



**PEOPLES
EXCHANGE
BANK**

CRA Public File

Home Mortgage Disclosure Act Notice

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. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.

PUBLIC DISCLOSURE

March 11, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples Exchange Bank
Certificate Number: 8785

101 N Main St
Winchester, Kentucky 40391

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREAS.....	2
SCOPE OF EVALUATION	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	4
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	7
LEXINGTON MSA ASSESSMENT AREA – Full-Scope Review.....	8
KENTUCKY NON-MSA ASSESSMENT AREA – Full-Scope Review.....	16
APPENDICES	23
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	23
GLOSSARY	24

INSTITUTION RATING

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

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

Peoples Exchange Bank's (PEB) Satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. The following points summarize PEB's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and the credit needs of its AAs.
- The institution made a majority of its home mortgage and small business loans in the AAs.
- The geographic distribution reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution's community development (CD) performance demonstrated adequate responsiveness to the needs of its AAs through CD loans, qualified investments, and CD services. Examiners considered the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

DESCRIPTION OF INSTITUTION

Peoples Exchange Bank (PEB), a community bank headquartered in Winchester, Kentucky, operates in Clark, Fayette, Kenton, Lee, Montgomery, Powell, and Scott Counties, Kentucky. Genbeach Company, Inc., located in Winchester, Kentucky, is a single bank-holding company, which wholly owns PEB. PEB received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated May 21, 2021, based on Intermediate Small Institution Examination Procedures.

PEB operates nine full-service offices in its AAs. All branches are located within the state of Kentucky. Since the previous evaluation, PEB opened a branch in Kenton County on September 1, 2023, increasing the AA to include the Cincinnati OH-KY-IN (Cincinnati) Metropolitan Statistical Area (MSA). In addition, PEB closed two branches in Powell and Montgomery counties, respectively, on January 28, 2022. PEB did not have any merger or acquisition activity since the previous evaluation.

PEB offers a range of credit, deposit, and other financial products to meet the needs of its consumer and business customers. Deposit products include checking, savings, money market accounts, certificates of deposit, health savings accounts, and individual retirement accounts. Credit products

include home mortgage, commercial, agriculture, construction, and consumer loans, primarily focusing on home mortgage lending and commercial lending. PEB continues to act as a broker for several government loan programs, such as Federal Housing Association, Veterans Administration, and the United States Department of Agriculture. Additionally, PEB continues to offer commercial customers Small Business Administration loans. Finally, PEB offers a Small Dollar Loan program. Examiners considered these loan types under the CD Test. Alternate delivery systems include telephone, mobile, and online banking, and cash management services for businesses. PEB operates ten institution-owned automated teller machines (ATMs). PEB's hours of operations and product offerings are consistent throughout the AAs.

As of December 31, 2023, PEB's assets totaled approximately \$544.9 million, including total loans of \$435.9 million, and securities totaled \$59.4 million. Deposits totaled \$460.4 million. The following table provides the loan portfolio composition. Construction, Land Development, and Other Land Loans increased 122.6 percent since the previous evaluation due to an increase in development projects in Northern and Eastern, Kentucky. However, this did not make a significant change in the bank's overall portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	40,304	9.2
Secured by Farmland	42,932	9.8
Secured by 1-4 Family Residential Properties	194,288	44.6
Secured by Multifamily (5 or more) Residential Properties	23,718	5.5
Secured by Nonfarm Nonresidential Properties	106,669	24.5
Total Real Estate Loans	407,911	93.6
Commercial and Industrial Loans	12,878	3.0
Agricultural Production and Other Loans to Farmers	5,720	1.3
Consumer Loans	6,834	1.5
Obligations of State and Political Subdivisions in the U.S.	2,534	0.6
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	435,877	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect PEB's ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within each examiner will evaluate its CRA performance. PEB designated two AAs, which includes three counties within the Lexington, KY Metropolitan Statistical Area (Lexington MSA) and three counties in the Kentucky Non-MSA. The Lexington MSA AA includes Clark, Fayette, and Scott Counties, in Kentucky and the Kentucky Non-MSA AA includes Lee, Montgomery, and Powell Counties. Due to the timing

of the evaluation and the opening of a branch in the Cincinnati MSA AA, examiners did not evaluate activities within this AA. Product offerings, hours of operations, and alternative delivery systems are consistent throughout the AAs. PEB's AAs are in conformance with CRA requirements as they consist of whole, contiguous census tracts and do not arbitrarily exclude LMI geographies. Additionally, the following table details the AAs weighting when considering the volume of loans, deposits, and branches. PEB's performance in the Lexington MSA AA carried the most weight when drawing conclusions as it contains the largest portion of the institution's loans, deposits, and branches during the evaluation period. Examiners conducted a full-scope review of the Lexington MSA AA and Kentucky Non-MSA AA. Refer to subsequent sections below for specific information on each AA.

	Assessment Area Breakdown of Loans, Deposits, and Branches							
Assessment Area	HMDA Loans		Small Business Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	\$(000s)	%	#	%
Lexington MSA AA	180,837	92.8	8,911	88.6	247,244	56.0	5	62.5
Kentucky Non-MSA AA	13,949	7.2	1,145	11.4	193,978	44.0	3	37.5
Total	194,786	100.0	10,056	100.0	441,222	100.0	8	100.0
<i>Source: 2021 & 2022 HMDA LARs; Bank Data; FDIC Summary of Deposits (06/30/2023)</i>								

SCOPE OF EVALUATION

General Information

This evaluation covers the period from May 21, 2021 to March 11, 2024. Examiners used the Intermediate Small Institution Examination Procedures to evaluate PEB's CRA performance. Examiners evaluated the institution's performance under the criteria noted in the Appendix. Institutions must achieve at least a satisfactory rating under each test to obtain an overall "Satisfactory" or higher rating.

Activities Reviewed

Based on the December 31, 2023, Call Report data, PEB's major product lines continue to be home mortgage and small business lending. Examiners considered the institution's business strategy, loan portfolio composition, and number and dollar volume of loans originated during the evaluation period. Collectively, these two loan categories comprise approximately 72.1 percent of PEB's total loan portfolio. No other loan types, such as small farm or consumer lending, represent a major product line. Therefore, they provide no material support for the conclusions or ratings herein. Based on the portfolio composition, primary lending focus, and community credit needs, examiners placed more weight on home mortgage lending performance due to loan volume during the evaluation period.

Examiners analyzed 2021 and 2022 home mortgage loans reported under HMDA data collection requirements. In 2021 PEB originated 665 home mortgage loans totaling \$137.3 million, and 399 home mortgage loans totaling \$112.9 million in 2022. Examiners analyzed both 2021 and 2022 data under the Geographic Distribution and Borrower Profile criteria and presented both years due to inconsistencies in performance between the two years. Aggregate HMDA data, 2015 ACS data (for 2021), and U.S. Census data (for 2022) served as standards of comparison in analyzing home

mortgage lending. Examiners generally focused on the comparison to aggregate data, as it is a better indicator of market demand and lending opportunities.

Examiners used institution records to analyze a sample of small business loans originated for calendar year 2023. The bank is not required to collect or report small business data and elected not to do so; therefore, examiners compared the bank's performance to demographic data. PEB originated or renewed 233 small business loans totaling \$31.3 million, of which examiners sampled 55 loans totaling \$6.7 million. D&B data provided a standard of comparison for the bank's small business lending performance.

For the Lending Test, examiners analyzed and presented both the number and dollar volume of home mortgage and small business loans. However, examiners emphasized performance relative to the number of loans as this is a better indicator of the number of individuals and small businesses served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners evaluated loans extended within the AAs.

For the CD Test, PEB management provided data on CD loans, qualified investments, and CD services since the previous evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

PEB demonstrated satisfactory performance under the Lending Test. Reasonable performance under the Geographic Distribution and Borrower Profile criteria primarily supports this conclusion.

Loan-to-Deposit Ratio (LTD)

The LTD ratio is reasonable given PEB's size, financial condition, and AAs credit needs. The LTD ratio, calculated from the Call Report data, averaged 88.2 percent over the past 11 quarters from June 30, 2021 to December 31, 2023. The ratio ranged from a low of 79.9 percent as of December 31, 2021, to a high of 96.6 percent as of June 30, 2023. As reflected in the following table, PEB's ratio was comparable to two and was higher than two similarly situated institutions (SSIs).

LTD Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Peoples Exchange Bank	544,878	88.2
Similarly-Situated Institution #1	725,662	67.0
Similarly-Situated Institution #2	659,813	49.4
Similarly-Situated Institution #3	705,304	86.8
Similarly-Situated Institution #4	484,302	91.2
Source: Reports of Condition and Income 6/30/2021 - 12/31/2023		

Assessment Area Concentration

PEB originated a majority of home mortgage and small business loans, by number and dollar volume, within the AA. The following table illustrates the lending activity both inside and outside of the AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000)	%	\$(000)	%	
Home Mortgage										
2021	522	78.5	143	21.5	665	107,218	78.1	30,097	21.9	137,315
2022	316	79.2	83	20.8	399	87,568	77.6	25,339	22.4	112,907
Total	838	78.8	226	21.2	1,064	194,786	77.8	55,436	22.2	250,222
Small Business										
2023	42	76.4	13	23.6	55	4,854	72.1	1,879	27.9	6,733
Source: 2021 and 2022 HMDA Reported Data; Bank Data										

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AAs. Excellent performance in the Lexington MSA AA and poor performance in the Kentucky Non-MSA AA, where less weight was given, supports this conclusion. Examiners analyzed and presented this criterion separately for each AA in the subsequent sections of this evaluation.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable performance in the Lexington MSA AA and Kentucky Non-MSA AA supports this conclusion.

