



CRA PUBLIC FILE

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CRA Public File Section 1:

Written Comments from the Public

No written comments from the public that relate to the bank's performance in helping to meet community credit needs have been received.

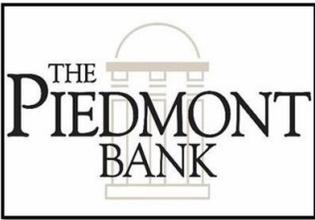
CRA Public File Section 2:

Branch Locations

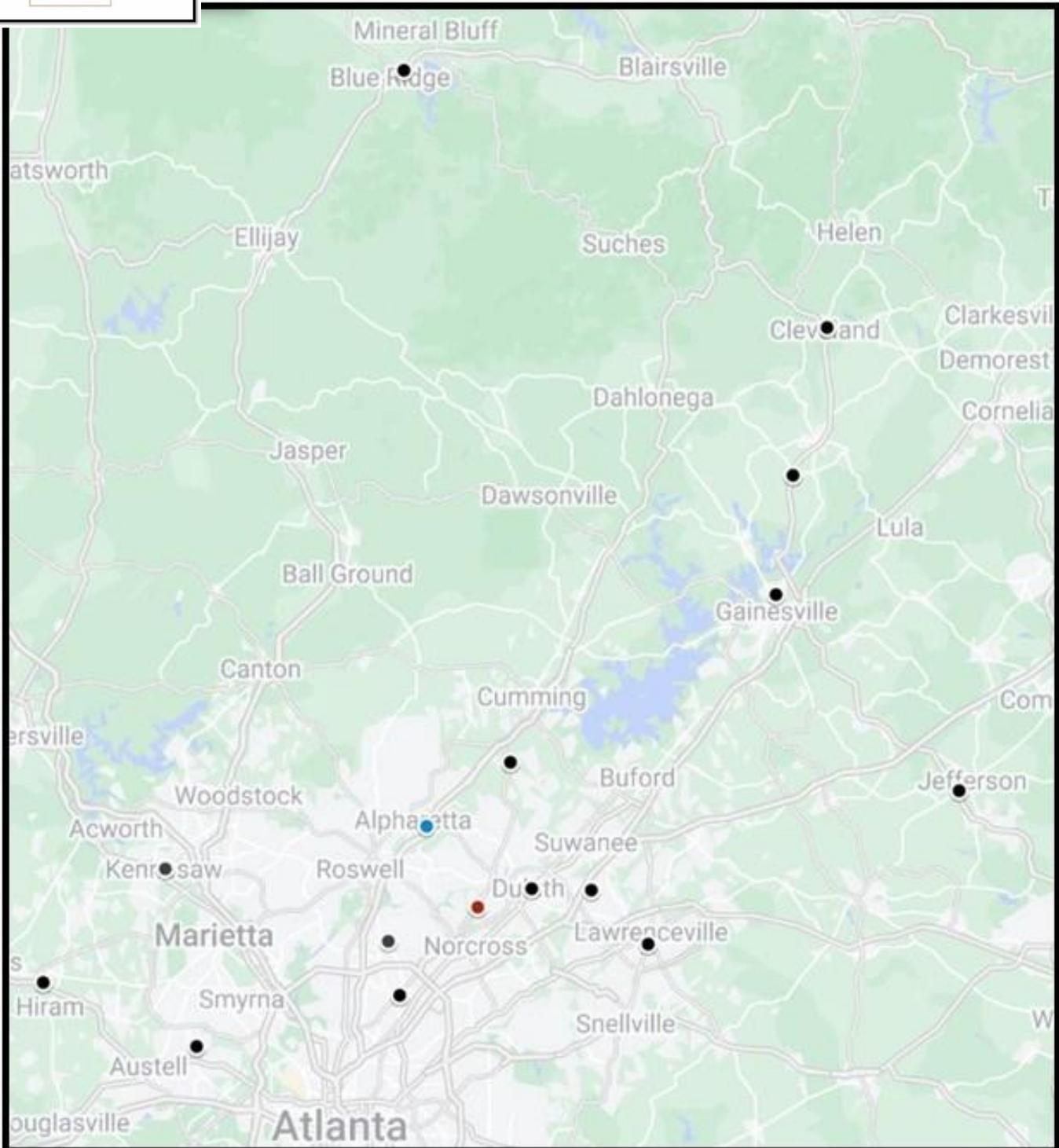
See current branch listing on pages 6 and 7.

Branches Opened / Closed:

- The Piedmont Bank opened for business at the Norcross (Peachtree Corners) Branch on July 1, 2009 and this location was designated as the main office.
- The Old Peachtree Branch opened for business on July 1, 2009.
- The Lawrenceville Branch opened for business on May 4, 2015.
- The Forsyth Loan Production Office (LPO) opened for business on April 19, 2016. This production office was closed on April 18, 2018.
- The Chamblee/Brookhaven Branch opened for business on December 22, 2017.
- Mountain Valley Community Bank was acquired by The Piedmont Bank on September 6, 2017.
- The Forsyth Branch opened for business on April 18, 2018.
- The Blue Ridge LPO converted to a full-service branch on April 30, 2018. The location did not change.
- The Duluth LPO converted to a full-service branch in December 2019.
- Westside Bank was acquired by The Piedmont Bank on February 4, 2020.
- The Gainesville Branch opened in December 2021.
- The Avalon LPO opened on November 1, 2023.
- The Kennesaw Branch opened on January 1, 2024.



The Piedmont Bank Locations



● **Home Office**
Peachtree Corners

● **LPO**
Avalon

● **Branches**
(See next page)



CRA Public File Section 3:

Bank Hours & Services

Hours of Operation at Piedmont Bank Branches:

Peachtree Corners (*Branch, ATM, Night Drop*)
5100 Peachtree Parkway, Peachtree Corners, GA 30092
(770) 246-0011
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Fri 9:00 am – 4:00 pm

Lawrenceville (*Branch, ATM, Night Drop*)
185 Gwinnett Drive, Lawrenceville, GA 30046
(678) 736-6250
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Fri 9:00 am – 4:00 pm

Old Peachtree Road (*Branch, ATM, Night Drop*)
1035 Old Peachtree Road NW, Lawrenceville, GA 30043
(678) 638-4000
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Fri 9:00 am – 4:00 pm

Dunwoody (*Branch, ATM, Night Drop*)
1725 Mount Vernon Rd, Dunwoody, GA 30338
(770) 392-0900
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Fri 9:00 am – 4:00 pm

Chamblee/Brookhaven (*Branch, ATM, Night Drop*)
5070 Peachtree Blvd, Suite B110, Chamblee, GA 30341
(770) 351-630
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm

Forsyth (*Branch, ATM, Night Drop*)
1045 Peachtree Parkway, Cumming, GA 30041
(770) 886-6339
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Fri 9:00 am – 4:00 pm

Duluth (*Branch*)
3112 Main Street, Suite #100, Duluth, GA 30096
(678) 534-2145
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm

Hiram (*Branch, ATM, Night Drop*)
56 Hiram Drive, Hiram, GA 30141
(770) 445-1855
Lobby Hours:
Mon-Fri 9:00 am – 5:00 pm
Drive-Thru Hours:
Mon-Fri 8:30 am – 5:00 pm

Mableton (*Branch, ATM, Night Drop*)
4901 Floyd Road, Mableton, GA 30126
(678) 223-7200
Lobby Hours:
Mon-Thu 9:00 am – 4:00 pm
Fri 9:00 am – 5:00 pm
Drive-Thru Hours:
Mon-Fri 8:30 am – 5:00 pm

Cleveland (*Branch, ATM, Night Drop*)
136 North Main Street, Cleveland, GA 30528
(706) 348-6822
Lobby Hours:
Mon-Thu 8:55 am – 4:05 pm
Fri 8:55 am – 5:05 pm
Drive-Thru Hours:
Mon-Thu 8:25 am – 5:05 pm
Fri 8:25 am – 5:35 pm
Sat 8:25 am – 12:05 pm

North Hall (*Branch, ATM, Night Drop*)
5140 Cleveland Hwy, Gainesville, GA 30506
(770) 983-2201
Lobby Hours:
Mon-Thu 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Thu 9:00 am – 4:00 pm
Fri 9:00 am – 5:00 pm

Jefferson (*Branch, ATM, Night Drop*)
1420 Winder Hwy, Jefferson, GA 30549
(706) 387-7416
Lobby Hours:
Mon-Thu 9:00 am – 4:00 pm
Fri 9:00 am – 5:00 pm
Drive-Thru Hours:
Mon-Thu 8:30 am – 5:00 pm
Fri 8:30 am – 5:30 pm

Blue Ridge (*Branch, ATM, Night Drop*)
111 Collins Ave, Blue Ridge, GA 30513
(706) 946-2265
Lobby Hours:
Mon-Thu 9:00 am – 4:00 pm
Fri 9:00 am – 5:00 pm
Drive-Thru Hours:
Mon-Thu 8:30 am – 4:00 pm
Fri 8:30 am – 5:00 pm

Gainesville (*Branch, ATM, Night Drop*)
995 Riverside Drive, Gainesville, GA 30501
(470) 824-3001
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm
Drive-Thru Hours:
Mon-Thu 9:00 am – 4:00 pm
Fri 9:00 am – 5:00 pm

Kennesaw (*Branch*)
2243 Lewis Street, Kennesaw, GA 30144
(470) 622-5070
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm

