supplement to the bank's small business and home mortgage loans for consideration of other lending activities. The institution did not have gross annual income readily available; however, the loans were geocoded to identify census tract for analysis within the *Assessment Area Concentration* and *Geographic Distribution* performance criteria.

People Bank's lending strategy is consistent with the previous evaluation, as business lending remains its main focus. Based the bank's strategy and lending activity, examiners gave the bank's record of originating small business loans the most weight in drawing overall conclusions in the Lending Test. While this evaluation presents both the number and dollar volume of small business and home mortgage loans, examiners emphasized performance by number of loans, as the number of loans is a better indicator of the number of businesses and individuals served.

For the Community Development Test, examiners reviewed community development loans, qualified investments, and community development services provided by the bank since the previous evaluation dated May 4, 2020. Additionally, qualified investments that were purchased prior to, but, still outstanding as of this evaluation date, are included in the evaluation.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Overall, Peoples Bank demonstrated satisfactory performance under the Lending Test. This rating is supported by a reasonable loan-to-deposit (LTD) ratio; a majority of the loans originated within the assessment areas; an overall reasonable geographic distribution of small business and home mortgage loans; and a reasonable distribution of loans to businesses of different sizes and to individuals of different income levels. Lastly, no CRA-related complaints were received since the previous evaluation.

### **Loan-to-Deposit Ratio**

Peoples Bank's net LTD ratio is reasonable given the bank's asset size, financial condition, the impact of the COVID-19 pandemic, the five major declared disasters within the bank's AAs, as well as the AAs credit needs. The institution's net LTD ratio, calculated from Call Report data, averaged 68.6 percent over the past 11 calendar quarters from June 30, 2020, to December 31, 2022, since the previous evaluation. The bank's net LTD ratio ranged from a high of 79.2 percent as of September 30, 2020, to a low of 62.7 percent as of June 30, 2022. The ratio has fluctuated, with an increasing trend in deposits until the last two quarters. This increase is due, in part, to the height of the COVID-19 pandemic during the review timeframe, when there was an elevated level of deposits. Likewise, loans have increased and decreased with no consistent trend, since the previous evaluation, in part, to the pandemic.

It is important to note the bank’s loan portfolio totals do not reflect all home mortgage loans. Peoples Bank has helped to meet the mortgage financing needs of individuals within its communities with obtaining long-term, fixed-rate residential mortgage loans that are sold on the secondary market. The bank sold 135 loans totaling \$29.9 million in 2020; 207 loans totaling \$45.9 million in 2021; and 98 loans totaling \$25.2 million in 2022.

Examiners identified three similarly situated financial institution with similar lending focus, asset size, and geographic location. The analysis compared the banks’ average net LTD during the same 11 calendar quarters. Peoples Bank’s net LTD is reasonable in comparison with the three similarly situated financial institutions. The following table presents the average net LTD ratio for Peoples Bank as well as for comparable institutions based on lending focus, asset size, and geographic location.

Average Net LTD Ratio Comparison		
Bank Name and Location	Total Assets as of December 31, 2022 (\$000s)	Average Net LTD Ratio (%)
Peoples Bank of Alabama, Cullman, AL	1,247,359	68.6
First Bank of Alabama, Talladega, AL	921,097	68.5
Metro Bank, Pell City, AL	1,014,728	54.8
SouthPoint Bank, Birmingham, AL	1,366,149	102.7

*Source: Reports of Condition and Income 06/30/2020 to 12/31/2022*

**Assessment Area Concentration**

The bank originated a majority of the reviewed small business and home mortgage loans by number and dollar volume within the assessment areas. Refer to the following table for details.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Business										
2022	184	86.4	29	13.6	213	28,456	88.5	3,678	11.5	32,134
Home Mortgage										
2020	113	82.5	24	17.5	137	25,713	78.2	7,161	21.8	32,874
2021	99	73.3	36	26.7	135	31,717	62.4	19,147	37.6	50,864
Total	212	77.9	60	22.1	272	57,430	68.6	26,308	31.4	83,738

*Source: Bank Records; 2020 and 2021 HMDA Reported Data.*

Additionally, Peoples Bank offers two affordable small dollar consumer loan programs to help its communities. During the evaluation period, through December 31, 2022, the bank originated 3,091 small-dollar, short-term automated digital consumer loans totaling \$1.6 million and 78 small-dollar, consumer microloans totaling \$162,319. Of these small dollar loans, Peoples Bank extended over

88.5 percent, by number and dollar amount, for each small-dollar loan type, for each year within their assessment areas. The bank's performance reflects a substantial majority of its small dollar loans were extended within their assessment areas.

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. This conclusion was based on reasonable dispersion of small business and home mortgage loans. These conclusions are consistent with the conclusions of each assessment area with the exception of the Decatur and Gadsden MSA AAs, where the bank had poor dispersion of small business loans. Conversely, in the Decatur MSA AA, Peoples Bank had an excellent dispersion of home mortgage loans throughout the AA. Additionally, small dollar loans reflected a reasonable dispersion throughout each assessment area.

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans. These conclusions are consistent with the conclusions of each assessment area with the exception of the Decatur MSA AA. In the Decatur MSA AA, the bank had poor penetration of home mortgage loans throughout the assessment area.

### **Response to Complaints**

The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

The bank's community development performance demonstrates excellent responsiveness to community development needs in the assessment areas. The bank met these needs through community development loans, qualified investments, and community development services. Examiners consider the bank's capacity and the need and availability of such opportunities for community development in a bank's assessment areas.

### **Community Development Loans**

Overall, Peoples Bank originated a relatively high level of community development loans, given its asset size and branching structure. During the evaluation, the bank extended 344 community development loans totaling \$52.1 million during the evaluation period as detailed in the following table. The dollar amount of community development loans equates to 4.5 percent of average total assets and 7.3 percent of average total loans as of December 31, 2022. This level of community development lending represents a substantial increase by number, from 57 loans, and by dollar volume, from \$46.0 million, since the previous evaluation. The increase in the number of community development loans is due to the origination of 307 PPP loans for \$8.5 million to small businesses

with gross annual revenues of \$1 million or less or to businesses located in low- or moderate-income census tracts. The relatively high level of community development loans conclusion is consistent with the conclusions of each assessment area.

The bank made a substantially higher number and dollar amount of community development loans in comparison to the three similarly situated banks that were previously discussed, and deemed to have an adequate level of community development lending. By number and dollar volume, the loans met the definition of community development and primarily supported revitalization or stabilization, as well as economic development and affordable housing. The following tables detail the bank's community development lending by activity year and activity area. Please refer to the assessment area conclusions sections for additional details on community development lending.

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	2	52	-	-	5	3,110	55	4,954	62	8,116
2021	3	61	-	-	8	3,406	255	14,496	266	17,963
2022	6	189	-	-	8	19,785	2	6,000	16	25,974
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>26,301</b>	<b>312</b>	<b>25,450</b>	<b>344</b>	<b>52,053</b>
<i>Source: Bank Records</i>										

As shown in the below table, the relatively high level of community development loans conclusion is consistent with the conclusions of each assessment area. Also, the community development lending includes 36 loans totaling approximately \$2.6 million originated outside the assessment areas, which will not directly benefit the assessment areas but will benefit a broader regional area or statewide area that includes the assessment areas. As the bank has been responsive to the community development needs of its assessment areas, examiners considered these loans under the Community Development Test.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
AL Non-MSA AA	-	-	-	-	10	11,309	128	2,345	138	13,654
Birmingham-Hoover MSA AA	-	-	-	-	2	398	113	3,438	115	3,836
Decatur MSA AA	-	-	-	-	4	12,650	32	16,182	36	28,832
Gadsden MSA AA	-	-	-	-	1	333	18	2,808	19	3,141
<b>Total in Assessment Areas</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>24,690</b>	<b>291</b>	<b>24,773</b>	<b>308</b>	<b>49,463</b>
Regional or Statewide Areas	11	302	-	-	4	1,611	21	677	36	2,590
<b>Total</b>	<b>11</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>26,301</b>	<b>312</b>	<b>25,450</b>	<b>344</b>	<b>52,053</b>
<i>Source: Bank Records</i>										

Below are notable examples of the bank’s community development loans originated outside of its assessment areas:

- In 2020, 2021, and 2022, Peoples Bank purchased participations in 11 loans totaling \$302,213 secured by various affordable housing properties throughout the state of Alabama, as a member of the Alabama Multifamily Loan Consortium, Inc. (AMLC). The non-profit organization’s mission is to provide financing for affordable housing throughout Alabama. The bank committed to purchasing \$3.0 million in participations from the AMLC; however, the opportunities to purchase participations have been limited.
- In 2020 and 2021, the institution originated 21 SBA PPP loans totaling \$677,210 to organizations that supported stabilization of area businesses during the COVID-19 pandemic.
- In 2020 and 2021, the bank originated two SBA 504 loans totaling \$686,000 and \$515,000, respectively, which helped create or retain permanent jobs.

### **Qualified Investments**

Overall, Peoples Bank made 85 qualified investments and donations totaling approximately \$2.8 million, which is considered adequate considering its size and the economy. Qualified investments and donations included one prior period investment totaling \$351,334, five new investments totaling \$2.4 million, and 79 donations totaling \$89,024. This dollar amount represents 0.1 percent of average total assets and 0.8 percent of average securities since the previous evaluation. These percentages are similar to the previous evaluation and lower than similarly situated institutions. Most of the qualified investments and donations were for community services and economic development.

Prior-period qualified community development investments include an investment in an SBA Loan Pool bond that helps with economic development for small businesses. Current-period investments include five investments for school and utility bonds providing essential services for municipal communities, primarily servicing low-, moderate-, and middle-income distressed/underserved areas and/or low- and moderate-income individuals. In addition, donations are provided to organizations within the assessment areas, which primarily provide needed community services to low- and moderate-income individuals. The following tables show the bank’s investment and donations totals by assessment area, year, and activity purpose. Please refer to the assessment area conclusions sections for additional details on qualified investments and donations.

<b>Qualified Investments and Donations by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$</b>
Prior Period	-	-	-	-	1	351	-	-	<b>1</b>	<b>351</b>
2020 (Partial)	1	1	20	843	2	4	-	-	<b>23</b>	<b>848</b>
2021	1	2	31	1,203	7	12	1	379	<b>40</b>	<b>1,596</b>
2022	-	-	16	23	5	7	-	-	<b>21</b>	<b>30</b>
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>3</b>	<b>67</b>	<b>2,069</b>	<b>15</b>	<b>374</b>	<b>1</b>	<b>379</b>	<b>85</b>	<b>2,825</b>
<i>Source: Bank Records</i>										

As shown in the below table, the reasonable level of community development qualified investments and donations conclusion is consistent with the conclusions of each assessment area. Also, the community development lending includes eight investments and donations totaling approximately \$2.4 million originated outside the assessment areas, which will not directly benefit the assessment areas but will benefit a broader regional area or statewide area that includes the assessment areas. As the bank has been responsive to the community development needs of its assessment areas, examiners considered these loans under the Community Development Test.

