

COMMUNITY REINVESTMENT ACT STATEMENT



March 01, 2024

WRITTEN COMMENTS ON CRA PERFORMANCE

There are no responses to written comments from the public on file for the current year or the previous two calendar years that relate to this banks' performance in meeting the community credit needs.

**RESPONSES TO WRITTEN COMMENTS ON CRA
PERFORMANCE**

There are no responses to written comments from the public on file for the current year or the previous two calendar years.

**NOTICE OF AVAILABILITY OF BANK'S HMDA
DISCLOSURE STATEMENT**

Piedmont Federal Savings Bank's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (CFPB's) website at www.consumerfinance.gov/hmda.

CRA STATEMENT**BRANCHES: FORSYTH COUNTY, NORTH CAROLINA**

		<u>Census Tract</u>	<u>Income Level</u>
201 South Stratford Road Winston-Salem, NC 27103	336-770-1000 Main 336-770-1050 Branch	0022.00	Upper
633 North Liberty Street Winston-Salem, NC 27101	336-770-1010	0001.00	Upper
5189 Northern Quarters Drive Winston-Salem, NC 27105	336-770-1020	0028.06	Moderate
1040 South Park Boulevard Winston-Salem, NC 27127	336-770-1040	0020.02	Low
2095 Peace Haven Road Winston-Salem, NC 27106	336-770-1060	0026.01	Middle
505 Pineview Drive Kernersville, NC 27284	336-993-2156	0032.02	Middle
3701 Clemmons Road Clemmons, NC 27012	336-766-0581	0040.05	Upper

BRANCHES: GUILFORD COUNTY, NORTH CAROLINA

3870 John Gordon Lane High Point, NC 27265	336-770-1080	0164.06	Middle
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BRANCHES: WAKE COUNTY, NORTH CAROLINA**Wake Forest Federal a division of Piedmont Federal Savings Bank**

302 Brooks St. Wake Forest, NC 27587	919-556-5146	0542.24	Moderate
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BRANCHES: WATAUGA COUNTY, NORTH CAROLINA

1399 Blowing Rock Road Boone, NC 28607	828-264-5244	9206.01	Unknown
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BRANCHES: WILKES COUNTY, NORTH CAROLINA

200 Wilkesboro Avenue North Wilkesboro, NC 28659	336-667-9211	9606.00	Middle
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LOAN PRODUCTION OFFICE: GUILFORD COUNTY, NORTH CAROLINA

March 01, 2024

CRA STATEMENT

303 Pisgah Church Rd
Greensboro, NC 27455

0127.03

Upper

LOAN PRODUCTION OFFICE: MECKLENBURG COUNTY, NORTH CAROLINA

8600 Sam Furr Rd
Huntersville, NC 28078

0062.10

Upper

March 01, 2024

HOURS AT ALL BRANCHES

Branch Lobby Hours	Monday- Friday	9:00 am – 5:00pm
Drive-Thru Hours	Monday- Friday	8:30 am – 5:00pm
	Saturday-Sunday	Closed

SERVICES

All checking, savings, and loan services are available at each branch location.

BRANCH OPENINGS / CLOSINGS

The bank has opened and acquired branches/loan production offices during the current and previous two calendar years.

The bank opened a Loan Production Office located at 8600 Sam Furr Rd, Huntersville, NC 28078 in March, 2022
(Census Tract 0062.10, Upper income level)

Relocated the Downtown Branch from 16 West Third Street Winston Salem NC 27101 to 633 N. Liberty Street, Winston Salem, NC 27101 on February 28, 2022
(Remained in the same Census Tract of 0001.00)

Merger & Acquisition of Wake Forest Federal Savings Bank located at 302 Brooks Street Wake Forest, NC 27587 on January 2, 2024. The Bank name became Wake Forest Federal, a division of Piedmont Federal Savings Bank on January 2, 2024
(Census Tract 0542.24 is located in a Moderate Income Tract.