Response to Complaints

PEB did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

PEB demonstrates adequate responsiveness to the CD needs of its AAs through CD loans, qualified investments, and CD services. Examiners considered the institution's capacity, need, and availability of such opportunities, as well as the performance of SSIs. Examiners selected comparable institutions based on asset size, geographic location, and lending focus.

Community Development Loans

PEB originated 22 CD loans totaling approximately \$15.8 million within the AAs during the evaluation period, representing 2.9 percent of total assets and 3.6 percent of total loans. The dollar volume of CD loans originated within the AAs was consistent to the previous evaluation. Since

PEB met the credit needs of its AAs, examiners also qualified five CD loans totaling \$4.8 million, which benefited the surrounding regional areas.

Examiners compared PEB's performance to four SSIs operating within the institution's AAs. PEB's CD loans to total assets and CD loans to total loans ratios compared to the ratios of SSIs, which ranged from 0.3 percent to 6.7 percent and 0.6 to 9.3 percent, respectively. The following table illustrates the institution's CD loans by AA and purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lexington MSA AA	12	9,181	1	16	-	-	4	5,935	17	15,132
Kentucky Non-MSA AA	1	25	3	269	-	-	1	350	5	644
Total in AA	13	9,206	4	285	-	-	5	6,285	22	15,776
Statewide or Regional Activities	3	2,192	-	-	-	-	2	2,559	5	4,751
Total	16	11,398	4	285	-	-	7	8,844	27	20,527
<i>Source: Bank Data</i>										

Qualified Investments

Overall, PEB made 36 qualified investments and donations, totaling \$2.2 million, in its AAs. Examiners also considered 3 CD investments and donations, totaling \$6,000, made outside the AAs during the evaluation period. The dollar amount of qualified investments and donations equates to 0.4 percent of total assets and 3.7 percent of total investments.

Examiners compared PEB's performance to four SSIs operating within the AAs. PEB's performance compared to the performance of SSIs, whose qualified investments ranged from 0.1 percent to 2.9 percent of total assets and 0.6 percent to 16.0 percent of total investments. PEB's volume of qualified investments increased since the previous evaluation. The following table displays the institution's overall investment and donation activity by AA and CD purpose.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lexington MSA AA	6	6	15	646	4	1	-	-	25	653
Kentucky Non-MSA AA	-	-	8	1,561	2	2	1	3	11	1,566
Total in AAs	6	6	23	2,207	6	3	1	3	36	2,219
Statewide or Regional Activities	-	-	3	6	-	-	-	-	3	6
Total	6	6	26	2,213	6	3	1	3	39	2,225
<i>Source: Bank Data</i>										

Community Development Services

During the evaluation period, PEB employees provided 57 instances of financial expertise or technical assistance to various CD related organizations in the AAs. This level of activity is a decrease from the previous CRA evaluation. Examiners compared PEB's performance to four SSIs operating within the AAs. PEB's performance was less than the SSIs, whose qualified CD services ranged from 63 to 202 services. The following table illustrates PEB's overall CD service activity by AA and purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Lexington MSA AA	13	18	8	4	43
Kentucky Non-MSA AA	0	2	12	0	14
Total	13	20	20	4	57
<i>Source: Bank Data</i>					

PEB also maintains three branches with ATMs in moderate-income geographies and one offsite ATM in a moderate-income geography. These branches and ATMs provide banking services to LMI individuals. In addition, PEB continues to offer the following products and services targeted to LMI individuals:

- **Start Fresh Checking Account:** PEB offers a second chance checking account to help meet the needs of LMI individuals. Since the previous evaluation, PEB opened over 217 accounts (Community Services).
- **Small Dollar Loan (SDL) Program:** PEB offers individuals with lower credit scores the opportunity to apply for unsecured loans between \$1,000 and \$3,000, and secured loans between \$1,000 and \$5,000. These loans serve an underserved market while helping consumers avoid reliance on high-cost debt. Since the previous evaluation, PEB originated 253 SDLs totaling \$555,340 (Community Services).
- **FHLB Welcome Home Program:** This program provides LMI borrowers with up to \$10,000 in grant money that borrowers use toward down payment assistance and closing costs. Since the previous evaluation, PEB provided 30 grants totaling \$207,500 (Affordable Housing).

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

LEXINGTON MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN LEXINGTON MSA ASSESSMENT AREA

The Lexington MSA AA consists of the entirety of Clark, Fayette, and Scott counties. PEB operates five branches within this AA. According to the 2020 U.S. Census data, two of the branches are located in moderate-, two in middle-, and one in upper-income census tracts. All the branches offer a full range of products and services. During the evaluation period, the Lexington MSA originated 92.8 percent of HMDA loans, 88.6 percent of small business loans, and 56.0 percent of deposits.

Economic and Demographic Data

Based on the 2020 U.S. Census data, the Lexington MSA consists of 111 census tracts with the following income designations: 7 low-, 27 moderate-, 41 middle-, and 33 upper-income. In addition, 3 census tracts had no income designation. The number of census tracts increased by five since the 2015 ACS data due to the designation of unknown tracts and the splitting of other census tracts. There are no middle-income census tracts designated as distressed or underserved within the AA. The following table provides additional demographic data.

Demographic Information of the Assessment Area – Lexington MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	111	6.3	24.3	36.9	29.7	2.7
Population by Geography	416,697	5.6	23.9	37.0	31.3	2.2
Housing Units by Geography	181,262	6.0	24.2	37.4	30.4	2.1
Owner-Occupied Units by Geography	96,930	2.6	18.5	39.2	39.3	0.4
Occupied Rental Units by Geography	69,758	9.7	31.6	35.3	19.1	4.3
Vacant Units by Geography	14,574	11.4	26.3	34.6	24.9	2.8
Businesses by Geography	48,705	4.1	19.3	34.7	36.2	5.7
Farms by Geography	1,856	2.5	12.3	40.3	42.1	2.7
Family Distribution by Income Level	100,136	21.8	17.0	20.0	41.3	0.0
Household Distribution by Income Level	166,688	24.4	16.3	17.4	41.9	0.0
Median Family Income MSA - 30460 Lexington-Fayette, KY MSA		\$78,944	Median Housing Value			\$204,349
			Median Gross Rent			\$910
			Families Below Poverty Level			9.6%
Source: 2020 U.S. Census and 2022 D&B Data; Due to rounding, totals may not equal 100.0%; (*) The NA category consists of geographies that have not been assigned an income classification.						

According the 2020 U.S. Census data, the AA consists for 181,262 housing units, of which 53.5 percent are owner-occupied, 38.5 percent are occupied-rental units, and 8.0 percent are vacant. The Geographic Distribution criterion compares the bank’s home mortgage lending to the distribution of

owner-occupied housing units in the AA. The analysis of small business loans under the Geographic Distribution criterion compares the institution's small business lending to the distribution of the businesses by geography within the AA, as noted in the table above.

Examiners used the FFIEC-updated median family income (MFI) figures to analyze home mortgage lending under the Borrower Profile criterion. The following table outlines the ranges for the AA during the evaluation period.

MFI Ranges – Lexington MSA AA				
MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$75,500)	<\$37,750	\$37,750 to <\$60,400	\$60,400 to <\$90,600	≥\$90,600
2022 (\$87,300)	<\$43,650	\$43,650 to <\$69,840	\$69,840 to <\$104,760	≥\$104,760
<i>Source: FFIEC</i>				

Examiners compare the distribution of lending by borrower's gross annual revenue (GAR) to analyze small business lending under the Borrower Profile criterion. According to 2023 D&B data, there were 51,337 small businesses in the AA. Approximately 90.1 percent of businesses had GARs of \$1.0 million or less, 2.6 percent had GARs over \$1.0 million, and 7.3 percent had unknown revenues. Of these businesses, 92.8 percent operate from a single location and 62.6 percent have four or fewer employees.

The services industry represents the largest portion of businesses at 35.9 percent, followed by non-classifiable establishments at 24.6 percent, and finance, insurance and real estate at 12.7 percent. Major employers in the area include University of Kentucky, Toyota Kentucky, Fayette County Public Schools, and Amazon.com.

Examiners considered unemployment data when evaluating PEB's ability to lend within the AA. According to the U.S. Bureau of Labor Statistics, the Lexington MSA AA annualized unemployment rates trended lower than both Kentucky and national levels throughout the evaluation period. Unemployment rates in the Lexington MSA AA ranged from a high of 4.5 percent to a low of 2.6 percent, while unemployment rates in Kentucky and the nation ranged from 5.5 percent to 3.5 percent and 6.8 percent to 3.1 percent, respectively.