<b>Community Development Investments and Donations by Assessment Area</b>						
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>	
	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
AL Non-MSA AA	2	30	13	379	40	424
Birmingham-Hoover MSA AA	-	10	1	-	13	11
Decatur MSA AA	-	11	7	-	15	18
Gadsden MSA AA	1	4	2	-	8	7
<b>Total in Assessment Areas</b>	<b>3</b>	<b>55</b>	<b>23</b>	<b>379</b>	<b>76</b>	<b>460</b>
Regional or Statewide Areas	-	2,014	351	-	9	2,365
<b>Total in Alabama</b>	<b>3</b>	<b>2,069</b>	<b>374</b>	<b>379</b>	<b>85</b>	<b>2,825</b>
<i>Source: Bank Records</i>						

Below are notable examples of the bank’s community development loans originated outside of its assessment areas:

- A prior investment still outstanding totaling \$531,334, which was for an SBA Loan Pool bond that helped with economic development for small businesses.
- In 2020 and 2021, four new investments totaling \$2.0 million were municipal school bonds that assisted with essential community services for low- or moderate-income individuals or in low-, moderate-, or middle-income distressed or underserved census tracts.

### **Community Development Services**

Overall, Peoples Bank provided a relatively high level of community development services within its assessment areas. Specifically, the bank provided 57 community development services, inclusive of one in the greater regional area, to 27 organizations. This level of service represents a decrease from the prior evaluation when Peoples Bank provided 94 community development services; the decrease is attributed to the COVID-19 Pandemic. Directors, officers, and employees provided financial advice and assistance to organizations with missions of community services, revitalization/stabilization, economic development, and affordable housing. The type and level of assistance provided varied with each employee and organization.

Additionally, Peoples Bank demonstrated qualitative community service credit by being responsive in helping to meet immediate community needs. Specifically, the institution offered convenient services tailored for the COVID-19 Pandemic with SBA PPP loans and loan modifications, services provided to assist with recovery after Federal declared disasters, and services tailored for consumer

needs for small dollar loans. In addition, to assist customers during the COVID-19 pandemic, Peoples Bank temporarily waived fees for CD withdrawals, excess withdrawals of savings and money market accounts, foreign ATM transactions, and late fees on loan and credit card payments. Further, the bank operates three of its branches in moderate-income census tracts.

Peoples Bank made a higher number of community development services in comparison to three similarly situated banks deemed to have an adequate or an excellent level of community development services. The following tables provide a list of community service totals by assessment area, year, and activity purpose. Please refer to the assessment area conclusions sections for additional details on community development services.

<b>Community Development Services by Year</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	#	#	#	#	#
2020 (Partial)	-	1	1	-	<b>2</b>
2021	3	16	2	9	<b>30</b>
2022	-	21	-	-	<b>21</b>
2023 (YTD)	-	4	-	-	<b>4</b>
<b>Total</b>	<b>3</b>	<b>42</b>	<b>3</b>	<b>9</b>	<b>57</b>
<i>Source: Bank Records</i>					

As shown in the below table, the excellent level of community development services conclusion is consistent with the conclusions of each assessment area. Also, the community development lending includes one community development service performed outside the assessment areas, which will not directly benefit the assessment areas but will benefit a broader regional area or statewide area that includes the assessment areas. As the bank has been responsive to the community development needs of its assessment areas, examiners considered this service under the Community Development Test.

<b>Community Development Services by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	#	#	#	#	#
AL Non-MSA AA	-	14	-	-	<b>14</b>
Birmingham-Hoover MSA AA	-	13	2	9	<b>24</b>
Decatur MSA AA	3	11	1	-	<b>15</b>
Gadsden MSA AA	-	3	-	-	<b>3</b>
<b>Total in Assessment Areas</b>	<b>3</b>	<b>41</b>	<b>3</b>	<b>9</b>	<b>56</b>
Regional or Statewide Area	-	1	-	-	<b>1</b>
<b>Total in Alabama</b>	<b>3</b>	<b>42</b>	<b>3</b>	<b>9</b>	<b>57</b>
<i>Source: Bank Records</i>					

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## ALABAMA NON-MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ALABAMA NON-MSA ASSESSMENT AREA

Peoples Bank’s AL Non-MSA AA consists of 56 census tracts across all of Cherokee, Cullman, and Marshall Counties, which are located in non-metropolitan areas of Alabama. At the previous evaluation, this assessment area consisted of 42 census tracts within Cherokee, Cullman, and Marshall Counties in their entirety. Of the 42 census tracts, there were no low-income census tracts and three moderate-income census tracts.

Thirteen of the bank’s 28 offices, (12 full-service and 1 limited-service), or 46.4 percent, are located in this assessment area, including the bank’s main office. The branching network within this assessment area has not changed since the previous evaluation. Of the 13 offices, seven are in middle-income census tracts, and six are in an upper-income census tracts. The assessment area also accounts for 49.7 percent of the bank’s lending and 49.5 percent of the institution’s deposits.

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

The following table illustrates select demographic characteristics of the AL Non-MSA AA. This assessment area includes 56 census tracts, which consist of 4 moderate-, 36 middle-, and 16 upper-income census tracts. As shown in the following table, there are no low-income census tracts located in all of Cherokee, Cullman, or Marshall Counties.

<b>Demographic Information of the AL Non-MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	56	0.0	7.1	64.3	28.6	0.0
Population by Geography	210,449	0.0	6.0	67.8	26.3	0.0
Housing Units by Geography	95,348	0.0	6.8	66.3	26.9	0.0
Owner-Occupied Units by Geography	57,809	0.0	7.5	64.7	27.7	0.0
Occupied Rental Units by Geography	19,875	0.0	4.3	75.9	19.8	0.0
Vacant Units by Geography	17,664	0.0	7.1	60.6	32.3	0.0
Businesses by Geography	14,912	0.0	3.8	67.1	29.1	0.0
Farms by Geography	754	0.0	8.1	67.8	24.1	0.0
Family Distribution by Income Level	53,803	18.3	17.0	19.7	45.1	0.0
Household Distribution by Income Level	77,684	19.9	14.7	17.5	47.9	0.0
Median Family Income Non-MSAs - AL		\$55,960	Median Housing Value			\$141,037
			Median Gross Rent			\$664
			Families Below Poverty Level			11.9%
<small>Source: 2020 U.S. Census Data; 2022 D&amp;B Data; FFIEC Estimated Median Family Income. Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies (census tracts) that have not been assigned an income classification.</small>						

The 2021 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) level is used to analyze home mortgage loans under the *Borrower Profile* criterion. As shown, the maximum MFI for low-income families less than \$26,700, which is low when considering the median housing value of \$114,124. Also, 14.4 percent of families had incomes

below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories in the assessment area.

<b>Alabama Non-MSA Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2021 (\$53,400)	<\$26,700	\$26,700 to <\$42,720	\$42,720 to <\$64,080	≥\$64,080
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for Cherokee, Cullman and Marshall Counties declined from 2020 to December 2022. Cherokee County has slightly higher unemployment rates than Cullman and Marshall Counties; yet, all three counties have unemployment rates lower than the state and national rates.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>December 2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Cherokee County	5.1	2.5	2.1
Cullman County	4.8	2.4	1.6
Marshall County	4.7	2.4	1.7
State of Alabama	6.5	3.4	2.3
Nation	8.1	5.3	3.3
<i>Source: Bureau of Labor Statistics</i>			

In terms of businesses and the economy, the 2022 D&B data shows the top industries in the AL Non-MSA AA were services and retail trade. The largest employers in Cherokee County are the Cherokee County Board of Education, KTH Leesburg Products, Cherokee County Health and Rehabilitation, Walmart, and American Apparel. The largest employers in Cullman County are Walmart, Cullman Regional Medical Center, Cullman County Schools, Topre American Corporation, and REHAU. The largest employers in Marshall County are Tyson Foods, Wayne Farms, Albertville Quality Foods, Alatrade, and Albertville City Schools.

### **Competition**

There is a moderate level of competition for deposits in Cherokee, Cullman, and Marshall Counties. In addition to competing with large national and regional banks, the bank competes with local banks, credit unions, and finance companies. As of June 30, 2022, 22 FDIC insured institutions operated 70 offices within the AL Non-MSA AA. The top three institutions by deposit market share were Regions Bank (16.9 percent), Citizens Bank and Trust (13.6 percent), and Peoples Bank (10.8 percent), which ranked 3<sup>rd</sup> in deposit market share.

There is a high level of competition for home mortgage loans among several financial institutions within the AL Non-MSA AA. In 2021, 341 lenders reported 8,453 originated or purchased home mortgage loans. The top five home mortgage originators (by number of loans) were Rocket Mortgage; FirstBank; PennyMac Loan Services, LLC; Regions Mortgage; and Fairway Independent Mortgage Corp. Collectively, these leading institutions accounted for 24.1 percent of the total

market share. Of these institutions, Peoples Bank ranked 40<sup>th</sup> in home mortgage lending with a market share of 0.6 percent.

As previously addressed, the bank is not a small business reporter. However, there is a moderate level of competition for small business loans among several financial institutions within the AL Non-MSA AA. In 2021, aggregate data reflects 87 lenders reported 3,067 small business loans. The top five institutions (by number of loans) were American Express National Bank; Synchrony Bank; Cadence Bank; JPMorgan Chase Bank, N.A.; and Capital One Bank (USA), N.A. Collectively, these leading institutions accounted for 52.5 percent of the total market share.

### **Community Contact**

Examiners rely on contacts with community organizations to gain insight regarding the credit needs and economic conditions of a bank's assessment area. Individuals interviewed provide information based upon their knowledge and expertise in the housing, business, or economic sectors. During this evaluation, examiners utilized an existing community contact with an economic development organization that serves the AL Non-MSA AA.

The contact stated tourism is a main driver for Marshall County, primarily due to Lake Guntersville. The contact added that employment opportunities are through retail development off Lake Guntersville; the amphitheater in Albertville; the Sand Mountain area, near Sneed State Community College in Boaz; and in Arab, which is a neighboring community near Huntsville. The contact stated there is a need for financial education, specifically for those looking to enter the workforce. Another important need is for affordable housing and apartments, the contact noted, and explained that it is difficult for interested developers to get funding. In particular, in Guntersville, the contact stated homes are priced very high, and the lower priced homes are very few. Lastly, the contact stated there is also a need for childcare and public transportation.