Avalon* (*LPO*)
2775 Old Milton Pkwy, Ste 100, Alpharetta, GA 30009
(470) 615-6320
Lobby Hours:
Mon-Fri 9:00 am – 4:00 pm (by appointment only)



FEE SCHEDULE

Account Close Fee (within 90 days of opening)	\$20
Account Research (per hour)	\$20
ACH Fee (NACHA) (monthly)	\$25
Bags – Zipper	\$5
Bags – Lock	\$35
Buy/Sell Foreign Currency Fee (1% of Transaction Amount)	\$5 minimum
Delivery Fee (FedEx)	\$45
Cashier's Check	\$5
Cashier's Check (non-customers)	\$10
Charge Back/Return Item Fee	\$5
Collection Items	\$10
Copies of Checks, Deposit Tickets or Items Deposited (per item)	\$1
Courier Pick-Up	\$10
Debit Card Replacement Fee	\$5
Domestic Wire Outgoing/Incoming	\$20
Dormant Account Fee	\$25
eCorp Set-up Fee	\$125
Escheatment Fee	\$50
Fax Service Fee (per page)	\$1
Garnishment/Levy	\$100
International Wire Outgoing/Incoming	\$45
Notary Fee	\$2
Overdraft Transfer Fee (per occurrence)	\$5
Overdraft Fee-NSF (per item)	\$34
RDC Fee (monthly)	\$25
RDC Fee with Rental (monthly)	\$50
Return Item Fee (per item)	\$34
Return Mail Fee	\$5
Safe Deposit Boxes	
3x5	\$35
3x10	\$45
5x5	\$50
5x10	\$75
10x10	\$100
Safe Deposit Box Drilling Fee	\$310
Safe Deposit Box Lost Key	\$200
Statement Copy	\$3
Stop Item Charge (per item)	\$34
Subpoena Fee	\$100

CRA Public File Section 4:

HMDA Disclosures

The Piedmont Bank became subject to the requirements of the Home Mortgage Disclosure Act of as July 01, 2009. The bank is required to collect data regarding applications for, and originations and purchases of; home purchase loans, home improvements loans, and home refinancing loans for each calendar year beginning in 2009. 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.

CRA Public File Section 5:

Other Information

Community Development Services, Donations and Investments are monitored by the CRA Officer.
Please contact the bank's CRA Officer for information regarding the bank's CRA activity.

CRA Public File Section 6:

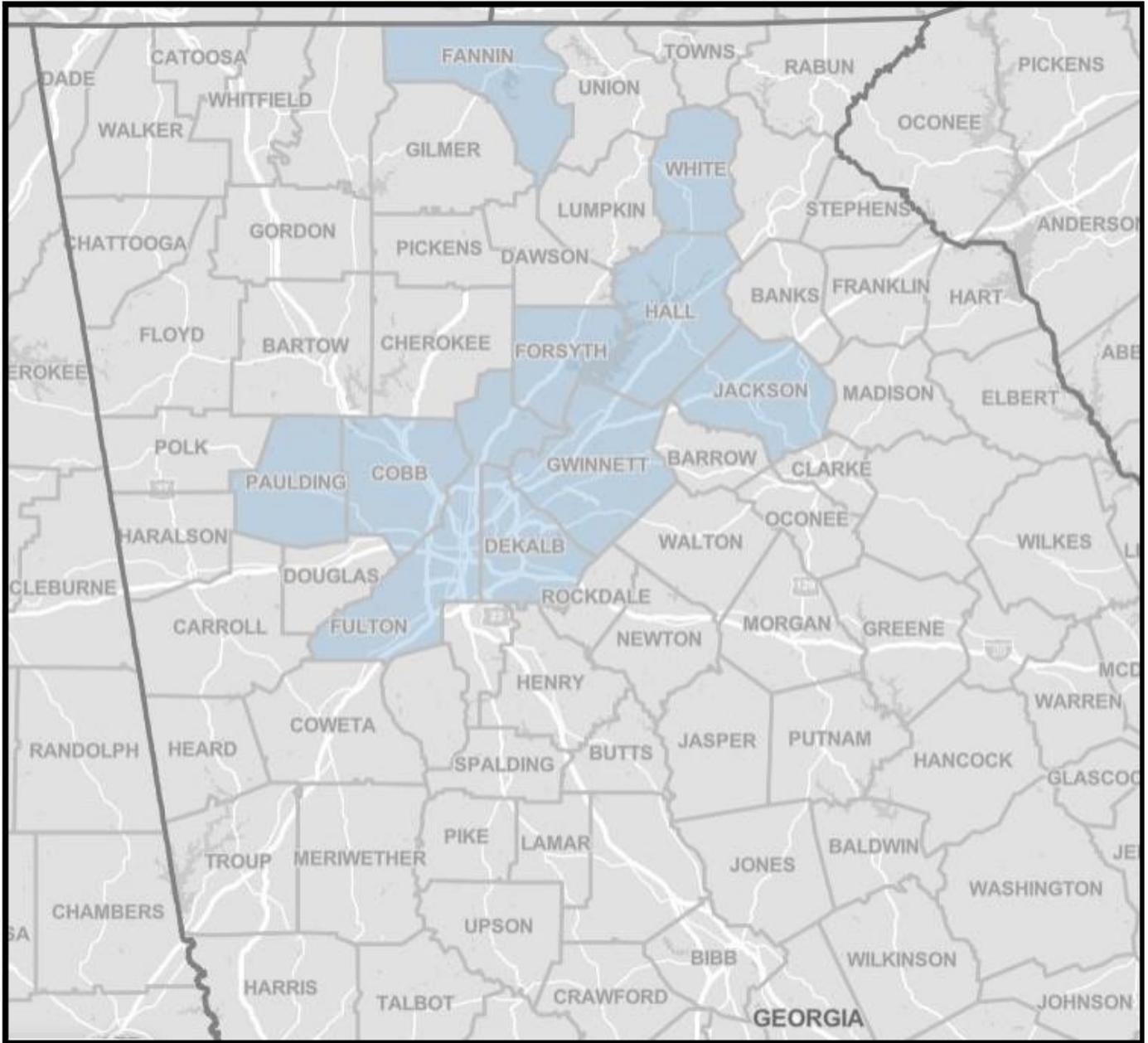
Assessment Area

The Piedmont Bank's assessment area includes the following counties: Cobb, DeKalb, Fannin, Forsyth, Fulton, Gwinnett, Hall, Jackson, Paulding, and White.

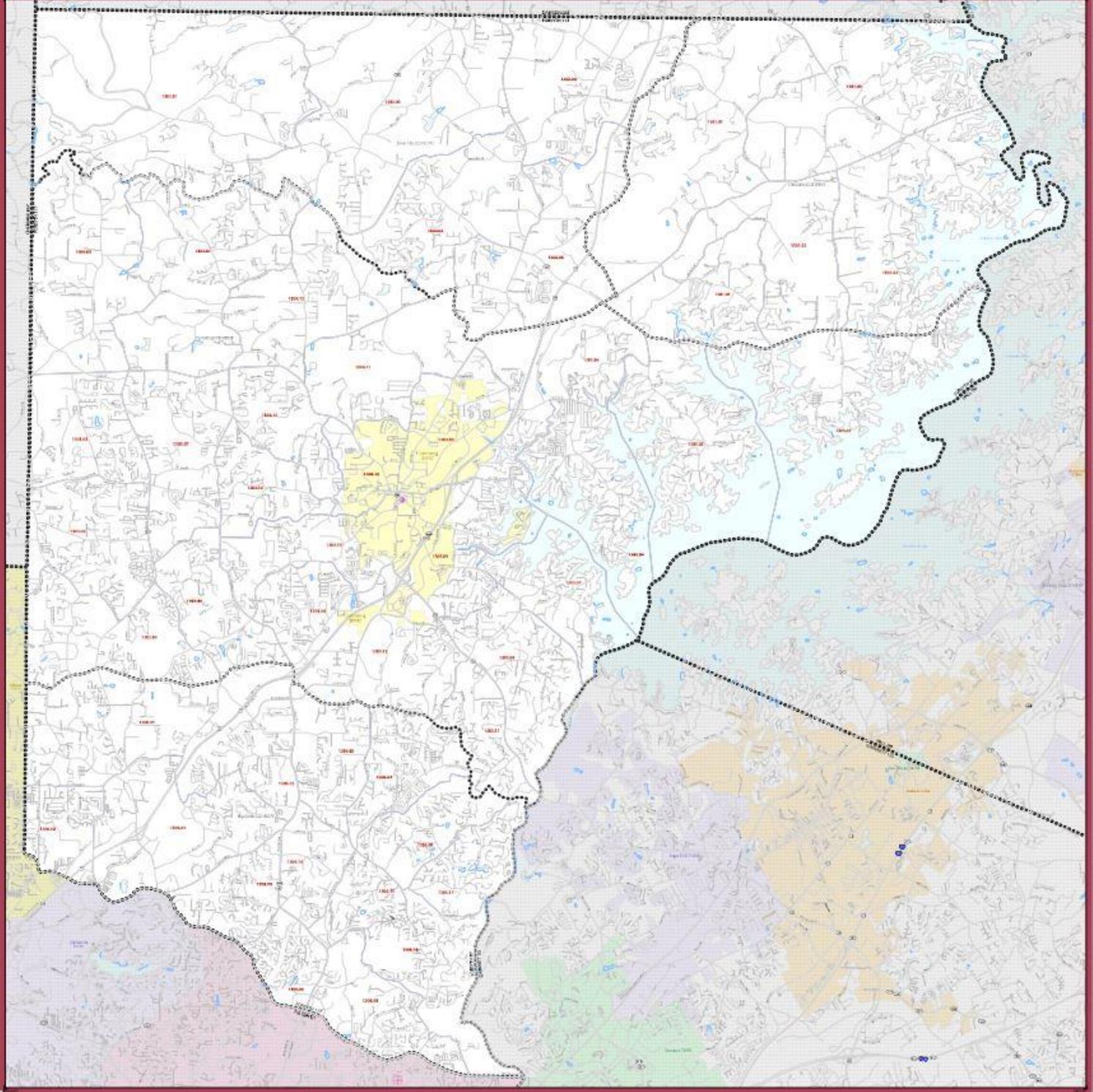


The Piedmont Bank Assessment Area

MSA/MD	Counties	# of Bank Offices
Atlanta-Sandy Springs-Roswell, GA - MD - 12054	DeKalb, Forsyth, Fulton, Gwinnett	8
Gainesville, GA- MSA- 23580	Hall	2
Marietta, GA- MD- 31924	Cobb, Paulding	3
Non-MSA, GA- 99999	Fannin, Jackson, White	3



2020 CENSUS - CENSUS TRACT REFERENCE MAP: Forsyth County, GA



LEGEND

CAUTION

When combined with other maps, this map may be used to determine the location of a specific census tract. It is not intended to be used as a navigation tool. The map is not intended to be used as a navigation tool. The map is not intended to be used as a navigation tool.