ASSESSMENT AREA

Piedmont Federal Savings Bank has established four CRA assessment areas.

The first assessment area consists of the Winston-Salem, North Carolina, MSA (# 49180) and includes the following counties:

Forsyth County (7 branch locations)
Davidson County
Davie County
Stokes County
Yadkin County

The second assessment area consists of the Greensboro-High Point, North Carolina MSA (#24660) and includes the following counties:

Guilford County (1 branch location) (1 loan production office)
Rockingham County
Randolph County

The third assessment area consists of the following non-MSA counties:

Watauga County (1 branch location)
Wilkes County (1 branch location)

The fourth assessment area consists of a portion of Wake County and all of Franklin County (#39580) Wake Forest Federal, a division of Piedmont Federal Savings Bank primarily serves Wake Forest and Rolesville in Wake County, and Youngsville, Franklinton and Louisburg in Franklin County.

Wake County (1 branch location)
Franklin County

Piedmont Federal Savings Bank also accepts loan requests from all counties in the state of North Carolina

See attached map for delineation of the above counties

DELINEATION OF ASSESSMENT AREA

	<u>MSA 49180</u>	<u>MSA 24660</u>	<u>MSA - NA</u>	<u>MSA - 39580</u>
Counties of:	Forsyth Davidson Davie Stokes Yadkin	Guilford Rockingham Randolph	Watauga Wilkes	Wake (partial county) Franklin