Competition

There is a high level of competition in the Lexington MSA AA. According to the FDIC Deposit Market Share data as of June 30, 2023, 34 financial institutions operated 147 branches in the AA. PEB ranked fifteenth among the 34 institutions with 1.9 percent of the deposit market share. The top three institutions accounted for 43.0 percent for the total deposit market share in the AA.

Aggregate HMDA data indicates a high level of competition for home mortgage loans within the AA. According to the 2022 aggregate mortgage data, 412 lenders originated or purchased 19,435 home mortgage loans, with the top three lenders accounting for 17.9 percent. PEB ranked eighteenth among the 412 lenders, with 1.7 percent of the total market share.

There is also a high level of competition in the Lexington MSA AA for small business loans. Although CRA regulations do not require PEB to report data about its small business lending, aggregate data is useful in determining the level of competition for such loans. The 2022 data is the most recent data available and 97 lenders subject to CRA data collection requirements originated or purchased 9,926 small business loans throughout the AA. The top three lenders originated or purchased 52.1 percent of the small business loans in the AA.

Community Contact

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

Examiners reviewed a recent contact with a representative from a local economic development organization. The contact stated unemployment is low in the area, with many employers struggling to find and retain employees to fill open positions. The contact noted recent projects in the area include expansions of several large manufacturers and distilleries, and a large affordable housing project that included several local lenders. The contact also stated affordable housing is still a credit need in the area; however, home sales decreased due to the lack of available properties, increased home prices, and increased interest rates.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, institution management, and demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs in the AA. In addition, affordable housing continues to be a primary CD need in the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LEXINGTON MSA ASSESSMENT AREA

LENDING TEST

Overall, PEB demonstrated excellent performance under the Lending Test in the Lexington MSA AA, supported by excellent performance in the Geographic Distribution criteria and reasonable performance in the Borrower Profile criteria.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Lexington MSA AA. As stated earlier, based on the portfolio composition, primary lending focus, and community credit needs, examiners placed more weight on home mortgage lending performance due to the loan volume during the evaluation period.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Lexington MSA AA. Examiners focused on the comparison to aggregate data, as it is a better indicator of market demand and lending opportunities. In both 2021 and 2022, PEB's performance in the low-income geographies significantly exceeded aggregate data, as the bank's performance was

approximately two times aggregate data. PEB's performance in the moderate-income geographies also significantly exceeded aggregate data in 2021 (6.2 percent) and 2022 (9.9 percent).

Geographic Distribution of Home Mortgage Loans – Lexington MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	5.5	4.0	44	9.6	8,902	9.0
2022	2.6	2.8	14	5.1	4,393	5.4
Moderate						
2021	16.2	13.7	91	19.9	15,143	15.3
2022	18.5	16.5	73	26.4	15,560	19.0
Middle						
2021	41.8	40.0	213	46.6	44,473	44.9
2022	39.2	40.7	106	38.4	23,466	28.7
Upper						
2021	36.5	42.3	109	23.9	30,566	30.8
2022	39.3	39.3	79	28.6	25,342	31.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.4	0.7	4	1.4	12,993	15.9
Totals						
2021	100.0	100.0	457	100.0	99,084	100.0
2022	100.0	100.0	276	100.0	81,753	100.0
<i>Source: 2015 ACS and 2020 U.S Census Data; Bank Data, 2021 & 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Lexington MSA AA. In 2023, PEB made no loans in the low-income census tracts and performance was comparable with demographic data in the moderate-income tracts.

As previously discussed, there is a high level of competition in the Lexington MSA AA for small business loans, which may limit the opportunity for lending within the AA. Given the competition in the AA and limited number of businesses in the low-income census tracts, examiners considered PEBs performance reasonable.

Geographic Distribution of Small Business Loans – Lexington MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.0	0	0.0	0	0.0
Moderate	18.8	5	20.0	1,253	34.0
Middle	34.7	11	44.0	1,946	52.8
Upper	36.2	8	32.0	460	12.5
Not Available	6.3	1	4.0	30	0.8
Totals	100.0	25	100.0	3,689	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

PEB's distribution of home mortgage and small business loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels, including LMI individuals. According to demographic data, 11.4 and 9.6 percent, respectively, of families in the AA reported incomes below the poverty level in 2021 and 2022. Due to their limited financial resources, families with incomes below the poverty level often do not have the capacity to support a traditional home mortgage. Examiners generally focused on the comparison to aggregate data, as it is a better indicator of market demand and lending opportunities.

PEB's lending performance to low-income borrowers was slightly less than aggregate data in 2021 (1.3 percent) and 2022 (2 percent). For moderate-income borrowers, PEB's performance was comparable with aggregate data in 2021, but was less than aggregate data in 2022 (3.3 percent).

Although not presented in the following below, examiners considered the bank's 2023 lending performance compared to 2023 demographic data to determine the trend of performance. The bank originated 7 loans (5.0 percent) to low-income families compared to demographic data of 21.8 percent. Demographic data reports that 14.1 percent of families in the AA reported incomes below the poverty level. For moderate-income families, the bank originated 35 loans (25.2 percent) compared to demographic data of 17.0 percent. Overall, examiners considered PEB's performance reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level – Lexington MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	22.8	6.8	25	5.5	2,731	2.8
2022	21.8	8.5	18	6.5	2,624	3.2
Moderate						
2021	16.0	18.4	86	18.8	14,068	14.2
2022	17.0	19.2	44	15.9	7,900	9.7
Middle						
2021	19.1	20.5	86	18.8	16,224	16.4
2022	20.0	21.6	48	17.4	11,453	14.0
Upper						
2021	42.1	37.4	156	34.1	39,985	40.4
2022	41.3	36.0	78	28.3	24,669	30.2
Not Available						
2021	0.0	17.0	104	22.8	26,076	26.3
2022	0.0	14.6	88	31.9	35,106	42.9
Totals						
2021	100.0	100.0	457	100.0	99,084	100.0
2022	100.0	100.0	276	100.0	81,753	100.0
Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021 & 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. PEB's performance is comparable with demographic data.

Distribution of Small Business Loans by GAR Category - Lexington MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	90.1	23	92.0	2,729	74.0
>\$1,000,000	2.6	2	8.0	960	26.0
Revenue Not Available	7.2	0	0.0	0	0.0
Total	100.0	25	100.0	3,689	100.0
Source: 2023 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

PEB demonstrated adequate responsiveness to the CD needs in the Lexington MSA AA through CD loans, qualified investments and donations, and CD services. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

PEB originated 17 CD loans totaling \$15.1 million during the evaluation period within the AA. This level of CD lending is an increase in number of CD loans and a comparable dollar volume since the previous evaluation. The following table illustrates PEB's CD lending activity by year and purpose.

Community Development Lending – Lexington MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (partial)	7	5,847	1	16	-	-	2	2,347	10	8,210
2022	2	1,888	-	-	-	-	1	589	3	2,477
2023	3	1,445	-	-	-	-	1	3,000	4	4,445
YTD 2024		-	-	-	-	-	-	-	-	-
Total	12	9,180	1	16	-	-	4	5,936	17	15,132
<i>Source: Bank Data</i>										

The following are notable examples of PEB's CD loan activities:

- PEB originated or renewed 12 affordable housing loans totaling \$9.2 million to support multi-family properties with rents below fair market within the AA. (Affordable Housing)
- The bank originated a \$1.9 million loan to refinance a mixed used commercial property located in a moderate-income census tract. This loan revitalizes and stabilizes the area by retaining permanent jobs. (Revitalize or Stabilize)
- PEB originated a \$15,679 loan for the purchase of a van used to serve LMI individuals and families within the AA. The county uses the van to transport individuals to special events and for donation drop-offs. (Community Services)

Qualified Investments

PEB made 25 qualified investments and donations, totaling \$ 653,000, in the Lexington MSA AA. The level of investments and donations, by number and dollar volume, is an increase since the previous evaluation in this AA. The following table illustrates PEB's CD investments by year and purpose.

Qualified Investments by Year – Lexington MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	1	10	-	-	-	-	1	10
2021 (partial)	-	-	2	615	-	-	-	-	2	615
Subtotal	-	-	3	625	-	-	-	-	3	625
Qualified Grants & Donations	6	6	12	21	4	1	-	-	22	28
Total	6	6	15	646	4	1	-	-	25	653
<i>Source: Bank Data</i>										

The following are notable examples of the PEB's qualified investment and donation activities in the Lexington MSA AA:

- The institution donated \$15,000 during the evaluation period to a local food bank. (Community Service)
- PEB donated \$3,500 during the evaluation period to a non-profit housing organization that builds and rehabilitates affordable housing. (Affordable Housing)

Community Development Services

During the evaluation period, PEB employees provided 43 instances of financial expertise or technical assistance to CD-related organizations in the Lexington MSA AA. This volume of services in the AA is a decrease from the previous evaluation. The following table illustrates the number of services provided in this AA by year and CD purpose.