Scale: 1 inch = 1 mile

North Arrow

Map Date: 11/15/2020

Map Title: 2020 Census - Census Tract Reference Map: Forsyth County, GA

Map Author: GIS Services

Map Contact: GIS Services

Map Copyright: 2020

Map License: Public Domain

Map Version: 1.0

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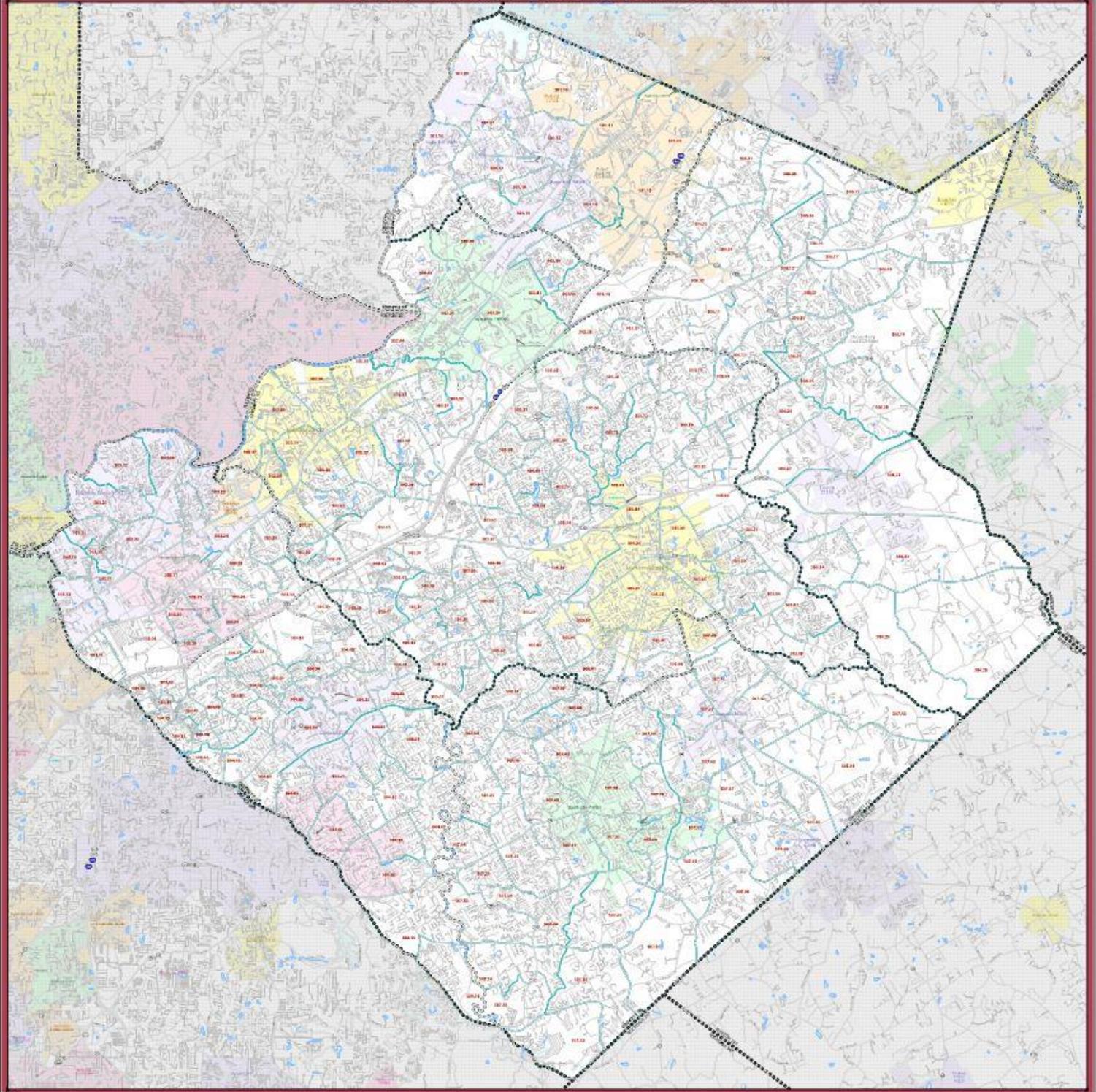
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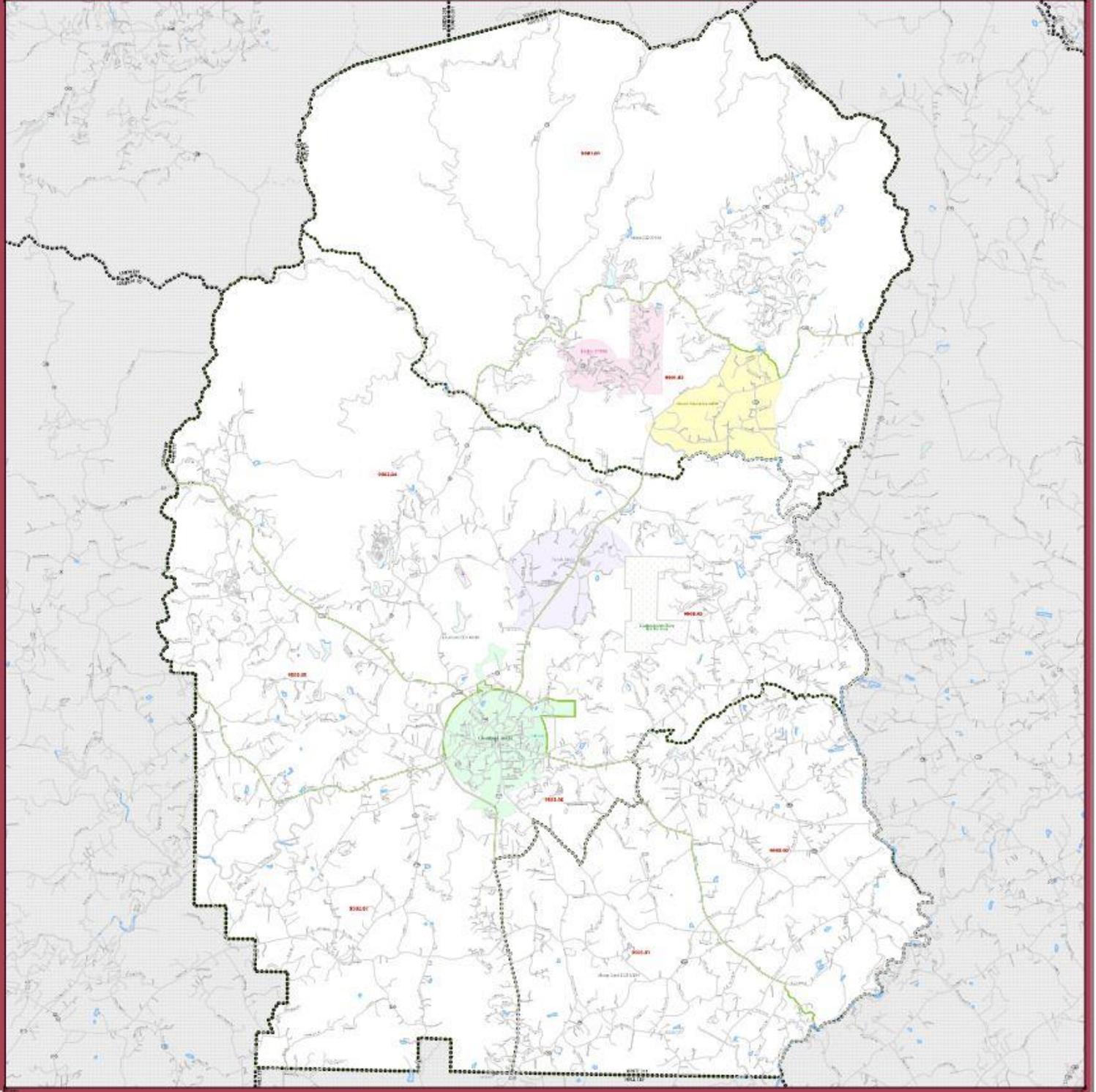
Water	ROADS	BOUNDARIES	POPULATION
Major Interstate	Interstate	County	100,000+
Major State	State	Municipality	75,000
Minor State	County	City	50,000
Local	City	City	25,000
Water	City	City	10,000
Water	City	City	5,000
Water	City	City	2,500
Water	City	City	1,250
Water	City	City	625
Water	City	City	312
Water	City	City	156
Water	City	City	78
Water	City	City	39
Water	City	City	19
Water	City	City	9
Water	City	City	4
Water	City	City	2
Water	City	City	1

When information is not available for a census tract, the population is shown as 0. This is not necessarily the case for all census tracts. For example, a census tract with a population of 0 may be a vacant lot or a tract that has been recently created but has not yet been populated. The population of a census tract is based on the 2020 Census data. The population of a census tract is based on the 2020 Census data. The population of a census tract is based on the 2020 Census data.