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

Based on demographic and economic data, and information from a recent existing community contact, some conclusions regarding the credit needs of the AL Non-MSA AA can be derived. Based on D&B data, 86.0 percent of businesses have gross annual revenues of \$1.0 million or less, indicating a need for small business loans. Further, information from a community contact and, during 2020 and 2021, the relatively high percentage of low- and moderate-income families, at 36.9 percent, and the high poverty rate, at 14.4 percent, indicates a need for affordable housing and financial education. However, it is doubtful that many of these families would qualify for typical home loans. Thus, government-guaranteed home loan programs with more flexible underwriting criteria may be needed. Lastly, affordable housing development loans, childcare and public transportation are needs within the area.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ALABAMA NON-MSA ASSESSMENT AREA

### LENDING TEST

In the AL Non-MSA AA, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on reasonable dispersion of small business and home mortgage loans. Additionally, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on reasonable dispersion of small business and home mortgage loans. There are no low-income census tracts within this assessment area.

#### *Small Business Loans*

The geographic distribution of the small business loans reflects a reasonable dispersion in the assessment area. As shown in the following table, the percentage of small business loans in moderate-income census tracts was comparably below the percentage of the businesses in these tracts.

<b>Geographic Distribution of Small Business Loans in the AL Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	3.8	2	2.3	196	1.5
Middle	67.1	59	67.0	7,300	57.2
Upper	29.1	27	30.7	5,267	41.3
<b>Totals</b>	<b>100.0</b>	<b>88</b>	<b>100.0</b>	<b>12,763</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data and Bank Records. Due to rounding, totals may not equal 100.0%</i>					

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects a reasonable penetration throughout the assessment area. As illustrated in the table below, the bank's home mortgage lending in moderate-income census tracts exceeded aggregate lending and was comparable to the percentage of owner-occupied housing units.

Geographic Distribution of Home Mortgage Loans in the AL Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	6.0	4.6	4	7.4	439	3.0
Middle						
2021	65.8	60.7	36	66.7	8,342	57.5
Upper						
2021	28.2	34.8	14	25.9	5,728	39.5
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>14,509</b>	<b>100.0</b>

*Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans.

#### *Small Business Loans*

The bank's lending reflects reasonable penetration. As illustrated in the following table, the institution's lending is below the percentage of businesses with revenues of \$1 million or less. However, the institution extended over half of its small business loans to small businesses with revenues of \$1 million or less and there is a moderate-level of competition for small business loans with the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category in the AL Non-MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	86.0	56	63.6	5,509	43.2
>\$1,000,000	3.6	32	36.4	7,254	56.8
Revenue Not Available	10.3	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>88</b>	<b>100.0</b>	<b>12,763</b>	<b>100.0</b>

*Source: 2022 D&B Data and Bank Records*

## Home Mortgage Loans

The bank’s lending to borrowers of different income levels represents a reasonable penetration in this assessment area. As shown in the following table, the bank’s lending performance to low-income borrowers exceeds aggregate data and is below demographic data. The bank’s level of lending to moderate-income borrowers was below aggregate data and demographic data. It is noted that 29.6 percent of loans were made to businesses for investment purposes, and income is not required for HMDA.

<b>Distribution of Home Mortgage Loans by Borrower Income Level in the AL Non-MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2021	18.8	2.9	3	5.6	85	0.6
Moderate						
2021	18.1	12.8	4	7.4	345	2.4
Middle						
2021	18.9	19.2	6	11.1	940	6.5
Upper						
2021	44.3	45.1	25	46.3	4,565	31.5
Not Available						
2021	0.0	20.0	16	29.6	8,574	59.1
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>14,509</b>	<b>100.0</b>

*Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.*

## COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates excellent responsiveness to the community development needs in the assessment area. The bank met these needs through community development loans, qualified investments, and community development services.

### Community Development Loans

Peoples Bank originated a relatively high level of community development loans in the AL Non-MSA AA. The bank extended 138 community development loans totaling \$13.7 million during the evaluation period in this assessment area. This amount represents 44.8 percent by number and 27.6 percent by dollar volume of the total community development loans extended bank-wide. The following are examples of community development loans originated in this assessment area.

- In 2020 and 2021, the institution originated 128 SBA PPP loans totaling \$2.3 million to organizations that supported stabilization of area businesses during the COVID-19 pandemic.

- In 2022, the bank originated two SBA 504 loans totaling \$6.2 million and \$1.8 million for a business that supports manufacturing of infrastructure material for municipalities to expand operations, which helped to create and retain permanent jobs.
- In 2022, Peoples Bank extended a \$541,000 SBA 7a loan to a small business with gross annual revenues under \$500,000 to allow the business to purchase a new building for expansion.

### **Qualified Investments**

Peoples Bank purchased one new investment for \$379,339 that benefitted this assessment area. The new investment will be use to provide essential services for water and sewer infrastructure within Blount County. In addition, the bank made numerous donations benefitting the AL Non-MSA AA. For example, the bank donated \$7,350 to four different local chamber of commerce organizations to assist small business economic growth and development and \$2,500 to a non-profit organization that provides food and clothing to those in poverty.

<b>Qualified Investments by Purpose in AL Non-MSA Assessment Area</b>										
<b>Type</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
Investments	-	-	-	-	-	-	1	379	<b>1</b>	<b>379</b>
Grants & Donations	1	2	31	30	7	13	-	-	<b>39</b>	<b>45</b>
<b>Total</b>	<b>1</b>	<b>2</b>	<b>31</b>	<b>30</b>	<b>7</b>	<b>13</b>	<b>1</b>	<b>379</b>	<b>40</b>	<b>424</b>
<i>Source: Bank Records</i>										

### **Community Development Services**

Bank personnel provided 14 community development services in the AL Non-MSA AA. By purpose, all 14 activities provided community services for low- and moderate-income individuals. The following are examples of community development services provided in this assessment area.

- In 2022 and 2023, five employees provided financial education at three schools to low- and moderate-income students. These schools have over 50 percent of its student population on free or reduced lunch programs.
- In 2022, two employees taught financial education by utilizing the *Money Smart for Older Adults* booklet and *How to Avoid a Scam* brochure to low- and moderate-income senior citizens in the community.
- In 2022, an employee educated economically disadvantaged students at a local development center. In addition, students who qualify to attend the center have either a mental, physical and/or emotional barrier and benefit from additional care in comparison to a heavily populated traditional public education setting.

## BIRMINGHAM-HOOVER MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BIRMINGHAM-HOOVER MSA ASSESSMENT AREA

Peoples Bank’s Birmingham-Hoover MSA AA consists of 205 census tracts across all of Blount and Jefferson Counties, which are part of the Birmingham-Hoover, AL MSA. At the previous evaluation, this assessment area consisted of 172 census tracts within Blount and Jefferson Counties in their entirety. Of the 172 census tracts, there were 31 low-income census tracts, which represented 18.0 percent of total tracts, and 52 moderate-income census tracts, which represented 30.2 percent of total tracts.

Eight of the bank’s 28 (28.6 percent) offices, all of which are full-service offices, are located in this assessment area. The branching network within this assessment area has changed since the previous evaluation. In August 2022, the bank opened a full-service office located in Trussville, AL. The Trussville Branch is in Jefferson County and is located in an upper-income census tract. Of the eight offices, three are in moderate-income census tracts, three are in middle-income census tracts, and two are in an upper-income census tracts. The assessment area also accounts for 21.5 percent of the bank’s lending and 22.3 percent of the institution’s deposits.

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

The following table illustrates select demographic characteristics of the Birmingham-Hoover MSA AA. This assessment area includes 205 census tracts, which consist of 26 low-, 63 moderate-, 57 middle-, and 54 upper-income census tracts. Additionally, five census tracts have no income designation.

<b>Demographic Information of the Birmingham-Hoover MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	205	12.7	30.7	27.8	26.3	2.4
Population by Geography	733,855	8.9	27.2	30.0	32.0	1.8
Housing Units by Geography	333,229	11.5	30.1	27.9	28.7	1.7
Owner-Occupied Units by Geography	182,981	6.1	26.1	32.1	34.7	1.0
Occupied Rental Units by Geography	102,025	17.3	34.5	23.2	22.2	2.8
Vacant Units by Geography	48,223	19.6	36.2	22.2	19.9	2.1
Businesses by Geography	84,250	10.5	20.5	23.1	43.8	2.1
Farms by Geography	1,568	5.9	21.0	31.3	40.9	0.9
Family Distribution by Income Level	178,363	24.9	17.9	17.9	39.3	0.0
Household Distribution by Income Level	285,006	27.6	16.4	16.9	39.0	0.0
Median Family Income MSA – 13820 Birmingham-Hoover, AL MSA		\$75,287	Median Housing Value			\$181,652
			Median Gross Rent			\$922
			Families Below Poverty Level			11.1%
<i>Source: 2020 U.S. Census Data; 2022 D&amp;B Data; FFIEC Estimated MFI. Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies (census tracts) that have not been assigned an income classification.</i>						

The 2021 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) level is used to analyze home mortgage loans under the *Borrower Profile* criterion. As shown, the maximum MFI for low-income families less than \$36,650, which is low when considering the median housing value of \$158,591. In addition, 14.8 percent of families had incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories in the assessment area.

<b>Birmingham-Hoover, AL MSA Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2021 (\$73,300)	<\$36,650	\$36,650 to <\$58,640	\$58,640 to <\$87,960	≥\$87,960

*Source: FFIEC*

As shown in the table below, the annual unemployment rates for Blount and Jefferson Counties declined from 2020 to December 2022. Jefferson County has slightly higher unemployment rates than Blount County. During the evaluation timeframe, unemployment rates for Blount County were below the state and national rates. However, Jefferson County had unemployment rates that were generally above or at the state rates; but were below the national rates.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>December 2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Blount County	4.6	2.4	1.8
Jefferson County	6.9	3.6	2.2
State of Alabama	6.5	3.4	2.3
Nation	8.1	5.3	3.3

*Source: Bureau of Labor Statistics*

In terms of businesses and the economy, the 2022 D&B data shows the top industries in the Birmingham-Hoover MSA AA were services; finance, insurance and real estate; and retail trade. The largest employers in Blount County are Blount County Board of Education, Tyson Foods, Walmart, Blount County Commission, and St. Vincent’s Blount. The largest employers in Jefferson County are University of Alabama at Birmingham, Regions Financial Corp., Honda Manufacturing of Alabama, Brookwood Baptist Health (Tenet Healthcare), and Tyson Foods.

### **Competition**

There is a high level of competition for deposits in the Birmingham-Hoover MSA AA. In addition to competing with large national and regional banks, the bank competes with local banks, credit unions, and finance companies. As of June 30, 2022, 40 FDIC insured institutions operated 202 offices within the Birmingham-Hoover MSA AA. The top three institutions by deposit market share were Regions Bank (33.0 percent), PNC Bank, N.A. (19.0 percent), and ServisFirst Bank (11.9 percent). Peoples Bank ranked 15<sup>th</sup> in deposit market share with 0.6 percent of the deposits.