Community Development Services – Lexington MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (partial)	4	1	2	1	8
2022	3	6	2	1	12
2023	3	6	2	1	12
YTD 2024	3	5	2	1	11
Total	13	18	8	4	43
<i>Source: Bank Data</i>					

The following are notable examples of PEB's CD services activities:

- Two employees served on the Board of Directors and another employee served as Treasurer for organizations whose primary purposes are building new or renovating older homes for LMI individuals. (Affordable Housing)
- Two employees served on the Board of Directors for local economic development organizations. (Economic Development)

KENTUCKY NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN KENTUCKY NON-MSA ASSESSMENT AREA

The Kentucky Non-MSA AA consists of the entirety of Lee, Montgomery, and Powell counties. PEB operates three branches within this AA. According to the 2020 U.S. Census data, one branch is located in a moderate, one in a middle-, and one in an upper-income census tract. All the branches offer a full range of products and services. During the evaluation period, the Kentucky Non-MSA AA originated 7.2 percent of HMDA loans, 11.4 percent of small business loans, and 44.0 percent of deposits.

Economic and Demographic Data

Based on the 2020 U.S. Census data, the Kentucky Non-MSA AA consists of 14 census tracts with the following income designations: no low-, three moderate-, eight middle-, and three upper-income census tracts. The number of census tracts increased by three since the 2015 ACS data, due to the splitting of census tracts. There were three middle-income census tracts designated as distressed or underserved within the AA, one in Lee County and two in Powell County. The following table provides additional demographic data.

Demographic Information of the AA – Kentucky Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	21.4	57.1	21.4	0.0
Population by Geography	48,638	0.0	15.2	67.0	17.8	0.0
Housing Units by Geography	21,251	0.0	16.4	66.0	17.6	0.0
Owner-Occupied Units by Geography	12,468	0.0	15.9	65.3	18.8	0.0
Occupied Rental Units by Geography	5,767	0.0	15.7	70.4	13.9	0.0
Vacant Units by Geography	3,016	0.0	20.0	60.0	20.0	0.0
Businesses by Geography	3,354	0.0	10.1	71.0	18.9	0.0
Farms by Geography	163	0.0	12.9	63.2	23.9	0.0
Family Distribution by Income Level	12,632	25.2	16.3	15.2	43.4	0.0
Household Distribution by Income Level	18,235	27.2	13.4	15.9	43.5	0.0
Median Family Income Non-MSAs – KY		\$54,327	Median Housing Value			\$111,859
			Median Gross Rent			\$638
			Families Below Poverty Level			16.2%
Source: 2020 U.S. Census Data and 2022 D&B Data; Due to rounding, totals may not equal 100.0%; (*) The NA category consists of geographies that have not been assigned an income classification.						

According the 2020 U.S. Census data, the AA consists for 21,251 housing units, of which 58.7 percent are owner-occupied, 27.1 percent are occupied-rental units, and 14.2 percent are vacant.

The following table outlines the updated MFI ranges for the AA during the evaluation period.

MFI Ranges				
MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$52,600)	<\$26,300	\$26,300 to <\$42,080	\$42,080 to <\$63,120	≥\$63,120
2022 (\$61,700)	<\$30,850	\$30,850 to <\$49,360	\$49,360 to <\$74,040	≥\$74,040
<i>Source: FFIEC</i>				

According to 2023 D&B data, there were 3,874 small businesses in the AA. Approximately 86.8 percent of businesses had GARs of \$1.0 million or less, 2.9 percent had GARs over \$1.0 million, and 10.3 percent had unknown revenues. Of these businesses, 90.1 percent operate from a single location and 63.7 percent have four or fewer employees. The services industry represents the largest portion of businesses at 31.4 percent, followed by non-classifiable establishments at 20.8 percent, and retail trade at 13.5 percent.

Examiners considered unemployment data when evaluating PEB’s ability to lend within the AA. According to the U.S. Bureau of Labor Statistics, the Kentucky Non-MSA AA annualized unemployment rates trended higher than Kentucky levels throughout the evaluation period and higher than national levels in 2022 and 2023. Lee County unemployment levels continued to increase and remained well above Montgomery, Powell, Kentucky, and national levels throughout 2022 and 2023. The following table illustrates unemployment rates for the AA, Kentucky, and the nation.

Unemployment Rates – Kentucky Non-MSA AA			
Area	2021	2022	2023
	%	%	%
Lee County	5.3	5.4	6.0
Montgomery County	5.0	4.5	4.6
Powell County	4.6	4.1	4.2
Kentucky	4.5	4.0	4.2
National Average	5.3	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

The competition in the Kentucky Non-MSA AA is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2023, 9 financial institutions operated 20 branches in the AA. PEB ranked third with 19.5 percent of the deposit market share. The top three institutions accounted for 77.1 percent for the total deposit market share in the AA.

Aggregate HMDA data indicates a high level of competition for home mortgage loans within the AA. According to the 2022 aggregate data, 166 lenders originated or purchased 2,054 home mortgage loans, with the top 3 lenders originating or purchasing 21.9 percent of home mortgage loans. PEB ranked sixth with 3.5 percent of the total market share.

There is a moderate level of competition in the Kentucky Non-MSA AA for small business loans. Although CRA regulations do not require PEB to report data about its small business lending, aggregate data is useful in determining the level of competition for such loans. In 2022, 48 lenders subject to CRA data collection requirements originated or purchased 777 small business loans throughout the AA. The top three lenders originated or purchased 47.4 percent of the small business loans in the AA.

Community Contact

Examiners reviewed a recent contact with a representative of an economic development organization in Montgomery County. The contact also discussed the AA's current housing market conditions. The contact stated the AA has an abundance of manufacturing firms and that with Lexington, Kentucky having limited opportunities for investment property, additional firms recently moved to the area. The contact further stated that housing inventory is low and rental stock is very limited. The demand for affordable housing is high, especially with additional businesses moving into the area. The contact was not aware of any plans for affordable housing developments in the AA. Additionally, the contact stated there is a high level of lending competition and local banks are generally supportive of CD initiatives.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, institution management, and demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs in the AA. In addition, affordable housing continues to be a primary CD need in the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KENTUCKY NON-MSA ASSESSMENT AREA

LENDING TEST

Overall, PEB demonstrated reasonable performance under the Lending Test. Poor performance in Geographic Distribution and reasonable performance in Borrower Profile supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the Kentucky Non-MSA AA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the Kentucky Non-MSA AA. Examiners focused on the comparison to aggregate data, as it is a better indicator of market demand and lending opportunities. The AA has no low-income census tracts. PEB's performance in the moderate-income census tracts in 2021 exceeded aggregate; however, in 2022, PEB made no loans in the moderate-income census tract.

Geographic Distribution of Home Mortgage Loans – Kentucky Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	14.1	4.5	6	9.2	454	5.6
2022	15.9	4.9	0	0.0	0	0.0
Middle						
2021	75.8	81.7	46	70.8	5,694	70.0
2022	65.3	73.5	29	72.5	3,899	67.1
Upper						
2021	10.1	13.8	13	20.0	1,986	24.4
2022	18.8	21.6	11	27.5	1,916	32.9
Totals						
2021	100.0	100.0	65	100.0	8,134	100.0
2022	100.0	100.0	40	100.0	5,815	100.0
Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 & 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the Kentucky Non-MSA AA. PEB made no loans in the moderate-income census tracts in 2023.

Geographic Distribution of Small Business Loans - KY Non-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	10.3	0	0.0	0	0.0
Middle	70.1	14	82.4	828	71.1
Upper	19.6	3	17.6	337	28.9
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	17	100.0	1,165	100.0
Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. The institution's home mortgage performance, where the greatest weight is given, supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. According to demographic data, 16.2 percent of families in the AA reported incomes below the poverty level. Due to their limited financial resources, families with incomes below the poverty level often do not have the capacity to support a traditional home

mortgage. Examiners focused on the comparison to aggregate data, as it is a better indicator of market demand and lending opportunities.

In 2021, PEB's performance to low-income borrowers was comparable to aggregate. In 2022, the bank's performance significantly exceeded aggregate by 9.9 percent. In 2021, PEB's performance to moderate-income borrowers slightly exceeded aggregate by 3.3 percent and was comparable to aggregate in 2022. Overall, examiners consider the bank's performance as reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level – Kentucky Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	26.8	2.8	2	3.1	100	1.2
2022	25.2	5.1	6	15.0	640	11.0
Moderate						
2021	16.1	16.7	13	20.0	1,323	16.3
2022	16.3	20.1	8	20.0	1,169	20.1
Middle						
2021	16.0	19.7	14	21.5	1,577	19.4
2022	15.2	22.6	6	15.0	828	14.2
Upper						
2021	41.1	39.5	30	46.2	4,447	54.7
2022	43.4	36.6	14	35.0	2,192	37.7
Not Available						
2021	0.0	21.3	6	9.2	688	8.5
2022	0.0	15.7	6	15.0	987	17.0
Totals						
2021	100.0	100.0	65	100.0	8,134	100.0
2022	100.0	100.0	40	100.0	5,815	100.0
<i>Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 & 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes. PEB's performance significantly exceeded the percentage of businesses by 13.2 percent with GARs of \$1 million or less.