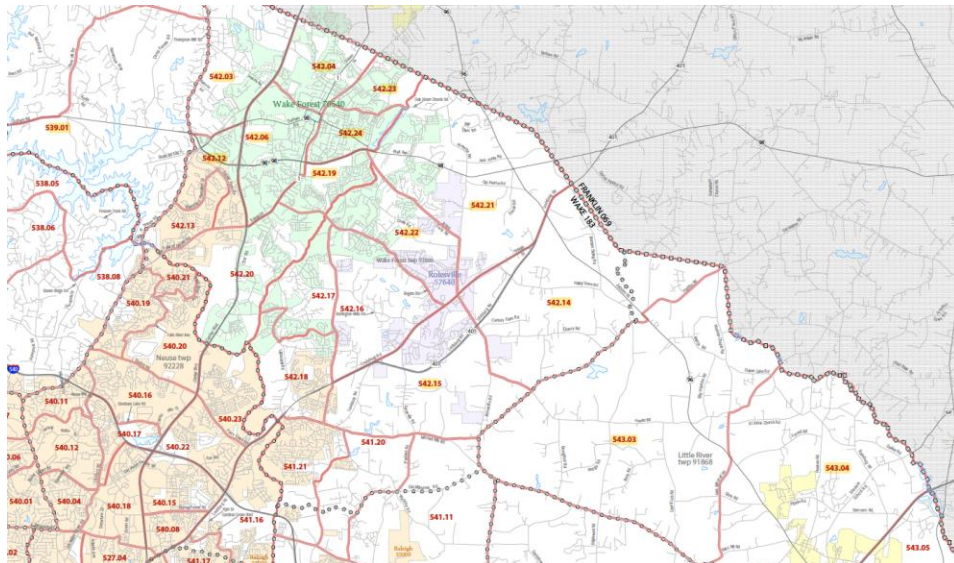
PIEDMONT FEDERAL SAVINGS BANK AREAS OF SERVICE



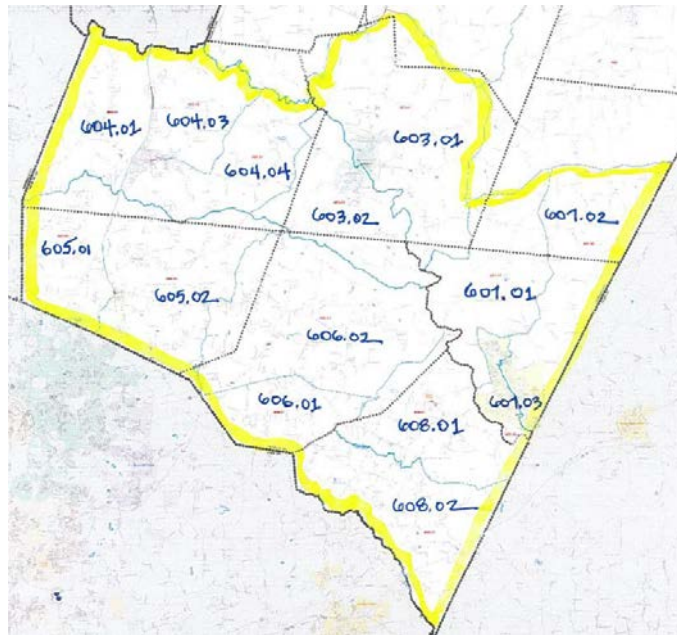
Wake Forest Federal, a Division of Piedmont Federal Savings Bank

Wake County

539.01, 539.02, 542.03, 542.04, 542.06, 542.12, 542.14, 542.15, 542.19, 542.21, 542.22, 542.23, 542.24, 543.03, 543.04



Franklin County



March 01, 2024

BANKING PRODUCTS AND SERVICES

All services are available at each branch location.

All savings are insured by the FDIC, a United States Government Agency.

Piedmont Federal Savings Bank is an Equal Housing Lender.

WAYS TO BANK

Online Banking	24-hour access to accounts by secured internet connection
Credit Sense	Online tool to help you protect and manage your credit
Online Bill Pay	Available through Online Banking
eStatements	Available through Online Banking
Transfer Funds	Transfer funds between Piedmont Federal Savings Bank and other banks
Zelle	Send or receive money in the United States
Mobile Banking	Offers the ultimate convenience in banking – 24-hour access to your accounts straight from your mobile devices.
Mobile Deposits	use your smartphone's camera to snap a picture of the front and back of your check, then submit the images electronically into the Mobile App.
Notifi	Alerts received on account activity.
Debit Cards	Free with PF checking account
Digital Wallet	Easier, safer and secure way to make purchases.
Make \$ents	Debit card transactions rounded up to assist in saving
Card Valet	Control card usage – Free with PF Debit Card
uChoose Rewards Program	Earn rewards by using your PF Debit Card
Credit Cards (Ind./Business)	Widespread acceptance offered through Elan Financial Services
TeleBanking	24-hour access to account by touch-tone phones
ATMs/Branches	Free transactions from any ATM in the world
Click SWITCH	Switch all of your direct deposits and recurring payments in just minutes
Safe Deposit Boxes	Offer boxes in various sizes. Subject to availability at our Clemmons, Hanes Mill, Kernersville, High Point, Peace Haven, Southpark and Stratford branches.

FEE SCHEDULES

Attached Exhibit "A" (Consumer Products and Services Fee Schedule)

Attached Exhibit "A-1" (Wake Forest Federal, a division of Piedmont Federal Savings Bank Consumer Products and Services Fee Schedule)

Attached Exhibit "B" (Business Products and Services Fee Schedule)

PRODUCTS

Attached Exhibit "C" (PF Checking Account Products)

Attached Exhibit "C1" (Youth Checking Account)

Attached Exhibit "C2" (Wake Forest Federal, a division of Piedmont Federal Savings Bank Deposit Products)

Attached Exhibit "D" (Savings, Money Markets, Health Savings Account and Coverdell Education Savings Account)

Attached Exhibit "D1" (Youth Savings Account)

Attached Exhibit "E" (Certificate of Deposit)

Attached Exhibit "E1" (Companion Account)

Attached Exhibit "F" (Retirement)

Attached Exhibit "G" (PF Business Checking Account Products)

Attached Exhibit "G1" (Wake Forest Federal, a division of Piedmont Federal Savings Bank Business Products)

Attached Exhibit "H" (PF Business Savings)