There is a high level of competition for home mortgage loans among several financial institutions within the Birmingham-Hoover MSA AA. In 2021, 488 lenders reported 32,751 originated or

purchased home mortgage loans. The top five home mortgage originators (by number of loans) were Regions Bank; Rocket Mortgage; Fairway Independent Mortgage Corp.; Wells Fargo Bank, N.A.; and Renasant Bank. Collectively, these leading institutions accounted for 24.0 percent of the total market share. Of these institutions, Peoples Bank ranked 154<sup>th</sup> in home mortgage lending with a market share of 0.1 percent.

There is a high level of competition for small business loans among several financial institutions within the Birmingham-Hoover MSA AA. In 2021 aggregate data reflects 137 lenders reported 18,527 small business loans. The top five institutions (by number of loans) were American Express National Bank; Regions Bank; ServisFirst Bank; JP Morgan Chase Bank, N.A.; and Capital One Bank (USA), N.A. Collectively, these leading institutions accounted for 45.5 percent of the total market share.

### **Community Contact**

During this evaluation, examiners utilized an existing community contact with a community service organization that serves the Birmingham-Hoover MSA AA. The contact stated major industries in the area are services, retail and financial. The contact added that the overall economic conditions are good; however, additional funding is a need for the metropolitan area. The contact noted further that the primary credit needs for the community is funding for minority-owned businesses and financial education related to lending products. There is also a need to make capital more accessible for businesses as, the contact added, there are a lot of unbanked consumer and commercial individuals. The contact also noted financial institutions are helping to meet the needs of the community, but stated institutions should hold more conversations with non-profit partners to gauge additional needs of the community.

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

Based on demographic and economic data, and information from a recent existing community contact, some conclusions regarding the credit needs of the Birmingham-Hoover MSA AA can be derived. Based on information from a recent community contact, demographic and economic data, there is an ongoing need for affordable and sustainable housing and financial literacy. During the evaluation timeframe, the high percentage of low- and moderate-income families, at 26.3 percent and 16.2 percent, respectively, support these conclusions. Additionally, there is an opportunity for financial institutions to assist small businesses in the AA regarding their credit and financial needs, given the number of businesses operating with one-to-four employees (59.4 percent of businesses) as well as and five to nine employees (32.7 percent of businesses). Lastly, given the families living below poverty level, at 14.8 percent, small dollar loans is a need in the community.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BIRMINGHAM-HOOVER MSA ASSESSMENT AREA

### LENDING TEST

In the Birmingham-Hoover MSA AA, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on reasonable dispersion of small business and home mortgage loans. Additionally, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. This conclusion was based on reasonable dispersion of small business and home mortgage loans.

##### *Small Business Loans*

The geographic distribution of the small business loans reflects a reasonable dispersion in the assessment area. As shown in the following table, the percentage of small business loans extended in low-income census tracts was below demographic data by number; but, comparable by dollar amount. Moreover, the small business loans originated in moderate-income census tracts exceeded, by number and dollar amount, demographic data.

<b>Geographic Distribution of Small Business Loans in the Birmingham-Hoover MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	10.5	2	5.0	940	9.5
Moderate	20.5	11	27.5	2,520	25.5
Middle	23.1	15	37.5	2,836	28.6
Upper	43.8	12	30.0	3,604	36.4
<b>Totals</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>9,900</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data and Bank Records. Due to rounding, totals may not equal 100.0%</i>					

##### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects a reasonable penetration throughout the assessment area. As illustrated in the table below, the bank did not originate any home mortgage loans in low-income tracts. However, aggregate and demographic data reflect limited lending opportunities in these tracts. The bank's lending performance in originating home mortgage loans located in moderate-income census tracts significantly exceeded both aggregate and demographic data.

<b>Geographic Distribution of Home Mortgage Loans in the Birmingham-Hoover MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2021	8.0	2.7	0	0.0	0	0.0
Moderate						
2021	25.0	15.1	7	38.9	557	14.7
Middle						
2021	33.0	31.5	8	44.4	2,034	53.6
Upper						
2021	34.0	50.8	3	16.7	1,203	31.7
Not Available						
2021	0.1	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>3,794</b>	<b>100.0</b>

*Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans.

#### *Small Business Loans*

The bank's small business lending performance reflects reasonable penetration. As illustrated in the following table, lending performance is below the percentage of businesses with revenues of \$1 million or less. However, the bank originated over half, by number and dollar amount, of its small business loans to small businesses with revenues of \$1 million or less. In addition, there is a high-level of competition for small business loans within the assessment area.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category in the Birmingham-Hoover MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	88.6	24	60.0	5,864	59.2
>\$1,000,000	3.6	16	40.0	4,036	40.8
Revenue Not Available	7.8	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>9,900</b>	<b>100.0</b>

*Source: 2022 D&B Data and Bank Records*

## Home Mortgage Loans

The bank’s lending to borrowers of different income levels represents a reasonable penetration in this assessment area. As shown in the following table, the bank’s lending performance to low-income borrowers exceeds aggregate data but is below demographic data. The bank’s performance to moderate-income borrowers exceeded both aggregate and demographic data. It is noted that 22.2 percent of loans were made to businesses for investment purposes, and income is not required for HMDA.

<b>Distribution of Home Mortgage Loans by Borrower Income Level in the Birmingham-Hoover MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2021	26.2	6.4	2	11.1	103	2.7
Moderate						
2021	16.2	16.6	5	27.8	285	7.5
Middle						
2021	18.1	19.2	1	5.6	92	2.4
Upper						
2021	39.5	39.5	6	33.3	2,347	61.9
Not Available						
2021	0.0	18.3	4	22.2	967	25.5
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>3,794</b>	<b>100.0</b>

*Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.*

## COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates excellent responsiveness to the community development needs in the assessment area. The bank met these needs through community development loans, qualified investments, and community development services.

### Community Development Loans

Peoples Bank originated a relatively high level of community development loans in the Birmingham-Hoover MSA AA. The bank extended 115 community development loans totaling \$3.8 million during the evaluation period in this assessment area. This amount represents 37.3 percent by number and 7.8 percent by dollar volume of total community development loans extended bank-wide. The following are examples of community development loans originated in this assessment area.

- In 2020 and 2021, the bank extended 113 SBA PPP loans totaling \$3.5 million to organizations that supported stabilization of area businesses during the COVID-19 pandemic.

- In 2021, Peoples Bank provided a \$290,000 SBA 7a loan to a small business for the purpose of purchasing equipment and build out for a new location. The new location creates jobs for low- and moderate-income individuals in the assessment area.
- In 2022, the institution originated a \$107,650 SBA 504 economic development loan to a small business to purchase a new building. The small business is purchasing the commercial real estate to open a new location in the assessment area that will create new jobs that did not previously exist.

### **Qualified Investments**

Peoples Bank made a number of donations benefitting the Birmingham-Hoover MSA AA. For example, in 2020 and 2021 the bank two donations totaling \$3,500 to an organization that provides education, child care, job readiness, safe and affordable housing, health and nutrition and crisis relief assistance for low- and moderate-income families; and, \$1,000 to an organization that provides support for small business economic development.

<b>Qualified Investments by Purpose in Birmingham-Hoover MSA Assessment Area</b>										
<b>Type</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
Investments	-	-	-	-	-	-	-	-	-	-
Grants & Donations	-	-	12	10	1	1	-	-	<b>13</b>	<b>11</b>
<b>Total</b>	-	-	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>	-	-	<b>13</b>	<b>11</b>

*Source: Bank Records.*

### **Community Development Services**

Bank personnel provided 24 community development services in the Birmingham-Hoover MSA AA. By purpose, 13 activities provided community services for low- and moderate-income individuals, nine activities supported revitalization/stabilization after a Federal designated disaster area, and two activities assisted with economic development. Three of eight (37.5 percent) full-service branches within this assessment area are located in moderate-income census tracts, which is higher than the low- and moderate-income population at 36.1 percent. The following are examples of community development services provided in this assessment area.

- In 2021, nine employees worked for two days in collaboration with the City of Fultondale, where storm damage was severe, to provide immediate needed stabilization services in the assessment area during a Federal declared disaster. Specifically, employees contributed to improving roadway safety by removing large trees and debris in the area, as well as by providing citizens with additional needed supplies, such as food, blankets, and hygiene items.
- In 2020 and 2021, six employees provided financial literacy training to a non-profit organization to benefit low- and moderate-income population. The non-profit organization is located in a moderate-income census tract.
- In 2021, an officer performed in a leadership role in collaboration with the SBA when providing financial expertise to executives of small businesses poised for growth in underserved markets.

**DECATUR MSA ASSESSMENT AREA – Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE  
DECATUR MSA ASSESSMENT AREA**

Peoples Bank’s Decatur MSA AA consists of 31 census tracts across all of Morgan County, which comprises the Decatur, AL MSA. At the previous evaluation, this assessment area consisted of 27 census tracts within Morgan County in its entirety. Of the 27 census tracts, there were 2 low-income census tracts, which represented 7.4 percent of total tracts, and 4 moderate-income census tracts, which represented 14.8 percent of total tracts.

Five of the bank’s 28 (17.9 percent) offices, all of which are full-service offices, are located in this assessment area. The branching network within this assessment area has not changed since the previous evaluation. All five offices are in middle-income census tracts. The assessment area also accounts for 22.0 percent of lending and 23.7 percent of deposits.

**Economic and Demographic Data**

The following table illustrates select demographic characteristics of the Decatur MSA AA. This assessment area includes 31 census tracts, which consist of 1 low-, 4 moderate-, 17 middle-, and 9 upper-income census tracts.

<b>Demographic Information of the Decatur MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	31	3.2	12.9	54.8	29.0	0.0
Population by Geography	123,421	2.6	15.4	57.3	24.7	0.0
Housing Units by Geography	52,248	2.1	14.1	57.8	26.1	0.0
Owner-Occupied Units by Geography	33,496	0.9	8.1	59.5	31.5	0.0
Occupied Rental Units by Geography	12,892	3.6	27.6	54.5	14.3	0.0
Vacant Units by Geography	5,860	5.0	18.2	55.8	21.1	0.0
Businesses by Geography	9,560	1.4	16.8	62.4	19.5	0.0
Farms by Geography	346	1.4	5.8	64.7	28.0	0.0
Family Distribution by Income Level	30,703	21.6	15.9	20.7	41.8	0.0
Household Distribution by Income Level	46,388	24.0	16.6	16.9	42.5	0.0
Median Family Income MSA - 19460 Decatur, AL MSA		\$65,097	Median Housing Value			\$136,030
			Median Gross Rent			\$694
			Families Below Poverty Level			12.3%
<i>Source: 2020 U.S. Census Data; 2022 D&amp;B Data; FFIEC Estimated MFI. Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies (census tracts) that have not been assigned an income classification.</i>						

The 2021 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) level is used to analyze home mortgage loans under the *Borrower Profile* criterion. As shown, the maximum MFI for low-income families less than \$31,550, which is low when considering the median housing value of \$121,603. In addition, 13.1 percent of families had incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories in the assessment area.