Sheet 1 of 3 FIMET sheets
 Data Source: U.S. Census Bureau, 2020
 2020 Census of the United States





LEGEND	
	Interstate
	US Highway
	State Road
	County Road
	Waterway
	Water Body
	Airport
	School
	Cemetery
	Public Building
	Religious Building
	Government Building
	Industrial Building
	Commercial Building
	Residential Building
	Unlabeled Building
	Interstate
	US Highway
	State Road
	County Road
	Waterway
	Water Body
	Airport
	School
	Cemetery
	Public Building
	Religious Building
	Government Building
	Industrial Building
	Commercial Building
	Residential Building
	Unlabeled Building

This map was prepared by the U.S. Census Bureau as part of the 2020 Census. It is not intended to be used for navigation or other purposes. The map is based on the 2020 Census data and is subject to change. The map is provided as a reference only and is not intended to be used for any other purpose.

Sheet 1 of 1: PARCELS sheets
 Total Sheets: 2, Grids: 1, Parcel: 1, District: 1
 NAME: White County (2011)
 DATE: 2020 Census (as of 2020-01-01)
 COUNTY: GA

U.S. Census Bureau
 2020 Census
 www.census.gov

CRA Public File Section 7:

FDIC Evaluation

The FDIC evaluated The Piedmont Bank's CRA performance on June 10, 2024. A copy of the Public Disclosure is included in this section of the bank's CRA Public File.

PUBLIC DISCLOSURE

June 10, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Piedmont Bank

Certificate Number: 58374

5100 Peachtree Parkway
Peachtree Corners, Georgia 30092

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

10 10th Street NE, Suite 900
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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Low Satisfactory.

- Lending levels reflect good responsiveness to the assessment areas’ credit needs.
- An adequate percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration amount retail customers of different income levels and business customers of different sizes.
- The institution has made an adequate level of community development loans.
- The bank makes little use of innovative and/or flexible lending practices in order to serve the assessment areas’ credit needs.

The Investment Test is rated Low Satisfactory.

- The institution has an adequate level of qualified community development investments and grants.
- The institution exhibits adequate responsiveness to credit and community development needs.
- The institution does not use innovative and/or complex investments to support community development initiatives.

The Service Test is rated Low Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the assessment areas.
- To the extent changes have been made, the institution's opening of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly in low- and moderate-income geographies and/or individuals.
- The institution provides a limited level of community development services.

DESCRIPTION OF INSTITUTION

Background

The Piedmont Bank is a \$2.1 billion state-chartered community bank headquartered in Peachtree Corners, Gwinnett County, Georgia (GA). The institution is wholly owned by Piedmont Bancorp, Incorporated, a one-bank holding company also located in Peachtree Corners, GA. The institution received a “Satisfactory” rating at the previous FDIC Community Reinvestment Act (CRA) evaluation dated April 19, 2021, based on Intermediate Small Institution Examination Procedures.

Operations

The Piedmont Bank operates the main office and 15 full-service branch offices located in ten counties throughout Georgia. Since the previous evaluation, the bank opened three full-service branches and one loan production office. The bank did not close any branches since the prior evaluation. The institution has not engaged in any mergers or acquisitions.

The Piedmont Bank’s primary business focus is commercial lending, which is consistent with the business strategy at the previous evaluation. The institution offers a wide variety of credit products, including commercial and consumer real estate lending, commercial and consumer unsecured lending, agriculture/farm, and consumer loans. The institution provides a variety of deposit services including checking, savings, individual retirement, money market and certificates of deposit. Alternative banking services include internet, telephone, and mobile banking, and automated teller machines (ATMs).

Ability and Capacity

As of the March 31, 2024, Consolidated Reports of Condition and Income (Call Report), The Piedmont Bank had total assets of \$2.1 billion, total deposits of \$1.8 billion, and total loans of \$1.7 billion. Total loans represent 81.0 percent of total assets. As shown in the following table, commercial loans (loans secured by nonfarm, nonresidential properties and commercial and industrial loans) represent the largest portion of the loan portfolio at 64.8 percent. Construction, Land Development, and Other Land loans represent the second largest portion at 16.9 percent. Residential loans (1-4 family and multifamily residential properties) represent the third largest portion at 15.5 percent.

Loan Portfolio Distribution as of March 31, 2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	285,470	16.9
Secured by Farmland	6,289	0.4
Secured by 1-4 Family Residential Properties	261,767	15.5
Secured by Multifamily (5 or more) Residential Properties	22,158	1.3
Secured by Nonfarm Nonresidential Properties	911,735	54.1
Total Real Estate Loans	1,487,419	88.2
Commercial and Industrial Loans	180,383	10.7
Agricultural Production and Other Loans to Farmers	1,843	0.1
Consumer Loans	5,986	0.4
Obligations of State and Political Subdivisions in the U.S.	12,965	0.8
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(3,094)	(0.2)
Total Loans	1,685,502	100.0
<i>Source: Call Report</i>		

There are no financial or legal impediments, other than legal lending limits, to prevent the institution from meeting the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The FDIC evaluates the bank's CRA performance based on its activity within the defined assessment areas. The Piedmont Bank designated three assessment areas throughout Georgia: Atlanta-Sandy Springs-Alpharetta, GA Metropolitan Statistical Area (MSA) (Atlanta MSA); Gainesville, GA MSA (Gainesville MSA); and Non-MSA.

Assessment area delineations are based on available census data. Specifically, the 2015 American Community Survey (ACS) Census data was used at the previous evaluation to delineate the bank's assessment areas. In 2022, the Federal Financial Interagency Examination Council (FFIEC) released updates to the MSA and Metropolitan Divisions, states, counties, census tracts, and income-level indicators based on information collected during the 2020 United States (U.S.) Census. As a result of the 2020 U.S. Census, the number of census tracts increased, and income classifications changed, which slightly impacted the bank's assessment areas. A detailed description of each full-scope assessment area, including demographic and economic data, is contained within the comments for the assessment areas. The following table details the counties, number of census tracts, and branches in each assessment area for the current evaluation.

Description of Assessment Areas				
Assessment Area	Counties in Assessment Area	# of CTs 2015 ACS	# of CTs 2020 U.S. Census	# of Branches
Atlanta MSA	Cobb, DeKalb*, Forsyth, Fulton*, Gwinnett, and Paulding	553	884	10
Non-MSA	Fannin, Jackson, and White	21	31	3
Gainesville MSA	Hall	36	50	2
<i>Source: Bank Records; *Partial Counties</i>				

SCOPE OF EVALUATION

General Information

In evaluating The Piedmont Bank’s CRA performance, examiners used the Interagency Large Institution Examination Procedures, which consists of three tests: Lending, Investment, and Services, as defined in the Appendices. The evaluation period was from April 19, 2021, to the current evaluation dated June 10, 2024. The Lending Test is given the most weight in the evaluation. In addition, an institution may not receive an overall “Satisfactory” rating unless its Lending Test receives at least a “Low Satisfactory” rating. Refer to the Appendices for Large Bank Performance Criteria for additional details.

Examiners evaluated the bank’s lending data, deposit activity, and number of branches operating during the loan review analysis period to determine the weighting of the assessment areas in the overall conclusion. Examiners performed a full-scope review of the Atlanta MSA assessment area given that a significant majority of the bank’s lending, deposit activity, and branches are in the Atlanta MSA assessment area. Limited-scope reviews of the Non-MSA and Gainesville MSA assessment areas were performed given the limited lending, deposits, and branches in these assessment areas. In addition, examiners gave primary weight in assigning the overall rating and conclusions to the bank’s performance in the Atlanta MSA assessment area. The Non-MSA and Gainesville MSA were given lesser weight based on the low percentage of loans and deposits in the assessment areas. The following table details the bank’s loans, deposits, assessment areas, and branches by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Atlanta MSA	155,775	78.3	1,215,380	73.5	10	66.7
Non-MSA	30,464	15.3	384,970	23.3	3	20.0
Gainesville MSA	12,683	6.4	53,551	3.2	2	13.3
Total	198,922	100.0	1,653,901	100.0	15	100.0
<i>Source: 2021, 2022, and 2023 HMDA and 2023 CRA Reported Data; Branch data as of 06/10/2024; FDIC Summary of Deposits as of 6/30/2023</i>						

Activities Reviewed

This evaluation includes a review of loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) for 2021, 2022, and 2023. The written analysis of HMDA lending includes 2022 lending given that 2022 is the most recent year in which aggregate data is available; however, examiners reviewed lending performance for 2021 through 2023 and discussed any significant performance variances, where appropriate, under the *Geographic Distribution* and *Borrower Profile* performance factors. CRA reported loans collected for 2023 were also included in the review, as 2023 was the first year the bank was required to collect and report CRA loans. Home mortgage and small business loans were reviewed given the concentration of these products in the loan portfolio. Due to the nominal number and dollar volume of small farm loans, no analysis of these loans was conducted.