Distribution of Small Business Loans by GAR - KY Non-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	86.8	17	100.0	1,165	100.0
>\$1,000,000	2.9	0	0.0	0	0.0
Revenue Not Available	10.4	0	0.0	0	0.0
Total	100.0	17	100.0	1,165	100.0
<i>Source: 2023 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

PEB demonstrated adequate responsiveness to the community development needs of the Kentucky Non-MSA AA through loans, qualified investments, and services. Examiners considered the institution's capacity and the needs and availability of such opportunities.

Community Development Loans

PEB originated 5 CD loans totaling \$644,000 during the evaluation period inside the Kentucky Non-MSA AA. This level of CD lending is an increase since the previous evaluation by number and dollar volume in the AA. The following table illustrates PEB's CD lending activity by year and purpose.

Community Development Lending – Kentucky Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (partial)	-	-	-	-	-	-	-	-	-	-
2022	-	-	2	228	-	-	-	-	2	228
2023	1	25	1	41	-	-	1	350	3	416
YTD 2024	-	-	-	-	-	-	-	-	-	-
Total	1	25	3	269	-	-	1	350	5	644
Source: Bank Data										

The following are notable examples of PEB's CD loan activities:

- PEB originated two loans totaling \$68,979 for the purchase of two vans that provide transportation and meals to low-income families. (Community Service)
- PEB originated a \$350,000 loan for the expansion of a business, creating additional manufacturing jobs. (Revitalize or Stabilize)

Qualified Investments

PEB made 11 qualified investments and donations, totaling \$1.6 million, in its Kentucky Non-MSA AA. The level of investments and donations, by number and dollar volume, is an increase since the previous evaluation in this AA. The following table illustrates PEB's CD investments by year and purpose.

Qualified Investments by Year – Kentucky Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2021 (partial)	-	-	-	-	-	-	-	-	-	-
2022	-	-	1	860	-	-	-	-	1	860
2023	-	-	-	-	-	-	-	-	-	-
YTD 2024	-	-	1	500	-	-	-	-	1	500
Subtotal	-	-	2	1,360	-	-	-	-	2	1,360
Qualified Grants & Donations	-	-	6	201	2	2	1	3	9	206
Total			8	1,561	2	2	1	3	11	1,566
<i>Source: Bank Data</i>										

The following is a notable example of the PEB’s qualified investment and donation activities in the Kentucky Non-MSA AA:

- Throughout the evaluation period, the institution invested \$1.5 million in local schools where a majority of students qualify for free- or reduced-price meals. (Community Services)

Community Development Services

During the evaluation period, PEB employees provided 14 instances of financial expertise or technical assistance to CD-related organizations in the Kentucky Non-MSA AA. This volume of services in the AA is a decrease from the previous evaluation. The following table illustrates the number of services provided in this AA.

Community Development Services – Kentucky Non-MSA A					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (partial)	0	0	3	0	3
2022	0	0	3	0	3
2023	0	1	3	0	4
YTD 2024	0	1	3	0	4
Total	0	2	12	0	14
<i>Source: Bank Data</i>					

The following are notable examples of PEB’s CD services activities:

- Three bank officials served as Board members for various organizations whose missions are to maintain employment opportunities for local residents and to continue business growth in the area. (Economic Development)
- One bank official served on the Finance Committee of an organization serving LMI individuals in the AA. (Community Services)

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.



BRANCH AND ATM LOCATIONS AND HOURS

Branch/LPO	Location	Census Tract Codes	MSA, State and County Codes	Lobby Hours	Drive Thru ITM Hours
WINCHESTER MAIN OFFICE AND ATM/ITM (Accepts Deposits) 101 North Main Street Winchester, KY 40391 Phone: 859-744-9400 Fax: 859-744-2300	Corner of North Main Street and East Washington Street	0202.02 (location) 0201.01; 0201.03; 0201.05; 0201.06; 0202.01; 0203.00; 0204.00; 0205.00; 0206.00	MSA Code: 30460 State Code: 21 County Code: 049	8:00 am – 5:00 pm Monday - Friday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday
WINCHESTER BRANCH AND ATM/ITM (Accepts Deposits) 175 Brooks Place Way Winchester, KY 40391 Phone: 859-744-4159 Fax: 859-745-4077	Corner of Bypass Road and Brooks Place Way	0201.01 (location) 0201.03; 0201.05; 0201.06; 0202.01; 0202.02; 0203.00; 0204.00; 0205.00; 0206.00	MSA Code: 30460 State Code: 21 County Code: 049	8:00 am – 5:00 pm Monday - Friday 9:00 am – 12:00 pm Saturday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday
MOUNT STERLING MAIN AND ATM/ITM (Accepts Deposits) 560 Indian Mound Drive Mount Sterling, KY 40353 Phone: 859-498-2008 Fax: 859-498-2031	Intersection of Mount Sterling Bypass (Indian Mound Drive) and Reese Way	9203.01 (location) 9201.00; 9202.00; 9203.02; 9204.00; 9205.00	State Code: 21 County Code: 173	8:00 am – 5:00 pm Monday - Friday 9:00 am – 12:00 pm Saturday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday

Branch/LPO	Location	Census Tract Codes	MSA, State and County Codes	Lobby Hours	Drive Thru ITM Hours
STANTON BRANCH AND ATM/ITM (Accepts Deposits) 53 East Pendleton Street Stanton, KY 40380 Phone: 606-663-9500 Fax: 606-663-9567	Intersection of Highways 3028 and 213	9701.01 (location) 9701.02; 9702.01; 9702.02	State Code: 21 County Code: 197	8:00 am – 5:00 pm Monday - Friday 9:00 am – 12:00 pm Saturday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday
GEORGETOWN BRANCH AND ATM/ITM (Accepts Deposits) 923 South Broadway Georgetown, KY 40324 Phone: 502-868-8860 Fax: 502-868-8057	Intersection of Marshall Park Drive and US Highway 25	0402.03 (location) 0401.00; 0402.04; 0402.05; 0402.06; 0403.01; 0403.02; 0403.03; 0404.00; 0405.01; 0405.02; 0406.01; 0406.02; 0406.03	State Code: 21 County Code: 209	8:00 am – 5:00 pm Monday - Friday 9:00 am – 12:00 pm Saturday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday
BEATTYVILLE BRANCH AND ATM/ITM (Accepts Deposits) 7 HWY 11 South Beattyville, KY 41311 Phone: 606-464-9610 Fax: 606-464-8158	Intersection of Highways 11 and 52	9503.00 (location) 9501.00; 9502.00	State Code: 21 County Code: 129	8:00 am – 5:00 pm Monday - Friday 9:00 am – 12:00 pm Saturday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday

Branch/LPO	Location	Census Tract Codes	MSA, State and County Codes	Lobby Hours	Drive Thru ITM Hours
LEXINGTON MAIN STREET BRANCH AND ATM/ITM (Accepts Deposits) 901 Richmond Road Lexington, KY 40502 Phone: 859-269-0235 Fax: 859-225-8193	Intersection of North Hanover Avenue and East Main Street	0005.00 (location) 0001.01; 0001.02; 0002.00; 0003.00; 0004.00; 0006.00; 0007.00; 0008.01; 0008.02; 0009.00; 0010.00; 0011.00; 0013.00; 0014.00; 0015.00; 0016.00; 0017.00; 0018.00; 0019.00; 0020.01; 0020.02; 0022.00; 0023.02; 0023.03; 0023.04; 0024.00; 0025.00; 0026.00; 0027.00; 0028.00; 0029.00; 0030.00; 0031.01; 0031.02; 0032.01; 0032.02; 0033.00; 0034.02; 0034.04; 0034.05; 0034.06; 0034.07; 0035.01; 0035.03; 0035.04; 0036.00; 0037.01; 0037.02; 0037.03; 0037.04; 0038.02; 0038.03; 0038.04; 0039.06; 0039.08; 0039.09; 0039.10; 0039.11; 0039.12; 0039.13; 0039.14; 0039.15; 0039.16; 0039.17; 0039.18; 0040.01; 0040.03; 0040.05; 0040.06; 0040.07; 0041.03; 0041.04; 0041.05; 0041.06; 0041.07; 0042.04; 0042.05; 0042.07; 0042.08; 0042.09; 0042.10	MSA Code: 30460 State Code: 21 County Code: 067	8:00 am – 5:00 pm Monday - Friday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday

Branch/LPO	Location	Census Tract Codes	MSA, State and County Codes	Lobby Hours	Drive Thru ITM Hours
LEXINGTON LOAN PRODUCTION OFFICE (Loans Only) 901 Winchester Road Lexington KY 40505 Phone: 859-309-3281	Intersection of Winchester Road and Detroit Avenue	0004.00 (location) 0001.01; 0001.02; 0002.00; 0003.00; 0005.00; 0006.00; 0007.00; 0008.01; 0008.02; 0009.00; 0010.00; 0011.00; 0013.00; 0014.00; 0015.00; 0016.00; 0017.00; 0018.00; 0019.00; 0020.01; 0020.02; 0022.00; 0023.02; 0023.03; 0023.04; 0024.00; 0025.00; 0026.00; 0027.00; 0028.00; 0029.00; 0030.00; 0031.01; 0031.02; 0032.01; 0032.02; 0033.00; 0034.02; 0034.04; 0034.05; 0034.06; 0034.07; 0035.01; 0035.03; 0035.04; 0036.00; 0037.01; 0037.02; 0037.03; 0037.04; 0038.02; 0038.03; 0038.04; 0039.06; 0039.08; 0039.09; 0039.10; 0039.11; 0039.12; 0039.13; 0039.14; 0039.15; 0039.16; 0039.17; 0039.18; 0040.01; 0040.03; 0040.05; 0040.06; 0040.07; 0041.03; 0041.04; 0041.05; 0041.06; 0041.07; 0042.04; 0042.05; 0042.07; 0042.08; 0042.09; 0042.10	MSA Code: 30460 State Code: 21 County Code: 067	By Appointment Only	Not Applicable