Decatur, AL MSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$63,100)	<\$31,550	\$31,550 to <\$50,480	\$50,480 to <\$75,720	≥\$75,720
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for the Decatur MSA AA declined from 2020 to December 2022. Morgan County’s unemployment rates remained lower than the state and national rates for all years.

Unemployment Rates			
Area	2020	2021	December 2022
	%	%	%
Morgan County	5.0	2.6	1.7
State of Alabama	6.5	3.4	2.3
Nation	8.1	5.3	3.3
<i>Source: Bureau of Labor Statistics</i>			

In terms of businesses and the economy, the 2022 D&B data shows the top industries in the Decatur MSA assessment area were services and retail trade. The largest employers in the assessment area are GE Appliances, Wayne Farms, 3M Company, Nucor Steel, and United Launch Alliance.

### **Competition**

There is a moderate level of competition for deposits in the Decatur MSA AA. In addition to competing with large national and regional banks, the bank competes with local banks, credit unions, and finance companies. As of June 30, 2022, 14 FDIC insured institutions operated 31 offices within the Decatur MSA AA. The top three institutions by deposit market share were Regions Bank (22.2 percent), Renasant Bank (21.2 percent), and Bank Independent (10.6 percent). Peoples Bank ranked 4<sup>th</sup> in deposit market share with 10.2 percent of the deposits.

There is a moderate level of competition for home mortgage loans among some financial institutions within the Decatur MSA AA. In 2021, 263 lenders reported 5,384 originated or purchased home mortgage loans. The top five home mortgage originators (by number of loans) were Rocket Mortgage, Redstone Federal Credit Union, Freedom Mortgage Corporation, Regions Bank, and Renasant Bank. Collectively, these leading institutions accounted for 28.5 percent of the total market share. Of these institutions, Peoples Bank ranked 55<sup>th</sup> in home mortgage lending with a market share of 0.4 percent.

There is a moderate level of competition for small business loans among some financial institutions within the Decatur MSA AA. In 2021, aggregate data reflects 73 lenders reported 2,203 small business loans. The top five institutions (by number of loans) were American Express National Bank; Bank Independent; Synchrony Bank; Capital One Bank (USA), N.A.; and JPMorgan Chase Bank, N.A. Collectively, these leading institutions accounted for 47.6 percent of the total market share.

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

Based on demographic and economic data, and information from a recent community contact, some conclusions regarding the credit needs of the Decatur MSA AA can be derived. The need for loans supporting small businesses is evident, as small businesses comprise over 90 percent of the AA's businesses during 2020 through 2022. There is also a need for affordable home loans, as noted by demographic data during the timeframe, given that 37.9 percent of the families are living at low- or moderate-income levels and 13.1 percent of the families are living below the poverty level. Lastly, renovations loans are needed based on demographic data reflecting the average median age of housing stock is 41 years, with the average median age of housing stock in low- and moderate-income tracts is 48 years and 50 years, respectively.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DECATUR MSA ASSESSMENT AREA**

### **LENDING TEST**

In the Decatur MSA AA, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on excellent dispersion of home mortgage loans, which mitigated poor dispersion of small business loans. Additionally, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and poor penetration among individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business loans.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. This conclusion was based on excellent dispersion of home mortgage loans, as the bank's performance reflected poor dispersion of small business loans.

#### *Small Business Loans*

The geographic distribution of the small business loans reflects a poor dispersion in the assessment area. As shown in the following table, the bank did not extend any loans in the low-income census tract. However, demographic data reflects limited lending opportunities are available. The percentage of small business loans in moderate-income census tracts was significantly below demographic data.

<b>Geographic Distribution of Small Business Loans in the Decatur MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	1.4	0	0.0	0	0.0
Moderate	16.8	1	2.2	65	1.5
Middle	62.4	29	63.0	2,629	61.2
Upper	19.4	16	34.8	1,605	37.3
<b>Totals</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>4,299</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data and Bank Records. Due to rounding, totals may not equal 100.0%</i>					

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects an excellent penetration throughout the assessment area. As illustrated in the table below, the Peoples Bank’s home mortgage lending in low-income census tracts was above aggregate and comparable to demographic data. Lending performance in moderate-income census tracts significantly exceeded aggregate lending and demographic data.

<b>Geographic Distribution of Home Mortgage Loans in the Decatur MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2021	4.4	2.8	1	5.0	20	0.5
Moderate						
2021	9.3	8.1	7	35.0	1,520	40.4
Middle						
2021	49.9	46.6	10	50.0	1,925	51.1
Upper						
2021	36.4	42.5	2	10.0	300	8.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>3,765</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and poor penetration of individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business loans.

### Small Business Loans

The bank's lending reflects reasonable penetration. As illustrated in the following table, the institution's lending is below the percentage of businesses with revenues of \$1 million or less. However, the institution originated over half of its small business loans to small businesses with revenues of \$1 million or less and there is a moderate-level of competition for small business loans with the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category in the Decatur MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.1	30	65.2	1,697	39.5
>\$1,000,000	4.1	16	34.8	2,602	60.5
Revenue Not Available	10.8	0	0.0	0.0	0
<b>Totals</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>4,299</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data and Bank Records</i>					

### Home Mortgage Loans

The bank's lending to borrowers of different income levels represents a poor penetration in this assessment area. As shown in the following table, the bank's performance to low-income borrowers is in line with aggregate data and significantly below demographic data. During the evaluation timeframe, 13.1 percent of families had incomes below the federal poverty levels. These families may not qualify for home mortgage loans even if offered special terms. The bank's performance in extending loans to moderate-income borrowers is significantly below aggregate and demographic data. It is noted that 35.0 percent of loans were made to businesses for investment purposes, and income is not required for HMDA.

Distribution of Home Mortgage Loans by Borrower Income Level in the Decatur MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.9	5.3	1	5.0	20	0.5
Moderate						
2021	17.0	16.5	1	5.0	85	2.3
Middle						
2021	19.7	19.2	1	5.0	230	6.1
Upper						
2021	42.4	36.7	10	50.0	1,679	44.6
Not Available						
2021	0.0	22.4	7	35.0	1,751	46.5
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>3,765</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

## COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates excellent responsiveness to the community development needs in the assessment area. The bank met these needs through community development loans, qualified investments, and community development services.

### Community Development Loans

Peoples Bank originated a relatively high level of community development loans in the Decatur MSA AA. The bank extended 36 community development loans totaling \$28.8 million during the evaluation period in this assessment area. This amount represents 11.7 percent by number and 58.3 percent by dollar volume of the total community development loans extended in the assessment areas. The following are examples of community development loans originated in this assessment area.

- In 2020 and 2021, the institution originated 28 SBA PPP loans totaling \$1.2 million to organizations that supported stabilization of area businesses during the COVID-19 pandemic.
- In 2020, Peoples Bank extended a \$2.0 million loan to a business located in a low-income census tract. The loan assisted the business to purchase machinery necessary for a long-term contract to build parts for new rockets, which helps attract new and retain existing residents in the assessment area.
- In 2021 and 2022, the bank originated two business loans totaling \$7.0 million and \$4.0 million, respectively, for a power company to purchase new bucket trucks and transmission line equipment to perform storm restoration for energy services during natural disasters. The power company serves low- and moderate-income geographies and low- and moderate-income individuals in the assessment area.
- In 2022, Peoples Bank extended a \$9.5 million SBA 504 loan to a business to refinance and existing debt and advance over half of the amount of the loan to expand its warehouse, which supported business growth and job creation.

### Qualified Investments

Peoples Bank made a number of donations benefitting the Decatur MSA AA. For example, in 2020 and 2021, the bank donated \$7,000 to two organizations that work with small businesses to promote business and commerce; and, in 2020 and 2021, the institution provided a total of \$2,600 to a non-profit organization that helps to meet needs of at-risk children in foster care.

Qualified Investments by Purpose in Decatur MSA Assessment Area										
Type	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Investments	-	-	-	-	-	-	-	-	-	-
Grants & Donations	-	-	10	11	5	7	-	-	15	18
<b>Total</b>	-	-	<b>10</b>	<b>11</b>	<b>5</b>	<b>7</b>	-	-	<b>15</b>	<b>18</b>
<i>Source: Bank Records</i>										

## **Community Development Services**

Employees provided 14 community development services in the Decatur MSA AA. By purpose, 11 activities provided community services for low- and moderate-income people, three activities supported affordable housing, and one activity assisted with economic development. The following are examples of community development services provided in this assessment area.

- In 2021, two officers served in leadership roles for a non-profit affordable housing organization in the assessment area. The organization partners with various organizations in the community to help with the building of affordable homes for low- and moderate-income individuals.
- In 2021 and 2022, an officer served in a leadership role as the Treasurer for a non-profit organization utilizing financial expertise and technical assistance to assist low- to moderate-income population. The non-profit organization works with many organizations to provide essential services and is located in a moderate-income census tract.
- In 2023, an employee provided financial education to students at a school located in a moderate-income census tract where 89.9 percent of students receive free and discounted lunches.

## GADSDEN MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GADSDEN MSA ASSESSMENT AREA

The Gadsden MSA AA consists of 33 census tracts across all of Etowah County, which comprises the Gadsden, AL MSA. At the previous evaluation, this assessment area consisted of 30 census tracts within Etowah County in its entirety. Of the 30 census tracts, there were 3 low-income census tracts, which represented 10.0 percent of total tracts, and 10 moderate-income census tracts, which represented 33.3 percent of total tracts.

Two (7.1 percent) of the bank’s 28 offices, both of which are full-service offices, are located in this assessment area. The branching network within this assessment area has not changed since the previous evaluation. Both of the offices are located in middle-income census tracts. The assessment area also accounts for 6.8 percent of the bank’s lending and 4.5 percent of the institution’s deposits.

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

The following table illustrates select demographic characteristics of the Gadsden MSA AA. This assessment area includes 33 census tracts, which consist of 3 low-, 7 moderate-, 14 middle-, 8 upper-income census tracts and one tract is not income designated.