Attached Exhibit "I" (PF Business Loans)

Attached Exhibit "I1" (PF Business Overdraft Line of Credit)

Attached Exhibit "I2 (Wake Forest Federal, a division of Piedmont Federal Savings Bank Business Lending Products)

Attached Exhibit "J" (Mortgage Products)

Attached Exhibit "J1" (Wake Forest Federal, a division of Piedmont Federal Savings Bank Lending Products)

Attached Exhibit "K" (PF Protect Personal Overdraft)

Attached Exhibit "L" (Personal Loans and Line of Credit Products)

Attached Exhibit "M" (Treasury Services)

Attached Exhibit "N" (Merchant Services)

Attached Exhibit “P” (PF Boost)

Attached Exhibit “P1” (PF Boost Flyer)

Attached Exhibit “Q” (Affordable Home Loan Dream Program)

Attached Exhibit “R” (HAB100 Loan Program)

COMMUNITY RELATIONSHIP AND ALLIANCES (CRA)

Attached Exhibit “S” (Habitat Servicing)

Attached Exhibit “T” (CAHEC Investment)

Attached Exhibit “U” (SG Atkins)

Attached Exhibit “V” (The Do-School)

PIEDMONT FEDERAL SAVINGS BANKPROGRAMS

Attached Exhibit “W” (Piedmont Plus)

Attached Exhibit “X” (Making a Difference Scholarship Program)

Attached Exhibit Y (M&A Article of Wake Forest Federal Savings Bank)

LOANS TO DEPOSIT RATIO

The loan to deposit ratio is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period.

Piedmont Federal Savings Bank					
Loans to Deposit Ratio					
<i>(\$ in 000s; from Call Report)</i>					
Date		Total Loans		Deposits	Loans to Deposit Ratio
03/31/2020		516,796		642,258	80.5%
06/30/2020		552,900		656,618	84.2%
09/30/2020		566,821		665,596	85.2%
12/31/2020		563,075		681,434	82.6%
03/31/2021		574,928		697,209	82.5%
06/30/2021		584,931		712,422	82.1%
09/30/2021		589,286		719,480	81.9%
12/31/2021		614,658		718,031	85.6%
03/31/2022		654,646		764,322	85.7%
06/30/2022		674,094		770,665	87.5%
09/30/2022		681,318		790,480	86.2%
12/31/2022		697,747		793,733	87.9%
03/31/2023		702,140		805,205	87.2%
06/30/2023		698,762		812,968	86.0%
09/30/2023		698,239		813,354	85.8%
12/31/2023		702,503		823,936	85.3%

Under the Federal Community Reinvestment Act (CRA), The Office of the Comptroller of the Currency (OCC) evaluates Piedmont Federal's records of helping to meet the credit needs of the communities we serve consistent with safe and sound banking practices. The OCC takes the Bank's record into consideration when evaluating applications to add, relocate or close branches.

Piedmont Federal's Mission and CRA Philosophy

It is the Board's goal to ensure that our CRA goals are in unison with the Bank's mission statement

"Piedmont Federal Savings Bank is a well-capitalized, mutual institution that: Promotes financial success for our clients through affordable home loans and safe, secure savings delivered with extraordinary client service; Partners with employees to advance a positive work environment to achieve individual and corporate success; Nurtures a better quality of life for our communities."

The 'Mutual Benefit'

Piedmont Federal Savings Bank is a mutual savings bank and is FDIC-insured. As a mutual, Piedmont Federal Savings Bank is accountable to our customers, employees and communities.

Mutual banks are not publicly held and are not under the same quarterly earnings pressure as stock institutions. This enables Piedmont Federal Savings Bank to take a long-term perspective on operations, service to the community and meeting customer needs. Our bank is strongly committed to controlling risk and being a stable influence in the markets we serve.

In accordance with this mission, the Bank's CRA philosophy embodies the following principles:

We will make all loans, investments and donations in accordance with safe and sound banking practices.