Federal banking agencies rely on U.S. Census data that is updated every five years for purposes of CRA evaluations. Therefore, this evaluation includes a review of the bank’s 2021 lending data compared to the 2015 ACS Census data. The bank’s 2022 and 2023 HMDA loan data was compared to the 2020 U.S. Census data. In addition, the bank’s 2021 and 2022 HMDA performance were compared to aggregate data. CRA reported loans were compared to business demographic data from Dun and Bradstreet (D&B).

When weighing the loan products’ effect on the conclusions, examiners evaluated home mortgage and small business loans on the volume of lending over the review period. As shown in the following table, The Piedmont Bank’s reportable loans, by number, as well as focus on commercial lending, reflect an emphasis on small business loans. As a result, examiners gave more weight to small business lending. Analysis primarily considered the number of loans rather than the dollar amount for CRA evaluations. Lastly, the *Geographic Distribution* and *Borrower Profile* discussion focuses only on loans The Piedmont Bank originated and purchased within the assessment areas.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	381	283,272	240	92,975
Small Business	464	135,590	352	105,947

Source: 2021, 2022, and 2023 HMDA and 2023 CRA Reported Data

This evaluation includes all community development loans, qualified investments, and community development services identified by bank management, as well as the delivery systems for providing retail banking services and the retail banking products and services offered by the bank during the evaluation period. Community development loans and services from April 19, 2021, through June 10, 2024, were considered, unless otherwise noted. Qualified investments included new investments, as well as donations, and qualified investments from the prior evaluation that were still outstanding as of the current evaluation date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test rating for this institution is Low Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout assessment areas. The distribution of borrowers reflects adequate penetration to retail customers of different income levels and businesses of different sizes. The bank makes little use of innovative and/or flexible lending practices in order to serve assessment area credit needs. The bank made an adequate level of community development loans. Performance was consistent in the Atlanta MSA assessment area; however, the Non-MSA and Gainesville MSA assessment areas were rated below the overall institution rating.

Lending Activity

The bank's lending levels reflect good responsiveness to assessment area credit needs. Performance in the Atlanta MSA assessment area was consistent with the overall bank performance; however, the performance in Non-MSA and Gainesville MSA assessment areas were below the overall bank performance.

In 2021, 2022, and 2023, the bank originated and purchased 381 home mortgage loans totaling \$283.3 million. In 2023, the bank originated 464 small business loans totaling \$135.6 million. Of this total, 240 home mortgage loans totaling \$93.0 million and 352 small business loans totaling \$105.9 million were originated inside the bank's assessment areas. Refer to each full scope assessment area analysis for additional details.

Based on the March 31, 2024 Consolidated Reports of Condition and Income, The Piedmont Bank's net loan-to-deposit ratio was 90.9 percent. The bank's average net loan-to-deposit ratio was 83.4 percent over the 13 quarters since the previous evaluation. During the evaluation period, the net loan-to-deposit ratio ranged from a high of 91.3 percent, as of December 31, 2023, to a low of 72.1 percent, as of December 31, 2021. The net loan-to-deposit ratio has been approximately 90.0 or greater in the last five quarters in the review period.

Assessment Area Concentration

Overall, an adequate percentage of loans are made in the institution's assessment areas. As shown in the following table, the bank originated a majority of its home mortgage and small business loans in the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Home Mortgage										
2021	77	71.3	31	28.7	108	35,296	50.3	34,844	49.7	70,140
2022	104	65.0	56	35.0	160	33,369	35.3	61,037	64.7	94,406
2023	59	52.2	54	47.8	113	24,310	20.5	94,416	79.5	118,726
Subtotal	240	63.0	141	37.0	381	92,975	32.8	190,297	67.2	283,272
Small Business										
2023	352	75.9	112	24.1	464	105,947	78.1	29,643	21.9	135,590
Total	592	70.1	253	29.9	845	198,922	47.5	219,940	52.5	418,862

Source: 2021, 2022, and 2023 HMDA and 2023 CRA Reported Data

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. Adequate performance in all three assessment areas support this conclusion. Refer to the *Geographic Distribution* section within each assessment area for further details.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. Adequate performance in all three assessment areas supports this conclusion. Refer to the *Borrower Profile* section within each assessment area for further details.

Innovative or Flexible Lending Practices

The Piedmont Bank makes little use of innovative and/or flexible lending practices in order to serve assessment area credit needs. The Piedmont Bank offers flexible small business loan programs for businesses that would not otherwise qualify for standard commercial loans. The Piedmont Bank is a Preferred Lender for the Small Business Administration (SBA) and offers SBA 504 and SBA 7a loans. The SBA 504 and 7a loan programs provide long-term, fixed rate financing for major fixed assets that promote business growth and job creation. The bank also participated in the SBA Paycheck Protection Program. The SBA guaranteed these loans under the Coronavirus Aid, Relief, and Economic Security Act. The loans served to retain jobs that would otherwise be lost due to business closures resulting from the COVID-19 national emergency. The bank also offers U.S. Department of Agriculture Rural Development Program guaranteed loans. The bank has not provided any lending that is considered innovative. During the evaluation period, the bank extended 63 loans totaling approximately \$56.2 million through these programs within the assessment areas. The following table details the bank’s innovative and flexible lending programs with originations from April 19, 2021, through June 10, 2024.

Innovative or Flexible Lending Programs										
Type of Program	2021 (Partial)		2022		2023		2024 (Partial)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Paycheck Protection Program	28	6,031	-	-	-	-	-	-	28	6,031
Small Business Administration	6	8,858	20	23,450	6	4,079	2	6,060	34	42,447
United States Department of Agriculture	-	-	-	-	-	-	1	7,760	1	7,760
Totals	34	14,889	20	23,450	6	4,079	3	13,820	63	56,238
<i>Source: Bank Data</i>										

Performance in this criterion is consistent throughout all assessment areas. Therefore, the Lending Test conclusions for each assessment area omit further discussion of innovative and flexible lending practices.

Community Development Loans

The Piedmont Bank has made an adequate level of community development loans considering the bank’s resources and business strategies, area competition, and available opportunities. The bank originated 34 community development loans totaling \$204.6 million during the evaluation period. This was consistent by number but approximately four times greater by dollar volume of community development lending activity of 34 community development loans totaling \$51.6 million at the previous evaluation. Based on the dollar volume of loans, the current level of activity represents 11.1 percent of average total assets and 14.9 percent of average total loans as of March 31, 2024. The current level of activity significantly increased since previous evaluation activity of 3.7 percent of total assets and 5.1 percent of total loans. The Piedmont Bank’s community development lending primarily supported revitalization or stabilization, as well as economic development, efforts in low- and moderate-income census tracts within its assessment areas. Included in the total are eight community development loans totaling \$72.6 million outside of the assessment areas. Since these loans benefit the broader statewide areas of the bank’s operations, these loans were included in the overall community development loans. The bank’s performance was consistent in the Atlanta MSA assessments area; however, the Non-MSA and Gainesville MSA assessment areas were below the overall performance conclusion.

The following tables detail community development lending by activity year, type, and assessment area. Refer to the *Community Development Loans* section of each assessment area for further details.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta MSA	-	-	2	6,000	7	16,402	15	105,067	24	127,469
Non-MSA	-	-	-	-	1	2,113	-	-	1	2,113
Gainesville MSA	-	-	-	-	-	-	1	2,359	1	2,359
Statewide	1	1,835	-	-	6	27,775	1	43,000	8	72,610
Total	1	1,835	2	6,000	14	46,290	17	150,426	34	204,551

Source: April 19, 2021 through June 10, 2024 Bank Records

Community Development Lending by Activity Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	1	1,835	-	-	2	3,668	4	26,277	7	31,780
2022	-	-	-	-	8	26,454	2	16,735	10	43,189
2023	-	-	2	6,000	1	2,000	8	82,354	11	90,354
2024	-	-	-	-	3	14,168	3	25,060	6	39,228
Total	1	1,835	2	6,000	14	46,290	17	150,426	34	204,551

Source: April 19, 2021 through June 10, 2024 Bank Records

The following are details of community development loans originated outside of the assessment areas during the evaluation period:

- In 2024, the bank originated a USDA loan totaling \$7.8 million under the business and industry loan program to purchase and renovate a 74-room hotel located in Towns County, GA, creating low- and moderate-income jobs, which provided economic development to the area.
- In 2023, the bank originated a \$43.0 million loan to a business for the redevelopment of a historic mill located in a low-income census tract into a 244-unit apartment complex with commercial space for a restaurant, providing revitalization and stabilization in Richmond County, GA.
- In 2022, the bank originated a construction loan and an SBA 504 loan totaling \$10.7 million to purchase and renovate an 89-room hotel in Ware County, GA, creating low- and moderate-income jobs, which provided economic development to the area.

INVESTMENT TEST

The Investment Test rating for this institution is Low Satisfactory. The institution has an adequate level of qualified community development investments and grants. The institution exhibits adequate responsiveness to credit and community development needs. The institution does not use innovative and/or complex investments to support community development initiatives. Performance in the Atlanta MSA and Gainesville MSA assessment areas were consistent with the bank’s overall performance; however, the performance in the Non-MSA assessment area was below overall performance.