Branch/LPO	Location	Census Tract Codes	MSA, State and County Codes	Lobby Hours	Drive Thru ITM Hours
NORTHERN KY BRANCH AND ATM/ITM (Accepts Deposits) 7620 Dixie Highway Florence, KY 41042 Phone: 859-814-8046	Between Circle Drive and Meadow Lane	0702.02 (location) 0701.01, 0701.02, 0702.01, 0702.02, 0703.01, 0703.05, 0703.09, 0703.11, 0703.12, 0703.13, 0703.14, 0703.15, 0703.16, 0703.17, 0703.18, 0704.03, 0704.04, 0704.05, 0704.06, 0704.07, 0705.02, 0705.03, 0705.05, 0705.06, 0706.01, 0706.04, 0706.05, 0706.06, 0706.07, 9801.00	MSA Code: 17140 State Code: 21 County Code: 015	8:00 am – 5:00 pm Monday - Friday	8:00 am – 5:00 pm Monday – Thursday 8:00 am – 6:00 pm Friday 9:00 am – 12:00 pm Saturday

Opened/ Closed Branches



YEAR	BRANCH NAME	ADDRESS	CITY	STATE	ZIP	MSA/MD	STATE CODE	COUNTY CODE	CENSUS TRACT	INCOME LEVEL	BRANCH TYPE	DATE	ACTION
2023	Northern KY Branch	541 Buttermilk Pike	Crescent Springs	KY	41017	17140	21	117	0672.00	Middle	Traditional	9/15/2023	Opened
2024	Clays Mill Branch	3101 Clays Mill Road, Suite 100	Lexington	KY	40503	30460	21	67	0036.00	Upper	Traditional	12/31/2024	Closed
2025	Northern KY Branch	541 Buttermilk Pike	Crescent Springs	KY	41017	17140	21	117	0672.00	Middle	Traditional	3/21/2025	Closed
2025	Northern KY Branch	7620 Dixie Highway	Florence	KY	41042	17140	21	15	0702.02	Low	Traditional	3/24/2025	Opened



DEPOSIT PRODUCTS

- Consumer Checking Accounts
 - Kasasa Cash
 - Kasasa Cash Back
 - Kasasa Play
 - Student Checking
 - Best of Times
 - Peoples Premium
 - Value Checking
 - StartFresh
 - StartFresh Basic
- Consumer Savings Accounts
 - Kasasa Saver
 - Statement Savings
 - Health Savings Accounts
 - Money Market Advantage
- Certificates of Deposit and Individual Retirement Accounts with terms of 1 to 60 months
- Business Checking and Savings Accounts
 - Business Checking
 - Commercial Checking
 - Business Statement Savings
 - Money Market Advantage

LOAN PRODUCTS

- Consumer Installment and Single Pay Loans
- Overdraft Protection Line of Credit
- Commercial Loans and Lines of Credit
- Agricultural Loans and Lines of Credit
- Residential Rental Property Loans
- Small Business Administration (SBA), Farm Service Agency (FSA) and USDA Guaranteed Loans
- Portfolio Mortgage Loans
 - Adjustable and Fixed Rate Mortgages
 - Construction and Rehab Loans
 - Home Equity Loans
 - Home Equity Lines of Credit (HELOC)
- Secondary Market Mortgage Loans
 - VA
 - FHA
 - USDA Rural Housing Loans
 - Conventional

INSURANCE PRODUCTS*

- Property and Casualty Insurance
 - Homeowners
 - Renters
 - Automobile
 - Recreational Vehicle
 - Personal Umbrella
- Term Life Insurance

***Please note that insurance policies offered:**

- Are NOT deposits, obligations of, or guaranteed by Peoples Exchange Bank.
- Are NOT insured by Peoples Exchange Bank, the FDIC, or any other agency of the United States.
- The purchase of an insurance product is not a condition to any loan, product or service offered by Peoples Exchange Bank.

SERVICES

AVAILABLE UPON ENROLLMENT AND/OR APPROVAL

- Online Banking
- Online Bill Payment
- Online Account Opening
- E-Statements
- Mobile Banking with Card Controls
- Mobile Deposit
- PeopleTalk Telephone Banking
- Digital Wallet/Tokenization
- ATM/Debit Cards
- Preauthorized Debits
- Daytime Drop and Night Drop Depository
- ATM Deposits (except at Irvine ATM)
- ITM Activities

ADDITIONAL SERVICES AND FEES

- | | |
|---------------------------------|---|
| • Telephone Transfer Fee | \$3.00 per transfer |
| • Record Research | \$20.00 per hour (1-hour minimum)
and \$2.00 per page |
| • Cashier's Check | \$5.00 (for customers only) |
| • Instant Statement | \$2.00 per statement |
| • Photostatic Copies | \$1.00 |
| • Return Mail Fee | \$5.00 per envelope |
| • Balance Inquiry | \$1.00 per inquiry (no charge thru PeopleTalk) |
| • Stop Payment Fee | \$32.00 per item |
| • Dormant Fee | \$7.00 per statement |
| • Handling Fee-Paper Statements | \$3.00 monthly handling fee for paper statement
(StartFresh accounts only) |

ATM FEES

- | | |
|-----------------------------------|---------|
| • Cash Withdrawals at Foreign ATM | \$1.00 |
| • Foreign Card at PEB ATM | \$3.00 |
| • Replacement Card Fee | \$10.00 |
| • Rush Card Fee | \$55.00 |
| • Card Pull Fee | \$25.00 |

OVERDRAFT AND NON-SUFFICIENT FUNDS (NSF) ITEMS

- NSF Paid Item(s) Charge \$32.00 per presentment
- NSF Returned Item(s) Charge \$32.00 per presentment
- Automatic Transfer Fee \$5.00

WIRE TRANSFERS (Customers Only)

- Wire Transfer Fee \$15.00 per incoming wire
\$25.00 per outgoing domestic wire
\$50.00 per outgoing foreign wire

SAFE DEPOSIT BOXES (Not available at All Locations)

- Safe Deposit Box/Self Storage Box Consult a CSR for availability and pricing
- Safe Deposit Box Paper Billing Fee \$10.00
- Safe Deposit Box Past Due Fee \$10.00
- Drilling Lockbox and Replacing Keys \$150.00 per box

Safe Deposit Box Rates			
Charge	Size	Charge	Size
\$ 30.00	2 x 5	\$ 40.00	3 x 10
\$ 30.00	3 x 5	\$ 60.00	5 x 10
\$ 40.00	5 x 5	\$ 70.00	7 x 10
		\$ 70.00	10 x 10