<b>Demographic Information of the AL Non-MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	33	9.1	21.2	42.4	24.2	3.0
Population by Geography	103,436	5.6	14.6	46.2	32.1	1.5
Housing Units by Geography	47,805	7.2	16.3	45.0	29.7	1.9
Owner-Occupied Units by Geography	28,285	2.9	13.5	45.6	37.2	0.8
Occupied Rental Units by Geography	10,480	17.9	21.1	41.7	15.4	3.9
Vacant Units by Geography	9,040	8.0	19.6	46.9	22.6	2.9
Businesses by Geography	7,789	6.5	15.2	43.6	32.9	1.8
Farms by Geography	240	1.3	6.3	55.4	37.1	0.0
Family Distribution by Income Level	25,383	21.3	18.0	19.3	41.4	0.0
Household Distribution by Income Level	38,765	23.9	16.6	17.3	42.2	0.0
Median Family Income MSA - 23460 Gadsden, AL MSA		\$59,713	Median Housing Value			\$115,026
			Median Gross Rent			\$690
			Families Below Poverty Level			12.7%
<i>Source: 2020 U.S. Census Data; 2022 D&amp;B Data; FFIEC Estimated MFI. Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies (census tracts) that have not been assigned an income classification.</i>						

The 2021 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) level is used to analyze home mortgage loans under the *Borrower Profile* criterion. As shown, the maximum MFI for low-income families less than \$31,750, which is low when considering the median housing value of \$98,009. In addition, 14.8 percent of families had incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories in the assessment area.

<b>Gadsden, AL MSA Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2021 (\$63,500)	<\$31,750	\$31,750 to <\$50,800	\$50,800 to <\$76,200	≥\$76,200
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for Gadsden MSA AA declined from 2020 to December 2022. The assessment area has slightly higher unemployment rates than the state, and is generally comparable to the national rates during the evaluation timeframe.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>December 2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Etowah County	8.5	4.1	2.5
State of Alabama	6.5	3.4	2.3
Nation	8.1	5.3	3.3
<i>Source: Bureau of Labor Statistics</i>			

In terms of businesses and the economy, the 2022 D&B data shows the top industries in the Gadsden MSA assessment area were services and retail trade. The largest employers in the assessment area are Gadsden Regional Medical Center, Etowah County Board of Education, Koch Foods, Riverview Regional Medical Center, and Walmart.

### **Competition**

There is a moderate level of competition for deposits in the Gadsden MSA AA. In addition to competing with large national and regional banks, the bank competes with local banks, credit unions, and finance companies. As of June 30, 2022, 13 FDIC insured institutions operated 23 offices within the Gadsden MSA AA. The top three institutions by deposit market share were Regions Bank (23.5 percent), The Exchange Bank of Alabama (22.6 percent), and River Bank and Trust (13.5 percent). Peoples Bank ranked 8<sup>th</sup> in deposit market share with 3.6 percent of the deposits.

There is a moderate level of competition for home mortgage loans among some financial institutions within the Gadsden MSA AA. In 2021, 205 lenders reported 3,495 originated or purchased home mortgage loans. The top five home mortgage originators (by number of loans) were Fairway Independent Mortgage Corporation, Rocket Mortgage, Renasant Bank, First Federal Bank, and Regions Bank. Collectively, these leading institutions accounted for 30.7 percent of the total market share. Peoples Bank ranked 71<sup>st</sup> in home mortgage lending with a market share of 0.2 percent.

Although the bank is not a small business reporter, there is a moderate level of competition for small business loans among some financial institutions within the Gadsden MSA AA. In 2021, aggregate data reflects 66 lenders reported 1,783 small business loans. The top five institutions (by number of loans) were American Express National Bank; River Bank and Trust; Synchrony Bank; Regions Bank; and Capital One Bank (USA), N.A. Collectively, these leading institutions accounted for 48.7 percent of the total market share.

## **Community Contact**

During this evaluation, examiners utilized an existing community contact with an industrial development organization that serves the Gadsden MSA AA. The contact stated economic conditions are stable and showing some improvement since COVID-19 infections decline. The contact stated there is a need in the community for small business loans. The contact added that while there are some small business loan programs, the minimum requirements, as well as SBA amounts, do not tailor to needs of smaller local establishments.

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

Based on demographic and economic data, and information from a recent existing community contact, some conclusions regarding the credit needs of the Gadsden MSA AA can be derived. Initially, small business flexible financing and financial counseling are needed in the community. This need is further magnified by demographic and economic data that reflect a significant percentage of businesses with GARs of \$1.0 million or less and a large number of businesses with four or fewer employees operating within the assessment area. Second, the relatively high number of low- and moderate-income families, at 24.6 percent and 16.1 percent, respectively, in comparison to home prices indicates a strong need for affordable housing.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GADSDEN MSA ASSESSMENT AREA**

## **LENDING TEST**

In the Gadsden MSA AA, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on reasonable dispersion of home mortgage loans. Additionally, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans. As previously addressed, this AA will receive the least weight given its limited lending from the loans sampled during the evaluation period.

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion was based on reasonable dispersion of home mortgage loans.

### *Small Business Loans*

The geographic distribution of the small business loans reflects a poor dispersion in the assessment area. As shown in the below table, the bank did not extend any small business loans within low- or moderate-income census tracts.

Geographic Distribution of Small Business Loans in the Gadsden MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	6.5	0	0.0	0	0.0
Moderate	15.2	0	0.0	0	0.0
Middle	43.6	3	30.0	424	28.4
Upper	32.9	6	60.0	970	64.9
Not Available	1.8	1	10.0	100	6.7
<b>Totals</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,494</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data and Bank Records. Due to rounding, totals may not equal 100.0%</i>					

### Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a reasonable penetration throughout the assessment area. As illustrated in the table below, the bank's extended one loan, which was above both aggregate and demographic data. The bank did not extend any home mortgage loans in low-income census tracts in 2020. Aggregate data and demographic information indicated limited lending opportunities in these tracts. The institution did not extend any home mortgage loans in moderate-income census in 2021. In 2020, the bank extended three or 30.0 percent of its home mortgage loans in moderate-income census tracts, which is significantly higher than both aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans in the Gadsden MSA Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2021	4.0	1.0	1	14.3	45	0.5
Moderate							
	2021	19.7	9.7	0	0.0	0	0.0
Middle							
	2021	43.5	38.2	3	42.9	9,184	95.2
Upper							
	2021	32.9	51.1	3	42.9	420	4.3
Not Available							
	2021	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>							
	<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>9,649</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>							

## **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion was based on reasonable penetration of small business and home mortgage loans.

### *Small Business Loans*

The bank's small business lending performance reflects reasonable penetration. As illustrated in the following table, the institution's lending is below the percentage of businesses with revenues of \$1 million or less. However, the institution originated over half of its small business loans to small businesses with revenues of \$1 million or less, by number and dollar amount, and there is a moderate-level of competition for small business loans with the assessment area.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category in the Gadsden MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	86.0	6	60.0	996	66.7
>\$1,000,000	3.8	4	40.0	498	33.3
Revenue Not Available	10.2	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,494</b>	<b>100.0</b>

*Source: 2022 D&B Data and Bank Records*

### *Home Mortgage Loans*

The bank's lending to borrowers of different income levels represents a reasonable penetration in this assessment area. As shown in the following table, the bank did not originate any home mortgage loans to low-income borrowers. In 2020, the institution's lending performance is comparable to aggregate data but lower than demographic. During the evaluation timeframe, families with incomes below the federal poverty levels were at 15.4 percent in the assessment area. These families may not qualify for home mortgage loans even if offered special terms. The bank's level of lending to moderate-income borrowers was slightly lower, but comparable to aggregate and demographic data. Performance in 2020 was similar to 2021 lending levels to moderate-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level in the Gadsden SA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2021	24.6	8.6	0	0.0	0	0.0
Moderate						
2021	16.1	18.5	1	14.3	45	0.5
Middle						
2021	19.2	23.6	0	0.0	0	0.0
Upper						
2021	40.1	29.2	1	14.3	112	1.2
Not Available						
2021	0.0	20.0	5	71.4	9,492	98.4
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>9,649</b>	<b>100.0</b>

*Source: 2015 ACS; 2021 HMDA Data; and 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.*

## **COMMUNITY DEVELOPMENT TEST**

The bank’s community development performance demonstrates excellent responsiveness to the community development needs in the assessment area. The bank met these needs through community development loans, qualified investments, and community development services.

### **Community Development Loans**

Peoples Bank originated a relatively high level of community development loans in the Gadsden MSA AA. The bank extended 19 community development loans totaling \$3.1 million during the evaluation period in this assessment area. This amount represents 6.2 percent by number and 6.3 percent by dollar volume of the total community development loans extended in the assessment areas. The following are examples of community development loans originated in this assessment area.

- In 2020 and 2021, the institution originated 21 SBA PPP loans totaling \$677,210 to organizations that supported stabilization of area businesses during the COVID-19 pandemic.
- In 2020, the bank originated an economic development SBA 504 loan totaling \$333,000. The loan was to purchase real estate for a small business that assisted with job continuation for low- and moderate-income individuals in the assessment area.
- In 2020, Peoples Bank provided permanent financing for a \$2.0 million real estate loan to a new car wash business located in a low-income census tract. The loan facilitated with job creation for low- to moderate-income individuals.

**Qualified Investments**

Peoples Bank made some donations benefitting the Gadsden MSA AA. The bank extended eight donations totaling approximately \$7,000 during the evaluation period in this assessment area. For example, in 2020, the bank provided a \$1,000 donation to a non-profit organization that provides food for low- and moderate-income individuals and families; and, in 2022, the institution provided a \$2,500 donation to a non-profit organization that provides basic needs for students from low- and moderate-income families so they may succeed in school and life.

<b>Qualified Investments by Purpose in Gadsden MSA Assessment Area</b>										
<b>Type</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
Investments	-	-	-	-	-	-	-	-	-	-
Grants & Donations	1	1	6	4	1	1	-	-	8	7
<b>Total</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>7</b>
<i>Source: Bank Records.</i>										

**Community Development Services**

Employees provided three community development services in this assessment area. By purpose, all three activities provided community services for low- and moderate-income individuals. The following are details of community development services provided in this assessment area.

- In 2022, two employees provide technical assistance to a non-profit, health clinic. The organization’s mission is to provide free quality healthcare to the low-income, uninsured population in the community.
- In 2021, an employee serves in a leadership capacity with a non-profit organization that works with at-risk children who have been traumatized. The organization’s funding is provided through various federal, local and charitable sources so all services are provided free.

## 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.

## 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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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.