Investment and Grant Activity

The Piedmont Bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made and maintained 93 investments and donations totaling \$10.9 million compared to 67 investments and donations totaling \$1.8 million at the previous evaluation. Based on dollar volume, the current level of activity represents 0.6 percent of average total assets and 7.8 percent of average total securities. The current level of activity exceeds previous evaluation activity of 0.1 percent of total assets and 2.8 percent of total securities. The bank’s performance in the Atlanta MSA and Gainesville MSA assessment areas was consistent with the overall bank performance, while the Non-MSA assessment area was below the overall bank performance. Two donations benefitted the broader statewide area, including the bank’s assessment areas, and was included in the overall qualified investment activity. In addition, the bank purchased two qualified investments totaling \$958,000 outside the assessment areas. Since these investments benefit the broader statewide area of the bank’s operations, these investments were included in the overall qualified community development investments.

Prior-period investments accounted for \$7.4 million, or 67.3 percent of total qualified investments. The Piedmont Bank implemented its community development investment objectives through primarily municipal bonds. The majority of qualified investments and grants benefitted the Atlanta MSA, where the majority of the bank’s offices are located. The following tables detail the bank's qualified investments by community development purpose, year, and assessment area.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta MSA	4	6	58	270	-	-	8	7,567	70	7,843
Non-MSA	-	-	11	4	-	-	-	-	11	4
Gainesville MSA	-	-	7	1,085	-	-	1	1,050	8	2,135
Statewide	-	-	-	-	2	40	2	918	4	958
Total	4	6	76	1,359	2	40	11	9,535	93	10,940

Source: April 19, 2021 through June 10, 2024 Bank Data

Qualified Investments by Activity Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	2	1,080	-	-	8	6,282	10	7,362
2021 (Partial)	-	-	-	-	-	-	3	3,253	3	3,253
2022	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	2	1,080	-	-	11	9,535	13	10,615
Qualified Donations & Grants	4	6	74	279	2	40	-	-	80	325
Total*	4	6	76	1,359	2	40	11	9,535	93	10,940

Source: April 19, 2021 through June 10, 2024 Bank Data

The following qualified investment benefited the greater statewide area.

- During the review period, the bank invested \$40,000 to a community development financial institution (CDFI) organization that fostered economic empowerment and community development. The organization provides support to over 2,300 small business owners throughout the State of Georgia.
- A prior period investment in a municipal bond totaling \$250,000 was to provide funds to rehabilitate and upgrade the wastewater treatment plant for a city located in Murray County and includes a moderate-income census tract, which promotes revitalization and stabilization.
- A prior period investment in a municipal bond totaling \$668,000 was to provide funds to pay the cost of construction and equipping public infrastructure, including sidewalks, lighting, and paving within Macon-Bibb County, which includes 11 low- and 8 moderate-income census tracts. This promotes revitalization and stabilization.

Responsiveness to Credit and Community Development Needs

The Piedmont Bank exhibits adequate responsiveness to credit and community development needs throughout the assessment areas served. Qualified investments made during the evaluation period specifically responded to the assessment areas' revitalization or stabilization and community service needs primarily through the purchase of municipal securities. The majority of the grants and donations, by number and dollar amounts, benefitted community service organizations in the assessment areas, primarily focused on low- and moderate-income individuals. In addition, the bank made two donations totaling \$40,000 to a CDFI that provides small business loans. It was noted that the needs identified through the performance context included affordable housing and economic development; however, investments and donations were limited to these criteria.

Performance in the criterion is generally consistent throughout all assessment areas. Therefore, the Investment Test conclusions for each assessment area omit further discussion of responsiveness to credit and community development needs.

Community Development Initiatives

The Piedmont Bank has not used innovative and/or complex investments to support community development initiatives. Municipal bonds make up the bank's new qualified investments since the prior evaluation. These investments assist in providing community services and revitalizing or stabilizing the assessment areas but are not innovative or complex.

Performance in the criterion is generally consistent throughout all assessment areas. Therefore, the Investment Test conclusions for each assessment area omit further discussion of responsiveness to credit and community development initiatives.

SERVICE TEST

The Service Test rating for The Piedmont Bank is Low Satisfactory. Delivery systems are reasonably accessible to essentially all portions of the assessment areas. The opening of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Services and business hours do not vary in a way that inconveniences portions of the assessment areas, and the bank provides a limited level of community development services. Consistent performance in all assessment areas contributed to this rating.

Accessibility of Delivery Systems

The Piedmont Bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas. The bank operated 15 branches in the assessment areas. As a result of the 2020 Census data, the income classification of two branches changed in the Atlanta MSA from moderate-income to middle-income. This resulted in no branches located in low- or moderate-income tracts; however, 23.5 percent of the population resides in those census tracts. Branches in middle- and upper-income census tracts in the assessment area serve approximately 29 low- and moderate-income tracts surrounding the branches located in the Atlanta MSA and Gainesville MSA assessment areas.

The Piedmont Bank operates 13 ATM locations. In addition, drive-up windows are located at 12 branch offices. The Piedmont Bank also opened one loan production office in the Atlanta MSA in November 2023. The following table details the bank's census tracts, population, branches, and ATMs by geographic income level.

Branch Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	58	6.0	189,884	5.0	-	-	-	-
Moderate	169	17.5	707,885	18.5	-	-	-	-
Middle	268	27.8	1,115,666	29.2	9	60.0	7	53.8
Upper	433	44.9	1,718,341	44.9	6	40.0	6	46.2
NA	37	3.8	92,389	2.4	-	-	-	-
Total	965	100.0	3,824,165	100.0	15	100.0	13	100.0

Source: 2020 U.S. Census & Bank Data

In addition to the branch and ATM network, The Piedmont Bank offers alternative delivery systems to expand access to retail banking services to all individuals. This includes operation of its website, www.piedmont.bank, which contains information about products, services, and other information about the bank. The bank offers telephone banking, online, and mobile banking, which gives customers access to connect consumers and businesses to their accounts 24 hours a day to perform various transactions. These systems provide the ability to check account balances, view transactions, transfer funds, pay bills, make deposits, as well as locate branches, and ATMs. There is no additional cost for these banking services. Overall, these alternative delivery systems enhance the accessibility of the bank’s financial services.

Performance in this test is generally consistent throughout each assessment area. Therefore, the Service Test conclusions for each full-scope review assessment area omit further discussion of this performance.

Changes in Branch Locations

To the extent changes have been made, the institution’s record of opening and closing branches has generally not adversely impacted the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the evaluation period, the bank opened three branches in middle-income census tracts. There were no branches opened or closed in low- or moderate-income census tracts.

Performance in this criterion is generally consistent throughout each rated area and related assessment areas. Therefore, the Service Test conclusions for each full-scope reviewed assessment area omit further discussion of change in branch locations.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. The Piedmont Bank offers a wide range of products and services designed to meet the banking needs of its assessment areas. Consumer loan and deposit products include a free checking account for consumers and no ATM fees. Commercial loan and deposit products include government loan sponsored programs

for small businesses and affordable deposit products for small businesses and nonprofit organizations. Additionally, branch drive-thru hours are similar to lobby hours.

Performance in this criterion is generally consistent throughout each assessment area. Therefore, the Service Test conclusions for each full-scope reviewed assessment area omit further discussion of business hours and services.

Community Development Services

The Piedmont Bank provided a limited level of community development services within its assessment areas. Directors and employees used their financial and banking expertise to provide 31 qualified community development services for 824 hours to 14 community development organizations. This level represents a slight increase in number of services from the previous CRA evaluation, where 27 services were provided. These services include bank personnel delivering financial services or technical assistance to various organizations that benefit each of the bank’s assessment areas. The type and level of assistance provided varied with each employee and organization. The statewide service was an employee who serves on the Board of a non-profit organization, which provides grants to organizations that provide healthcare to low- and moderate-income individuals throughout Georgia.

Of the 31 community development services provided during the evaluation, affordable housing accounted for 6.4 percent, community services accounted for 48.4 percent, and economic development accounted for 45.2 percent. Given the review period covered by this evaluation, the total services equate to approximately 0.7 community development services and 17.2 community development service hours per branch per year.

The tables below detail community development service activities by year, purpose, and assessment area. Refer to the discussions of Community Development Services within each full-scope assessment area analysis for additional details and examples.

Community Development Services by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Atlanta MSA	2	6	5	269	4	129	-	-	11	404
Non-MSA	-	-	5	133	10	152	-	-	15	285
Gainesville MSA	-	-	1	5	-	-	-	-	1	5
Statewide	-	-	4	130	-	-	-	-	4	130
Total	2	6	15	537	14	281	-	-	31	824
<i>Source: April 19, 2021 through June 10, 2024 Bank Records</i>										

Community Development Services by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
2021	-	-	3	205	2	40	-	-	5	245
2022	1	3	4	152	5	176	-	-	10	331
2023	1	3	5	157	4	54	-	-	10	214
2024	-	-	3	23	3	11	-	-	6	34
Total	2	6	15	537	14	281	-	-	31	824

Source: April 19, 2021 through June 10, 2024 Bank Records

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 discriminatory or other illegal credit practices.

ATLANTA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ATLANTA MSA ASSESSMENT AREA

The Piedmont Bank continues to delineate Cobb, Forsyth, Gwinnett, and Paulding counties, in their entirety, as well as partial counties of DeKalb and Fulton, as the Atlanta MSA assessment area. The bank operates 10 branches, or 66.7 percent, of its Georgia branch offices in the Atlanta MSA assessment area. The assessment area represents 78.3 percent of the rated area loans and 73.5 percent of the rated area deposits. Since the previous evaluation, the number of census tracts in the assessment area changed as a result of the 2020 U.S. Census. The following table reflects the changes in census tract income-level and number of census tracts, based on the 2015 ACS census data for years prior to 2022 and 2020 U.S. Census data for years 2022 and after.