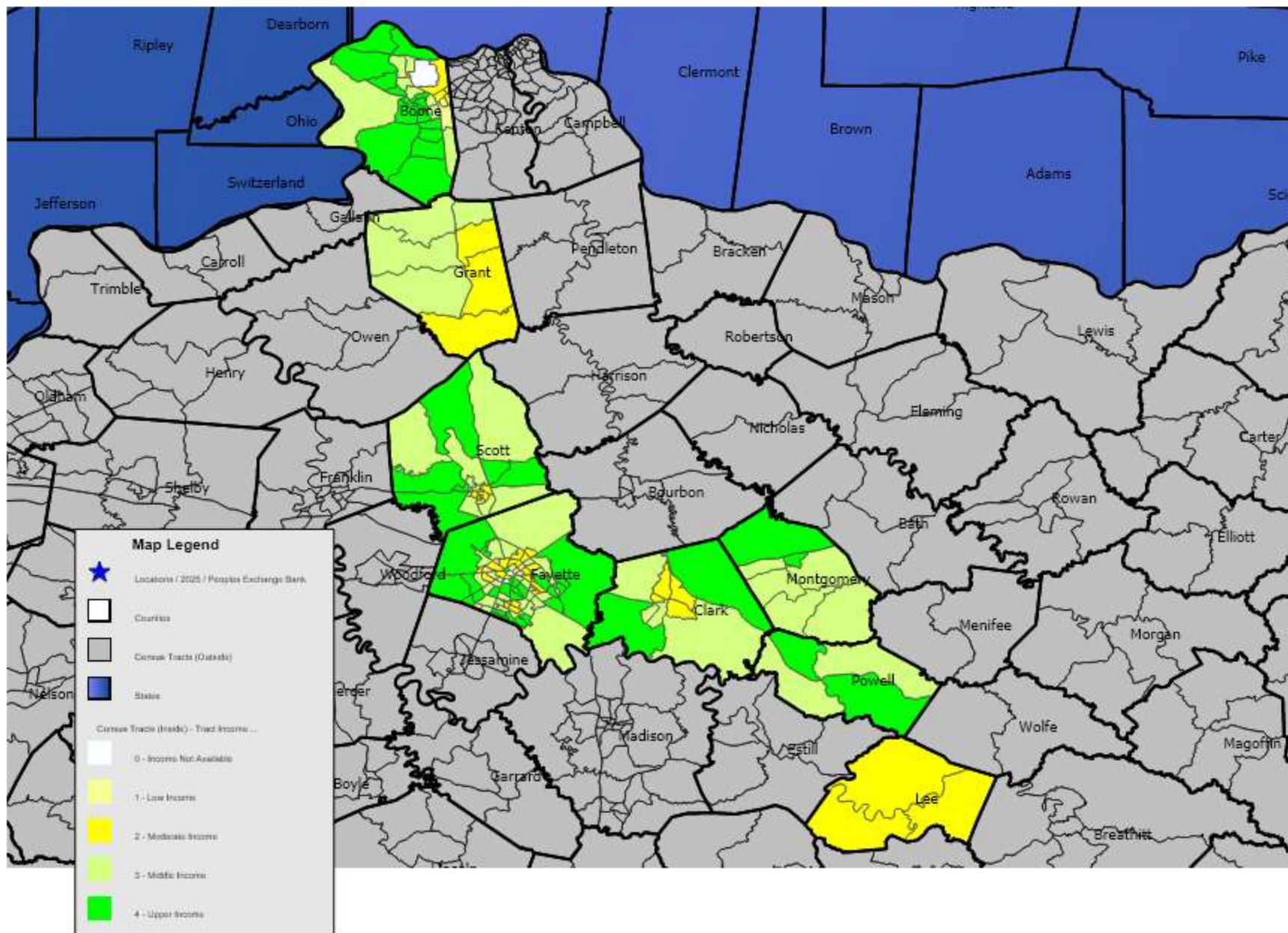
GARNISHMENT/TAX LEVIES

- Garnishment/Levy Fee \$50.00 per occurrence

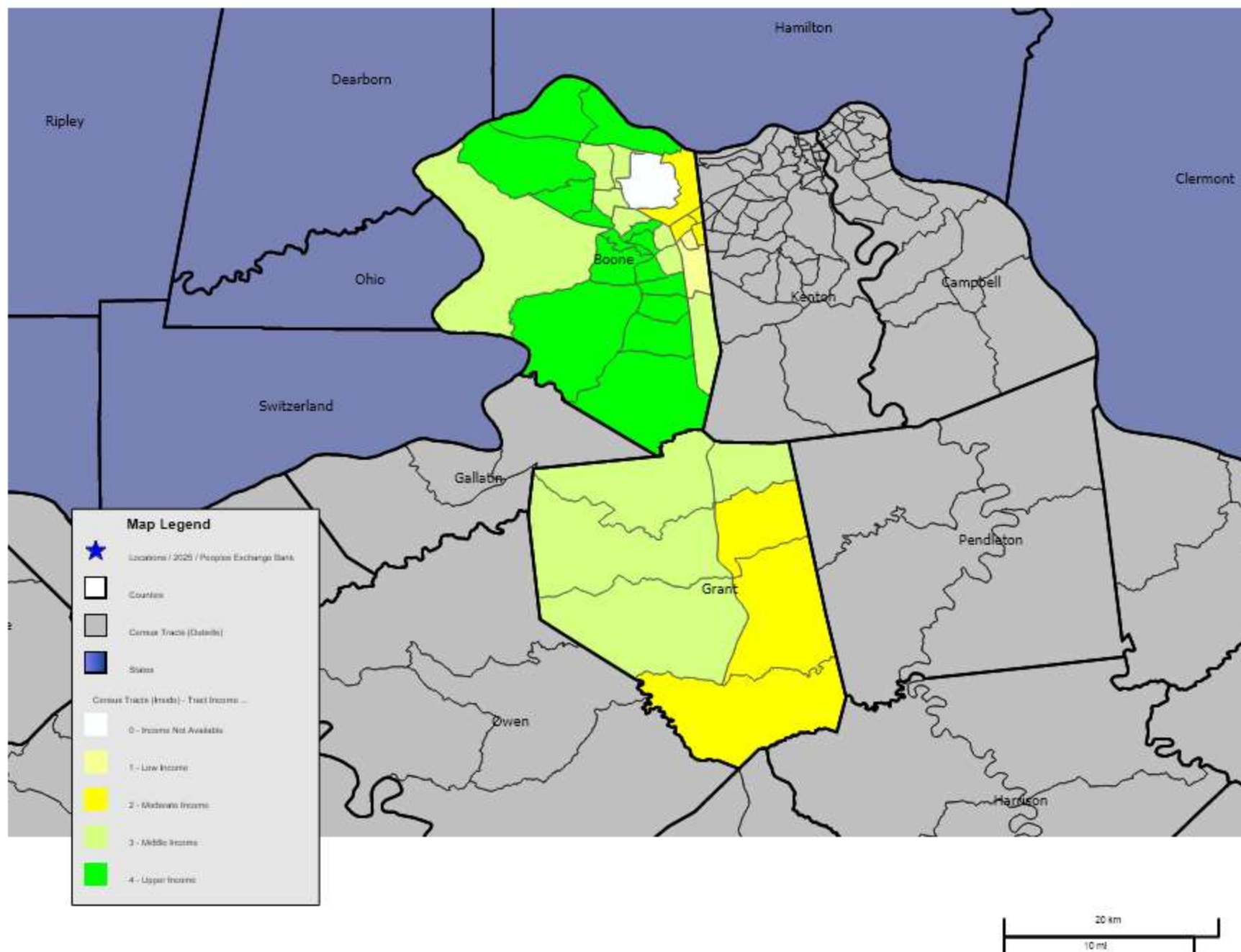
CASH MANAGEMENT (Business)

- Cash Management with ACH \$150.00 set up fee
\$30.00 month
- Merchant Capture (no limit) \$150.00 set up fee, plus cost of supplies when ordered through PEB
\$50.00 monthly
\$100.00 set up fee per additional machine
\$20.00 monthly for each additional machine
- Wire Transfers \$15.00 per outgoing wire
- Merchant Services Consult a CSR for availability and pricing

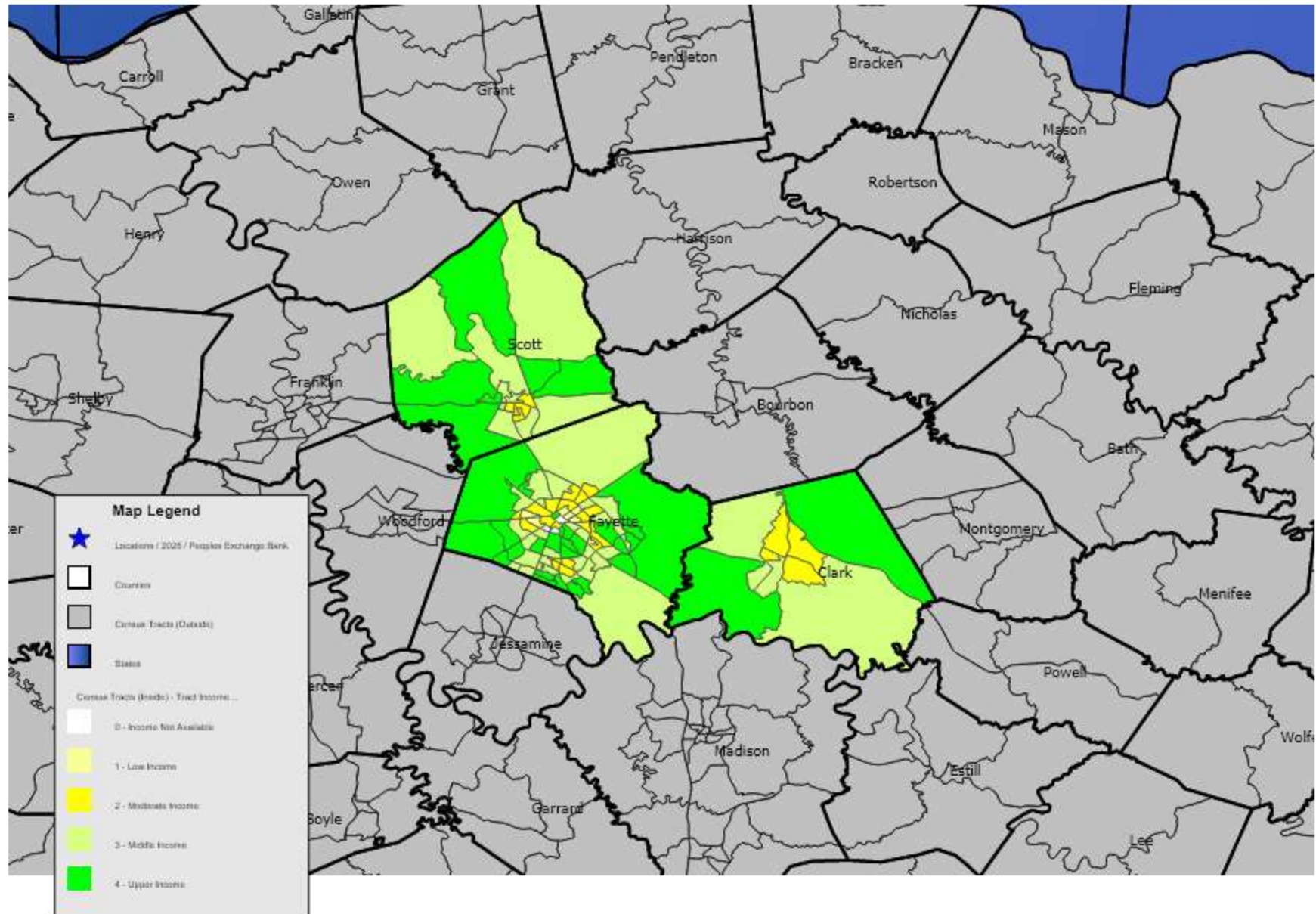
Peoples Exchange Bank Full Assessment Area