## PEOPLES BANK OF ALABAMA BRANCH LOCATIONS

Branch/ATM Address	Drive-Up Facility (Y,N)	ATM (Y,N)	Date Opened	Census Tract Income Classification
1912 Cherokee Ave SW, Cullman, AL 35055 Main Office	N	Y	Opened 10/24/1977	9650.00 Middle
801 2 <sup>nd</sup> Ave SW, Cullman, AL 35055 Cullman, AL 35055 (Drive-up only)	Y	Y	10/24/1977	9650.00 Middle
10695 US Hwy 278 E, Holly Pond, AL 35083	Y	Y	10/10/1983	9653.00 Middle
204 Main St NE, Hanceville, AL 35077	Y	N	1/11/1988	9654.02 Middle
12081 AL Hwy 69 N Suite D, Baileyton, AL 35019	Y	Y	8/31/1989	9641.00 Middle
401 Lee Street, Decatur, AL 35601	Y	Y	Opened 6/30/1986	4.00 Middle
336 Fieldstown Rd, Gardendale, AL 35071	Y	Y (ITM)	6/26/1995	117.03 Middle
435 Hwy 69 S, Hanceville, AL 35077	Y	Y	11/20/1995	9655.00 Upper
10437 Hwy 36 E, Lacey's Spring, AL 35754	Y	Y	2/1/1991	57.02 Middle
5276 Hwy 67, Somerville, AL 35670	Y	Y	5/24/1993	54.05 Middle
918 2 <sup>nd</sup> Ave E, Oneonta, AL 35121	Y	Y	8/12/2000	501.02 Middle
420 Caldwell Drive, Warrior, AL 35180	Y	Y	5/15/2000	114.00 Middle
2133 N Brindlee Mtn Pkwy, Arab, AL 35016	Y	Y	6/30/2001	304.02 Upper
7473 US Hwy 431, Albertville, AL 35950	Y	Y	7/21/1998	308.01 Middle (Underserved)
200 Billy Dyar Blvd, Boaz, AL 35957	Y	Y	7/21/1998	312.00 Upper
2125 Henry St, Guntersville, AL 35976	Y	Y	10/5/1998	306.02 Middle
5052 Al-157, Cullman, AL 35055	Y	Y	8/30/2002	9649.00 Upper
910 N Brindlee Mtn Pkwy, Arab, AL 35016	Y	Y	1/28/1994	304.01 Upper
29900 Hwy 79, Locust Fork, AL 35097	Y	Y	9/1/2004	507.00 Moderate
68870 Main St, Blountsville, AL 35031	Y	Y	9/26/2005	505.00 Moderate

**PEOPLES BANK OF ALABAMA BRANCH LOCATIONS (continued)**

<b>Branch/ATM Address</b>	<b>Drive-Up Facility (Y,N)</b>	<b>ATM (Y,N)</b>	<b>Date Opened</b>	<b>Census Tract Income Classification</b>
1737 6 <sup>th</sup> Ave SE, Decatur, AL 35601	Y	Y	2/27/2006	3.00 Middle
501 Highway 31 SW, Hartselle, AL 35640	Y	Y	8/21/2007	53.03 Middle
1285 Chesnut Bypass, Centre, AL 35960	Y	Y	10/06/2008	9560.00 Middle
400 West Meighan Blvd, Gadsden, AL 35901	Y	Y (ITM)	3/23/2009	12.00 Middle
2267 Pelham Pkwy, Pelham, AL 35124 (relocated from International Park as of 9/1/2023)	Y	Y	8/15/2016	303.15 Middle
3105 Rainbow Drive, Rainbow City, AL 35906	Y	Y	6/20/2017	104.01 Middle
417 20 <sup>th</sup> St North, Birmingham AL 35203	N	N	1/14/2019	27.00 Moderate
305 Main Street, Trussville, AL 35173	Y	Y	8/29/2022	111.08 Upper
4245 Balmoral Dr SW Suite 100, Huntsville, AL 35801	Y	Y	10/3/2022	26.00 Upper

**BRANCH LOCATIONS AND HOURS OF OPERATIONS**

<b>Branch Address</b>	<b>Lobby Hours</b>	<b>Drive-In Hours</b>
1912 Cherokee Ave SW, Cullman, AL 35055 Main Office	Mon- Fri 8:30 – 5:00 Sat - Closed	N/A
801 2 <sup>nd</sup> Ave SW, Cullman, AL 35055 Cullman, AL 35055 (Drive-up only)	N/A	Mon – Fri 8:00 – 5:00 Sat 8:00 – 12:00
10695 US Hwy 278 E, Holly Pond, AL 35083	Mon- Fri 8:30 – 5:00 Sat - Closed	Mon-Fri 8:30 – 5:00 Sat - Closed
204 Main St SE, Hanceville, AL 35077	Mon- Fri 8:30 – 5:00 Sat - Closed	Mon-Fri 8:30 – 5:00 Sat - 8:30 – 12:00
12081 AL Hwy 69 N Suite D, Baileyton, AL 35019	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
401 Lee Street, Decatur, AL 35601	Mon- Fri 8:30 – 5:00 Sat Closed	Mon – Fri 8:30 – 5:00 Sat Closed
336 Fieldstown Rd, Gardendale, AL 35071	Mon- Fri 8:30 - 5:00 Sat Closed	Mon-Fri 8:30 - 5:00 Sat Closed
435 Hwy 69 S, Hanceville, AL 35077	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
10437 Hwy 36 E, Lacey’s Spring, AL 35754	<b>Mon- Fri 9:00 – 5:00</b> (Closed for lunch 1:00 - 2:00) Sat Closed	Mon-Fri 9:00 – 5:00 Sat Closed
5276 Hwy 67, Somerville, AL 35670	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
918 2 <sup>nd</sup> Ave E, Oneonta, AL 35121	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat 8:30 – 12:00
420 Caldwell Drive, Warrior, AL 35180	Mon- Fri 8:30 – 5:00 Sat Closed	Mon- Fri 8:30 – 5:00 Sat 8:30 – 12:00
2133 N Brindlee Mtn Pkwy, Arab, AL 35016	Mon-Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
7473 US Hwy 431, Albertville, AL 35950	Mon-Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat 8:30 – 12:00
200 Billy Dyar Blvd, Boaz, AL 35957	Mon-Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
14340 U S Hwy 431, Guntersville, AL 35976	Mon-Fri 8:30 – 5:00 Sat Closed	Mon –Fri 8:30 – 5:00 Sat Closed
5052 Al-157, Cullman, AL 35055	Mon-Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat 8:30 – 12:00
910 N Brindlee Mtn Pkwy, Arab, AL 35016	Mon-Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat 8:30 – 12:00
29900 Hwy 79, Locust Fork, AL 35097	Mon- Fri 9:00 - 5:00 (Closed for lunch 1:00 - 2:00) Sat Closed	Mon-Fri 9:00 - 5:00 Sat Closed
68870 Main St, Blountsville, AL 35031	Mon-Thu 8:30 – 4:30 Fri 8:30 – 5:00 Sat Closed	Mon-Thur 8:30 - 4:30 Fri 8:30 - 5:00 Sat Closed
1737 6 <sup>th</sup> Ave SE, Decatur, AL 35601	Mon-Fri 8:30 – 5:00 Sat Closed	Mon- Fri 8:30 – 5:00 Sat Closed
501 Highway 31 SW, Hartselle, AL 35640	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
1285 Chesnut Bypass, Centre, AL 35960	Mon-Fri 8:00 – 4:30 Sat Closed	Mon- Fri 8:00 – 4:30 Sat Closed
400 West Meighan Blvd, Gadsden, AL 35901	Mon- Fri 8:30 – 5:00 Sat Closed	Mon – Fri 8:30 – 5:00 (ITM) Sat Closed
2267 Pelham Pkwy, Pelham, AL 35124	Mon- Fri 8:30 – 5:00 Sat Closed	Mon-Fri 8:30 – 5:00 Sat Closed
3105 Rainbow Drive, Rainbow City, AL 35906	Mon- Fri 8:30 – 5:00 Sat Closed	Mon- Fri 8:30 – 5:00 Sat Closed

**BRANCH LOCATIONS AND HOURS OF OPERATIONS**

<b>Branch Address</b>	<b>Lobby Hours</b>	<b>Drive-In Hours</b>
417 20 <sup>th</sup> Street North, Birmingham, AL 35203	Mon- Fri 8:30 – 5:00 Closed Sat	N/A
305 Main St, Trussville, AL 35173	Mon- Fri 8:30 – 5:00 Sat Closed	Mon- Fri 8:30 – 5:00 Sat Closed
4245 Balmoral Dr SW, Suite 100 Huntsville, AL 35801	Mon- Fri 8:30 – 5:00 Sat Closed	Mon- Fri 8:30 – 5:00 Sat Closed

## CONVENIENTLY LOCATED REMOTE ATMS

ATM Address	Date Opened	Census Tract # Income Classification
1006 4 <sup>th</sup> St SW, Cullman, AL 35055	1998	9648.00 Middle
11527 Hwy 278 W, Cullman, AL 35055	3/3/2003	9645.00 Middle
265 County Road 1242, Cullman, AL 35179	3/1/1998	9644.00 Middle
1305 Decatur Hwy #2, Gardendale, AL 35071	3/20/2014	117.05 Middle
87348 Hwy 278, Altoona, (Snead) AL 35172	10/2/2014	503.00 Moderate
4971 Hwy 68, Cedar Bluff, AL 35959	12/5/2014	9557.01 Middle
780 Main St NE, Hanceville, AL 35077	1999	9654.01 Middle
735 2 <sup>nd</sup> Ave NW, Cullman, AL 35055	1998	9648.00 Middle
1455 Sunset Drive, Guntersville, AL 35976	3/18/15	306.00 Middle (Underserved)

**BRANCH/ATM LOCATIONS OPENED Since– 2025**

<b>Branch/ATM Address</b>	<b>Date Opened</b>	<b>ATM Only?</b>	<b>Census Tract # Income Classification</b>
None			

**BRANCH LOCATIONS CLOSED Since – 2025**

<b>Branch/ATM Address</b>	<b>Date Opened</b>	<b>Date Closed</b>	<b>Census Tract # Income Classification</b>
None			

## AVAILABLE PRODUCTS & SERVICES



### Commercial Loan Products

- Business Lines of Credit
- Term Loans
- Construction Lines and Loans
- Commercial Real Estate Loans (owner occupied and investment real estate)
- Commercial Credit Cards ((offered through TCM Bank, subsidiary of ICBA Payments)
- SBA Lending (504)

### Probilling and Funding (PBFS)

- Invoice factoring (PBFS purchases accounts payable invoices)

### Consumer Loan Products

- Mortgage Loans
- Personal Loans
- CashPlease Small Dollar Loan
- Auto Loans
- Home Equity Lines of Credit
- Personal Credit Cards (offered through TCM Bank, subsidiary of ICBA Payments)
- Personal Secured Credit Cards (offered through TCM, subsidiary of ICBA Payments)

### Peoples Bank of Alabama Deposit Services

- Checking Accounts
- Savings Accounts
- Time Deposit Accounts
- Individual Retirement Accounts
- Commercial Banking
- Commercial Cash Management Services (ACH Origination, Wire Transfers, Remote Deposit Capture, Positive Pay and Lockbox Services)
- Deposit-Taking Automated Teller Machines/Interactive (Video) Teller Machines
- DISCOVER Debit Cards

## DELIVERY CHANNELS

Peoples Bank of Alabama of Alabama (PBA) offers the capability to perform banking functions through various channels. Some or all of these channels are widely available to all customers.

**Personal Customer Service** - Our branches are conveniently located to provide the personal contact and traditional banking service 42.5 hours per week. The bank's website lists the branch locations and hours each branch is open.