Tract Income Designation	2015 ACS Census Tracts	2020 U.S. Census Tracts
	#	#
Low-Income	49	54
Moderate-Income	115	162
Middle-Income	136	231
Upper-Income	248	402
No Income Designation	5	35
Total	553	884

Source: 2015 ACS Data and 2020 U.S. Census Data

Economic and Demographic Data

The following table presents demographic information from the 2020 U.S. Census and 2023 D&B data.

Demographic Information of the Assessment Area						
Assessment Area: Atlanta MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	884	6.1	18.3	26.1	45.5	4.0
Population by Geography	3,491,800	5.0	19.5	27.2	45.7	2.5
Housing Units by Geography	1,347,145	5.6	19.2	26.2	46.1	2.9
Owner-Occupied Units by Geography	785,357	2.3	13.5	28.0	54.9	1.3
Occupied Rental Units by Geography	466,369	10.1	28.5	24.2	32.0	5.2
Vacant Units by Geography	95,419	10.6	21.0	20.7	42.6	5.0
Businesses by Geography	944,906	4.1	18.4	24.2	49.8	3.4
Farms by Geography	12,693	3.8	18.8	30.4	45.3	1.7
Family Distribution by Income Level	815,460	18.6	15.4	18.0	48.0	0.0
Household Distribution by Income Level	1,251,726	20.8	15.0	17.2	47.0	0.0
Median Family Income MSA - 12060 Atlanta-Sandy Springs-Alpharetta, GA MSA		\$84,791	Median Housing Value			\$301,262
			Median Gross Rent			\$1,316
			Families Below Poverty Level			7.0%

Source: 2020 U.S. Census and 2023 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 to the U.S. Bureau of Labor Statistics, unemployment rates steadily decreased in 2022 and remained steady in 2023 during the examination period. Cobb, Forsyth, Gwinnett, and Paulding counties' unemployment rates were historically below the national and state average unemployment rates. DeKalb and Fulton counties' unemployment rates were historically below the national average and above the state average unemployment rates.

Unemployment Rates – Atlanta MSA Assessment Area			
Area	2021	2022	2023
	%	%	%
Cobb County	3.3	2.7	2.8
DeKalb County	4.6	3.2	3.3
Forsyth County	2.5	2.4	2.5
Fulton County	4.6	3.3	3.4
Gwinnett County	3.5	2.8	2.9
Paulding County	3.0	2.7	2.9
State of Georgia	3.9	3.1	3.2
National Average	5.3	3.6	3.6

Source: Bureau of Labor Statistics

According to 2023 D&B, service industries represent the largest sector of businesses in the assessment area followed by non-classifiable establishments and finance, insurance, and real estate. The top employers in the assessment area include Delta Air Lines Incorporated, Emory University

and Emory Healthcare, The Home Depot Incorporated, Northside Hospital, and Piedmont Healthcare.

Competition

Competition in this assessment area is significant. According to FDIC Deposit Market Share data as of June 30, 2023, 69 FDIC-insured institutions operate 745 branches within this area. Of these institutions, The Piedmont Bank ranked 20th in total deposits with a market share of 0.6 percent. The top three financial institutions account for 62.8 percent and include Truist Bank, Bank of America, and Wells Fargo Bank. In addition to competing with large national and regional banks, The Piedmont Bank also faces competition from credit unions and investment firms, which are not included in the market share data.

The bank was not required to collect or report its small business loan data in 2022, which is the most recent year with aggregate data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is, therefore, included for context. Aggregate data for 2022 shows that 231 lenders reported 179,022 small business loans in the assessment area, indicating a high degree of competition for this product. The top three small business lenders originated 58.1 percent of the small business loans in the assessment area. Two of the top three small business lenders are insured institutions that have offices in the assessment area.

There is a significant level of competition for home mortgage loans among a large number of banks, credit unions, and non-depository mortgage lenders. In 2022, 954 lenders reported 202,620 residential mortgage loans originated or purchased. The Piedmont Bank ranked 282nd out of this group of lenders, with a market share of 0.02 percent. The top three home mortgage lenders, Rocket Mortgage, Truist Bank, and Bank of America, N.A., accounted for 13.0 percent of total market share. Two of the top three home mortgage lenders are insured institutions that have offices in the assessment area.

Community Contact

Examiners used an existing community contact that was recently completed with a non-profit organization that focuses on providing food to low- and moderate-income individuals. The organization primarily serves Fulton County. The contact stated that donations to provide food to low- and moderate-income and elderly population is a need. The contact further stated that volunteers are needed for the organization to assist with supporting the organizations mission to improve the health and quality of life of the individuals that are served so that no one is left hungry or isolated.

Credit and Community Development Needs and Opportunities

Based on community contact, demographic data, and economic data, some conclusions regarding the credit needs of the assessment area can be derived. The high percentage of low- and moderate-income families at 34.0 percent and median housing value of \$301,262 compared to the income of less than \$84,000 annually for low-and moderate-income families indicates a need for affordable

housing. Furthermore, small business loans are needed as 94.7 percent of businesses have gross annual revenues of \$1.0 million or less, and 96.0 percent of the businesses operate with less than 10 employees.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ATLANTA MSA ASSESSMENT AREA

LENDING TEST

The Piedmont Bank's Lending Test performance in the Atlanta MSA assessment area reflects good responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects an adequate penetration among retail customers of different income levels and business customers of different sizes. The bank makes little use of innovative and/or flexible lending practices in order to serve assessment area credit needs. The bank made a relatively high level of community development loans.

Lending Activity

The Piedmont Bank's lending levels reflect good responsiveness to assessment area credit needs. From 2021 through 2023, The Piedmont Bank originated 106 home mortgage loans totaling approximately \$66.5 million. In 2023, 265 small business loans totaling approximately \$89.2 million. The *Competition* section discussed the bank's market share rankings for home mortgage and small business lending.

Geographic Distribution

The bank's geographic distribution of loans reflects adequate penetration throughout the assessment area.

Small Business

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The performance in low-income census tracts was slightly above demographics. In addition, aggregate data and demographics indicate very limited opportunities in low-income geographies. Performance in moderate-income census tracts was above demographics.

Home Mortgage

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. The bank did not originate any loans in low-income census tracts; however, both aggregate and demographic data indicated very limited opportunities. In 2021, the lending performance in moderate-income census tracts of 14.7 percent exceeded aggregate data of 11.7 percent and was comparable to demographic data of 13.7 percent. The bank's 2022 performance declined 6.2 percent and was below aggregate and demographic data. In 2023, the bank's lending performance continued to decline to 4.0 percent and was significantly below demographics of 13.5 percent.

Borrower Profile

The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different sizes.

Small Business

The distribution of small business loans reflects an adequate penetration of reflects adequate penetration among business customers of different sizes. Lending to small businesses was significantly below demographic data. However, although aggregate data for 2023 is not available, the bank's performance is more in line with aggregate data of 43.1 percent and 48.6 percent for 2021 and 2022, respectively.

Home Mortgage

The distribution of home mortgage loans reflects poor penetration among borrowers of different income levels. Lending to low-income borrowers was slightly above aggregate but below demographic data. Lending to moderate-income borrowers was below both aggregate and demographic data. However, it was noted that only eight of the loans originated in the assessment area were owner-occupied, and the substantial majority of the loans did not have income provided. There was no lending to low- or moderate-income borrowers in 2021 or 2023; however, there was a substantial majority of loans in which income was not available.

Community Development Loans

The Piedmont Bank made a relatively high level of community development loans in the Atlanta MSA assessment area. During the review period, the Bank originated 24 community development loans totaling \$127.5 million. This performance represents 70.6 percent by number and 62.3 percent by dollar volume of the total bank-wide community development loans. The number of community development loans remained consistent while the dollar volume of community development loans increased since the previous evaluation when 24 loans totaling \$37.8 million were originated. The loans primarily support revitalization and stabilization efforts within the assessment area. The following are notable examples of the bank's community development loans originated during the evaluation period in the Atlanta MSA assessment area.

- In 2024, the bank originated an SBA 504 loan totaling \$2.4 million to purchase commercial real estate and renovate the existing structure into a grocery store. The loan created several low- and moderate-income jobs, providing economic development to the area.
- In 2023, the bank renewed a working capital line of credit totaling \$4.0 million to an HVAC business located in a low-income census tract, which helps to retain several low- and moderate-income jobs, providing revitalization and stabilization to the area.
- In 2021, the bank originated an SBA 7(a) loan totaling \$21.4 million to purchase an audio-visual business located in a moderate-income census tract, providing revitalization and stabilization to the area.

INVESTMENT TEST

The Piedmont Bank made an adequate level of qualified community development investments and donations in the Atlanta MSA assessment area. The institution exhibits adequate responsiveness to credit and community development needs. The institution has not used complex investments to support community development initiatives.

Investment and Grant Activity

The bank made an adequate level of qualified community development investments and grants in the assessment area. The bank made 70 investments and donations totaling \$7.8 million, compared to 62 investments and donations totaling \$876,000 at the previous evaluation. This level of performance represents 75.3 percent by number and 71.7 percent by dollar volume of bank-wide qualified investments and donations. In addition, two donations made in bank-wide investments included the Atlanta MSA assessment area. Qualified investments included eight investments totaling \$7.6 million, of which six totaling \$5.4 million were outstanding prior period investments, and 62 grants totaling \$275,000. The following are examples of qualified investments that benefitted the Atlanta MSA assessment area.