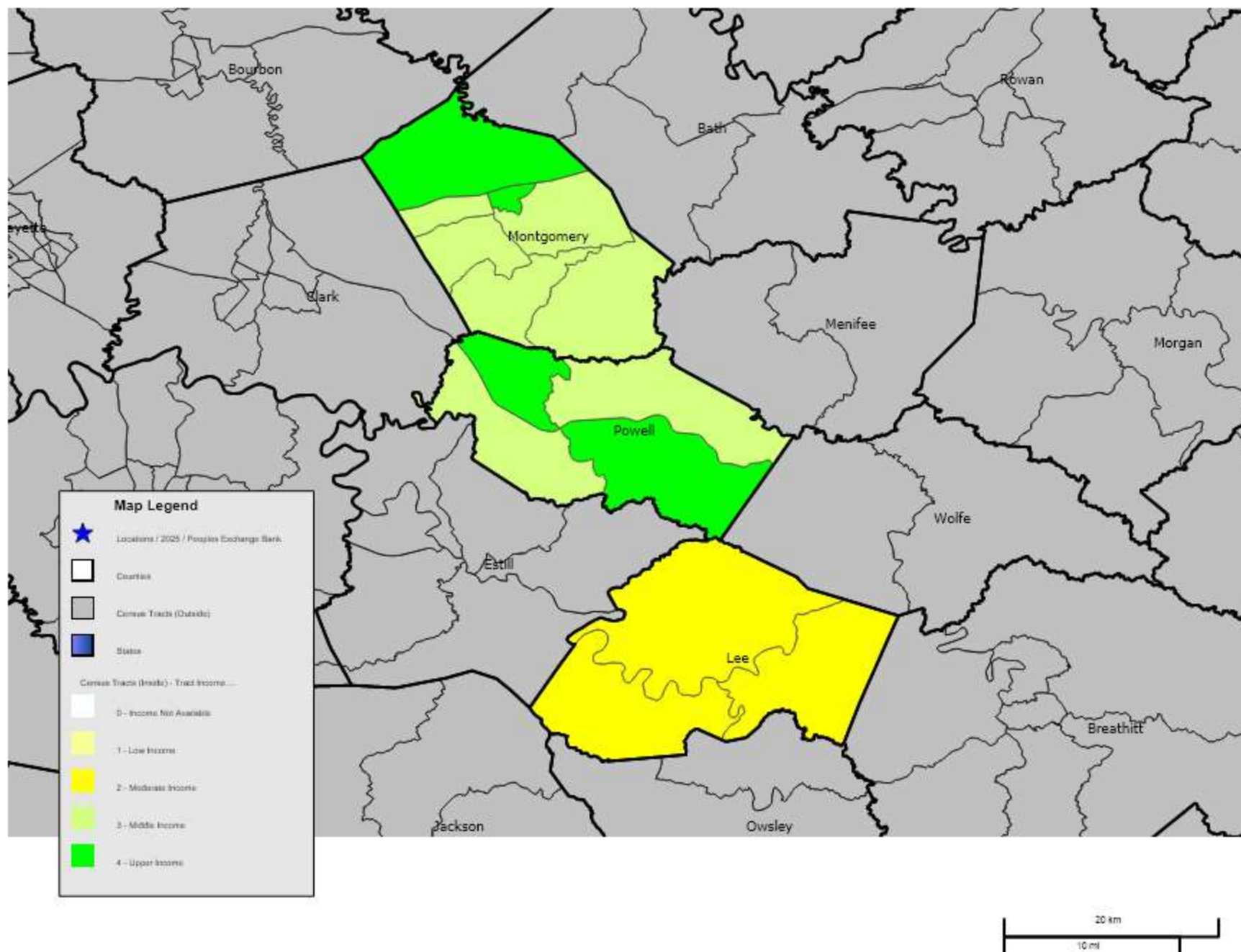
Cincinnati, OH-KY-IN MSA Assessment Area



Lexington-Fayette KY MSA Assessment Area



KY Non-MSA Assessment Area





**PEOPLES
EXCHANGE
BANK**

**LOAN TO DEPOSIT RATIOS
2024**

First Quarter	03/31/24	90.98%
Second Quarter	06/30/24	93.45%
Third Quarter	09/30/24	94.97%
Fourth Quarter	12/31/24	98.29%

2023

No public comments received.

2024

September 10th, 2024

Public comment received via Google Review:

Customer wrote a Google review stating that she is displeased that we are closing the Stonewall location.

Peoples Exchange Bank Response:

The Market Operations Manager was able to speak with this customer in person. She explained that we understood the customer's frustration and that we have mobile banking available for deposits to help alleviate stress of in person banking and driving across town. The Market Operations Manager informed the customer that they could call with questions and gave the customer her name and contact information. Customer was understanding and seemed pleased with these options.

December 17th, 2024

Public comment received via response to email marketing material:

Customer stated they were displeased with the closing of the Stonewall location. The customer stated this was the location closest to them and easiest to travel to.

Peoples Exchange Bank Response:

The Market Operations Manager was able to email this customer and let them know that we understood their concerns and displeasure. The customer was informed that we have online banking options available to



CRA COMMENTS

view balances, make transfers, and make mobile deposits. This customer did not respond to our attempts to contact them.

2025

February 18th, 2025

Public comment received via customer service at the teller line:

Employee submitted a complaint form to the VP of Customer Experience that stated the customer came into the Mt Sterling branch with a translator to deposit a check and was informed the account had been refunded and closed due to a negative balance for 30+ days of less than \$10. The employee re-opened the account and deposited the check, placing a hold due to the new account status. The customer and the translator called back the next business day asking for the hold to be released and the translator mentioned they believed the hold was due to the customer being Hispanic.

Peoples Exchange Bank response:

The VP of Customer Experience spoke with PEB Call Center, as they also spoke to this customer's translator. The translator said they felt the hold was due to the customer's race. The Call Center Employee reiterated that the hold was due to the account being re-opened and this is the procedure for all customers. The VP of Customer Experience then called and spoke to the customer and the translator, explaining the hold reasoning again and asked for details of what made them feel that a bank employee was acting in a discriminatory manner. The translator told us, "It was in the past, don't worry about it". We then explained that we take claims of discrimination seriously and needed more information to investigate to which he said, "I guess it's just bank policy. [The Customer] is happy with the service received and appreciates your call."



CRA COMMENTS

2025 cont'd

February 25th, 2025

Public comment received via customer service at the drive-thru:

Employee submitted form to VP of Customer Experience that a customer reported that they had been to both Mt Sterling ITMs minutes before 5pm and the 'Talk to a Teller' option was not showing. February 13th was the date the customer could remember this occurring, but the customer also stated this had happened multiple times before.

Peoples Exchange Bank response:

The branch refunded the customers last two NSF fees out of good faith. The VP of Customer Experience called the customer to get more information. We explained we were reviewing camera footage to investigate the issue and needed to know the make and model of the customer's vehicle. The customer said they couldn't remember what vehicle they were driving and gave us three different options of relative/friend's vehicles it could have been. We then asked if she knew that our ATMs have deposit functionality, which she replied she did not. We explained that if it is a cash deposit, credit is immediate. If it is a check deposit, the cutoff time is 4pm. The customer was assured that we would continue looking into this. We asked the customer to please let us know if they have any future issues and the customer thanked us for the call. The Market President verified 02/26/25 that both machines were in service with teller availability until 5pm.

March 8th, 2025

Public comment received via customer service at the teller line:

The customer informed us that they are unhappy about Saturday banking hours and he does not want to use the ITM. The customer stated that he must drive to Winchester on Saturdays for service. He said the hours sign states that the branch is open on Saturdays.



**PEOPLES
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BANK**

CRA COMMENTS

Peoples Exchange Bank response:

The Market President confirmed that the hours sign on the door is correct, showing lobby hours Monday through Friday and only ITM hours on Saturday. Peoples Exchange Bank called the customer and left a message and have had no further correspondence from the customer.