**Staff Assisted Telephone Banking** services are available to all customers with our personal customer support staff. Our customer support department is available 55 hours per week; 7:30am – 5:30pm, M-F and 8am – 1pm on Saturdays. Our automated phone system is available to all customers 24 hours a day, and offers a full array of services including the ability to retrieve balances, report lost/stolen debit cards, place stop payments, and transfer funds.

**Internet (On-Line) Banking** services are also offered (currently at no charge) to all PBA customers. The on-line banking system allows customers to retrieve balances, transfer funds, print statements, send a secure message to the Bank, establish account balance or transaction alerts, access account histories, view check images, bill payment services, and personal financial management. No charge for this service.

**Mobile Banking** services allow quick access to accounts, ability to transfer funds, bill payment services, photo-deposit, P2P and ability to setup account balance or transaction alerts as well as payment reminders. No charge for this service.

**Deposit Smart ATM Banking** - PBA has thirty-seven (37) conveniently located ATMs. In addition, the bank has four (4) ATM/ITM which provide customer service with a live teller during banking hours and after hours serves as ATM with deposit services, balance inquiry and cash withdrawals 24 hours per day.

**Website [peoplesbankal.com](http://peoplesbankal.com)** - PBA maintains a website that provides on-line banking capabilities, bank information including product and service descriptions, employment opportunities, bank news, bank history, bank financial information, an on-line library of financial literacy content and financial calculators and “contact-us” capabilities via secure e-mail.

#### **Automated-Telephone Banking (888) 537-8772**

- 24-hour accessible
- Account information – deposit and loan accounts
- Funds transfer
- Product/service/location/hours information
- Report lost/stolen Debit Card
- No-charge for service

#### **Night Deposit Services or Bank by Mail**

- Night deposit bags are provided free to businesses and envelopes are provided for consumers for using the bank’s 24-hour night drops at all facilities for after-hour transactions. Bags with locks are available for a \$20 one-time fee.
- Bank-by-mail is available

#### **Other Alternative Retail Delivery Services**

- On-line mortgage applications at [www.peoplesbankmortgage.com](http://www.peoplesbankmortgage.com)
- Toll-Free number for mortgage loan applications (877) 788-0288
- Open checking or savings account on-line at [www.peoplesbankal.com](http://www.peoplesbankal.com)

**FEE SCHEDULE**

**Peoples Bank of Alabama**  
**1912 Cherokee Ave SW**  
**Cullman, Alabama 35055**  
**(877)788-0288**  
**peoplesbankal.com**

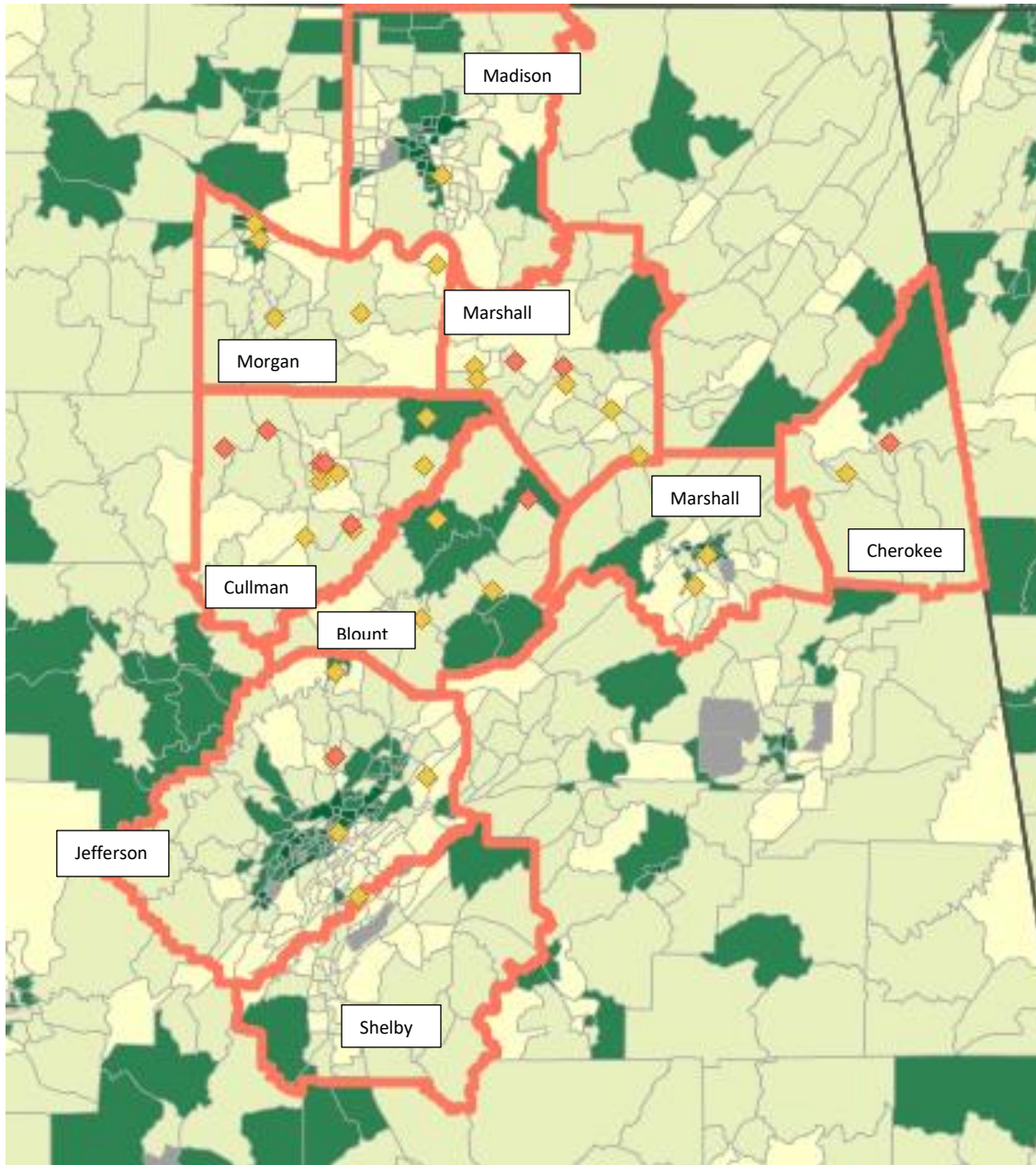
Effective as of January 1, 2022

**FEES AND CHARGES.** The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

OVERDRAFT FEE or RETURNED ITEM FEE:.....	\$22.00
An OVERDRAFT FEE of \$22.00 will be assessed for each item that is presented or re-presented and paid against insufficient funds. A RETURNED ITEM FEE of \$22.00 will be assessed for each item presented or re-presented and returned unpaid. OVERDRAFT (Paid Items) or RETURNED ITEM FEES are imposed for overdrafts created by check or drafts, in-person withdrawal, ATM withdrawal, or other electronic means. The maximum OVERDRAFT (Paid Item) fees is \$176.00 per day on consumer accounts. If an item should create an overdraft of \$10.00 or less, no fees are assessed. Individual items that are \$1.00 or less will not be assessed an overdraft fee.	
An Overdraft Continuation Fee will be charged every 5th business day the account is consecutively overdrawn (OD). Maximum Overdraft Continuation Fee is \$30.00 during each consecutive OD period.	\$5.00
Stop Payment per check or debit	\$25.00
Staff Assisted Telephone Transfer (Transfers completed via on-line banking or telephone banking are free)	\$5.00
Research per Hour (Minimum charge 1 hour)	\$20.00
Research per copy	\$1.00
Statements on Compact Disk (maximum 12 months statements per disk)	\$30.00
Domestic Wire Transfer (incoming/outgoing)	\$15.00
International Wire Transfer (incoming/outgoing)	\$45.00
Official Checks (service for Peoples Bank customers only)	\$5.00
Collection Item (additional fees may be imposed by paying bank)	\$20.00
Replacement Debit Cards	\$5.00
Dormant Account Fee per Month when balance falls below \$500. Checking accounts will be considered inactive (dormant) after 6 months of no activity. Savings accounts will be considered inactive (dormant) after 18 months of no activity. Youth Savings accounts are excluded from this fee.	\$10.00
Temporary Statement (staff assisted)	\$2.00
Paper Statement mailed (per statement)	\$4.00
eStatement	\$0.00
Returned Deposited Item (per check/item)	\$6.00
ATM Withdrawal (from ATM not owned by Peoples Bank)	\$1.00
ATM Transfer (from ATM not owned by Peoples Bank)	\$1.00
ATM Inquiry (from ATM not owned by Peoples Bank)	\$1.00
Account Closing (within 180 days of opening a checking or savings)	\$35.00
Account Reconciliation Assistance (per hour)	\$15.00
Legal Processing (levies and garnishments per order)	\$50.00
Secure Advantage Checking package (OPTIONAL add-on feature) per month	\$7.50

# Peoples Bank of Alabama – Assessment Areas



Assessment Areas		
County	# of Full-Service Branches	# of CT
<b>Assessment Area 1 - Non-MSA</b>		
Cherokee County	1	18
Cullman County	6	22
Marshall County	6	26
<b>Assessment Area 2 - Birmingham-Hoover MSA</b>		
Blount County	3	16
Jefferson County	4	189
Shelby County	1	55
<b>Assessment Area 3 - Decatur MSA</b>		
Morgan County	5	31
<b>Assessment Area 4 - Gadsden MSA</b>		
Etowah County	2	33
<b>Assessment Area 5 - Huntsville MSA</b>		
Madison County	1	95

- State
- County
- Census Tract
- Zip Code
- Assessment Area

- ◆ Branch
- ◆ Limited Service Branch
- ◆ Main Office
- ◆ Cash Dispenser
- ◆ Deposit ATM or ITM
- ◆ Other

- Income Level**
- Low
  - Moderate
  - Middle
  - Upper
  - N/A

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## ***Home Mortgage Disclosure Act Notice***

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The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

**PEOPLES BANK OF ALABAMA  
LOAN TO DEPOSIT RATIO REPORT**

<b>Call Report Date</b>	<b>Loan to Deposits Ratio</b>	<b>Total Deposits</b>	<b>Total Loans</b>	<b>Total Assets</b>
3/31/2024	72.95%	1,196,365	872,782	1,310,967
6/30/2024	70.76%	1,209,594	855,948	1,329,857
9/30/2024	71.02%	1,213,609	861,855	1,345,210
12/31/2024	71.75%	1,219,405	874,867	1,352,190
3/31/2025	68.27%	1,286,005	877,982	1,418,494
6/30/2025	68.38%	1,288,041	880,719	1,423,498
9/30/2025	69.78%	1,278,477	892,058	1,424,720
12/31/2025	72.19%	1,252,512	904,187	1,407,730