- Three prior period investments totaling \$2.3 million were revenue bonds to build a new city hall, public service building, and relocation of police department for a city located in a low-income census tract resulting in revitalization and stabilization of the area.
- During the review period, the bank donated \$52,500 to a nonprofit organization that provides grants to individuals and local charities in need, specifically low- and moderate-income individuals and small businesses promoting community services.
- The bank donated \$45,000 to a nonprofit ministry that provides emergency assistance to individuals and families in need throughout the assessment area, specifically, low- and moderate-income individuals promoting community services.

SERVICE TEST

The Piedmont Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. The opening of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Services and business hours do not vary in a way that inconveniences portions of the assessment areas, and the bank provides a poor level of community development services.

Community Development Services

The Piedmont Bank provided a limited level of community development services in this assessment area. During the evaluation period, bank records show that employees in the assessment area

participated in 11 community development services totaling 404 hours. This performance represents 35.5 percent by number and 49.0 percent by hours of all activities, which are below the percent of branches in the assessment area. This performance also reflects a decrease in number since the previous evaluation when the bank performed 19 community development services in the Atlanta MSA assessment area. Additionally, it is noted that the bank-wide service included the Atlanta MSA assessment area that targeted affordable healthcare. Community development services equate to 0.3 services and 12.6 hours per branch per year. The following are examples of community development services provided in the assessment area.

- From 2021 to 2024, a bank representative served on the Board of a nonprofit organization that supports economic development and workforce development in Gwinnett County promoting economic development in the area.
- From 2022 to 2024, a bank executive served on the Board of a nonprofit organization that provides educational development and economic opportunities to underserved students and families promoting community services.
- In 2022 and 2023, a bank representative provided financial literacy on affordable housing to small business owners and builders at an event sponsored by an economic organization promoting economic development.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE REVIEW ASSESSMENT AREAS

The following table summarizes the conclusions for the two Georgia assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Non-MSA	Below	Below	Consistent
Gainesville MSA	Below	Consistent	Consistent

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of home mortgage, small business, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. Additional information is in the Limited-Scope Assessment Areas Appendices.

Non-MSA Assessment Area

The Non-MSA assessment area consists of Fannin, Jackson, and White Counties. The Piedmont Bank operates three branches in this assessment area. The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$ (000)
Small Business Loans	68	12,402
Home Mortgage Loans	101	18,062
Community Development Loans	1	2,113
Investments (New)	-	-
Investments (Prior Period)	-	-
Donations	11	4
CD Services	15	285 hours

Source: 2021-2023 HMDA and 2023 CRA LARs; Bank data from 4/19/2021 to 6/10/2024

Gainesville MSA Assessment Area

The Gainesville MSA assessment area consists of Hall County. The Piedmont Bank operates two branches in this assessment area. The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$ (000)
Small Business Loans	19	4,310
Home Mortgage Loans	33	8,373
Community Development Loans	1	2,359
Investments (New)	2	1,080
Investments (Prior Period)	1	1,050
Donations	5	5
CD Services	1	5 hours
Source: 2021-2023 HMDA and 2023 CRA LARs; Bank data from 4/19/2021 to 6/10/2024		

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

The Piedmont Bank	
Scope of Examination: Full scope reviews were performed on following assessment areas within the noted rate areas: State of Georgia Atlanta MSA Assessment Area	
Time Period Reviewed:	04/19/2021 to 06/10/2024
Products Reviewed: Home Mortgage: 01/01/2021 – 12/31/2023 Small Business: 01/01/2023 – 12/31/2023 Community Development Activities: 04/19/2021 - 06/10/2024	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Georgia			
Atlanta MSA	Full-Scope	None	None
Non-MSA	Limited-Scope	None	None
Gainesville MSA	Limited-Scope	None	None

LENDING PERFORMANCE TABLES

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Atlanta MSA	47	23,527	45.2	123,313	2.3	0.0	2.4	13.5	8.5	14.4	28.0	34.0	29.0	54.9	57.4	52.7	1.3	0.0	1.5
Non-MSA	39	5,504	37.5	7,063	0.0	0.0	0.0	2.0	2.6	1.1	46.9	43.6	39.8	51.1	53.8	59.1	0.0	0.0	0.0
Gainesville MSA	18	4,338	17.3	7,289	2.0	5.6	1.1	9.3	0.0	7.8	52.2	61.1	53.8	33.7	22.2	35.5	2.7	11.1	1.9
Total	104	33,369	100.0	137,665	2.2	1.0	2.2	12.8	4.8	13.3	30.1	42.3	30.8	53.6	50.0	52.2	1.3	1.9	1.4

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2023
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Atlanta MSA	265	89,235	75.3	4.1	3.8	18.4	24.5	24.2	33.6	49.8	34.0	3.4	4.2	
Non-MSA	68	12,402	19.3	0.0	0.0	2.5	2.9	47.6	73.5	49.9	23.5	0.0	0.0	
Gainesville MSA	19	4,310	5.4	9.3	5.3	11.6	15.8	50.0	63.2	25.5	10.5	3.6	5.3	
Total	352	105,947	100.0	4.2	3.1	18.0	19.9	25.4	42.9	49.1	30.7	3.4	3.4	

Source: 2023 D&B Data; 01/01/2023 - 12/31/2023 Bank Data. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Atlanta MSA	47	23,526,802	45.2	123,313	18.6	6.4	4.9	15.4	8.5	14.9	18.0	4.3	19.8	48.0	6.4	43.3	0.0	74.5	17.1
Non-MSA	39	5,503,607	37.5	7,063	14.1	5.1	2.6	15.6	2.6	6.4	17.8	12.8	16.6	52.4	56.4	57.5	0.0	23.1	16.9
Gainesville MSA	18	4,338,214	17.3	7,289	20.3	0.0	5.9	18.5	16.7	18.3	20.1	5.6	22.3	41.0	33.3	35.5	0.0	44.4	17.9
Total	104	33,368,623	100.0	137,665	18.6	4.8	4.8	15.6	7.7	14.7	18.1	7.7	19.7	47.8	29.8	43.6	0.0	50.0	17.2

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2023
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Atlanta MSA	265	89,235	75.3	--	94.4	37.4	--	1.7	56.2	3.9	6.4	
Non-MSA	68	12,402	19.3	--	92.9	47.1	--	1.7	20.6	5.3	32.4	
Gainesville MSA	19	4,310	5.4	--	92.0	36.8	--	2.7	47.4	5.3	15.8	
Total	352	105,947	100.0	--	94.3	39.2	--	1.7	48.9	3.9	11.9	

Source: 2023 D&B Data; 01/01/2023 - 12/31/2023 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

Non-MSA Assessment Area

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	31	0.0	3.2	38.7	58.1	0.0
Population by Geography	129,229	0.0	1.0	46.1	52.9	0.0
Housing Units by Geography	59,915	0.0	2.8	53.1	44.1	0.0
Owner-Occupied Units by Geography	36,793	0.0	2.0	46.9	51.1	0.0
Occupied Rental Units by Geography	10,376	0.0	1.6	63.6	34.8	0.0
Vacant Units by Geography	12,746	0.0	5.9	62.4	31.7	0.0
Businesses by Geography	17,432	0.0	2.5	47.6	49.9	0.0
Farms by Geography	814	0.0	1.2	45.5	53.3	0.0
Family Distribution by Income Level	35,642	14.1	15.6	17.8	52.4	0.0
Household Distribution by Income Level	47,169	14.8	12.8	17.0	55.4	0.0
Median Family Income Non-MSAs - GA		\$55,969	Median Housing Value			\$198,385
			Median Gross Rent			\$781
			Families Below Poverty Level			7.1%
<i>Source: 2020 U.S. Census and 2023 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.</i>						

Deposit Market Share Information

According to the FDIC Deposit Market Share data as of June 30, 2023, 12 financial institutions operated 26 full-service branches within the assessment area. Of these institutions, The Piedmont Bank ranked 4th with 11.9 percent deposit market share.

Gainesville MSA Assessment Area

Demographic Information of the Assessment Area						
Assessment Area: Gainesville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	8.0	12.0	50.0	26.0	4.0
Population by Geography	203,136	7.4	12.1	51.7	26.1	2.7
Housing Units by Geography	74,544	6.7	11.0	53.2	25.9	3.2
Owner-Occupied Units by Geography	45,199	2.0	9.3	52.2	33.7	2.7
Occupied Rental Units by Geography	20,356	17.5	13.4	54.3	11.1	3.7
Vacant Units by Geography	8,989	5.6	14.0	55.7	20.4	4.3
Businesses by Geography	28,915	9.3	11.6	50.0	25.5	3.6
Farms by Geography	989	5.0	11.1	55.5	26.0	2.4
Family Distribution by Income Level	49,002	20.3	18.5	20.1	41.0	0.0
Household Distribution by Income Level	65,555	21.8	17.0	19.0	42.1	0.0
			Median Gross Rent			\$1,053
			Families Below Poverty Level			10.3%
Median Family Income MSA - 23580 Gainesville, GA MSA	\$74,139	Median Housing Value			\$213,562	

Source: 2020 U.S. Census and 2023 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.*

Deposit Market Share Information

According to the FDIC Deposit Market Share data as of June 30, 2023, 15 financial institutions operated 37 full-service branches within the assessment area. Of these institutions, The Piedmont Bank ranked 15th with 1.0 percent deposit market share.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.