At Piedmont Federal, our goal is to be the lender of choice in the community we serve. Our purpose is simple – **We Open Doors for You**. We open doors for you, whether you are purchasing a home, building savings or financing equipment for your business. We open doors for our communities to be better places to live. The foundation of this Purpose is our Values, which guide how we do business and are also our competitive advantage. We strive to be competitive with our loan products, services, and the interest rates we offer, hopefully developing a long-term relationship with the clients we serve.

Piedmont Federal Savings Bank recognizes that good clients and credit worthy borrowers come from all areas of the Bank's foot print, including low to moderate income and minority neighborhoods.

Loan approval, terms, and conditions of credit in a specific instance are always decided on an individual case-by-case basis, after the creditworthiness of the borrower and the collateral have both been carefully analyzed and evaluated. When applying for a loan, we encourage applicants to request a copy of our underwriting standards from the lending personnel assisting them.

Ascertaining the Credit Needs of the Community and Communicating Our Credit Services to the Community

Piedmont Federal Savings Bank recognizes that one of the best ways to understand the needs of client in low to moderate income and minority areas within our assessment area is through local involvement and input from community-based organizations who promote affordable housing, small business development financial literacy and pathways to home ownership.

The CRA Officer for Piedmont Federal Savings Bank will systematically review our record of meeting the community credit needs and will define, analyze, and seek new ways to determine these needs. The CRA Officer will make specific recommendations of how we can better serve the community. The CRA Officer will report the findings to the Board of Directors of Piedmont Federal Savings Bank on a regular basis.

CRA STATEMENT

Piedmont Federal's Board of Directors shall review the CRA Statement at least annually. In addition, during the course of the year, the Board of Directors shall amend the statement and initiate such action as deemed necessary in order to better meet the community's credit needs. Such actions shall be noted in its minutes.

March 01, 2024



Thank you for choosing Piedmont Federal as a trusted financial partner. We appreciate your business and we are committed to providing you with superior products and services. Periodically we review our deposit product line to ensure the best value for you, our customers, and to cover costs associated with account maintenance. Below, please find the updated Products and Services Fee Schedule. **Account Service Fees**

ATM Fees	FREE
Stop Payment Fee (ACH/Check/Bill Pay)	\$35.00 per item
Non-Sufficient Funds (NSF) – Returned Check/ACH	\$20.00 per item
Non-Sufficient Funds (NSF) – Paid Check/ACH	\$20.00 per item
Non-Sufficient Funds (NSF) maximum daily charge	\$60.00 per day
Loan Payments – Returned Check/ACH	\$20.00 per item
DBA – Returned Deposited Item	\$12.00 per item
Statement Copy	\$5.00 per request
Image Copy	FREE through online banking or \$5.00 per item
Transaction History Printout	\$5.00 per request
Research Fees and Statement Reconciliation	\$30.00 per hour / \$30.00 minimum
Undeliverable Mail	\$5.00 per item
Coin Counting – Customer Only > \$25.00	3% of counted total
Official Check – Customer	\$8.00
Statement Savings – Average Daily Balance less than \$100.00 (Active and Inactive Status, PFStart/Go excluded)	\$2.00 per month
Inactivity/Dormant Fee-Checking Accounts	\$5.00 per month (after 365 days no activity)*
Inactivity/Dormant Fee-Savings and Money Market Accounts	\$3.00 per month (after 3 years no activity) *
IRA Transfers (to other financial institutions)	\$100.00
Excessive Activity Fee (Over limit of 6) (Savings and Money Market accounts)	\$10.00 per item
Online Banking Fees	
Online Banking	FREE
Online Bill Pay	FREE
Expedited Fee – Bill Pay	\$14.95
Mobile Banking	FREE (Mobile service provider charges may apply)
External Transfer into a Piedmont Federal account	FREE (other institution fees may apply)
External Transfer to another Financial Institution	\$2.00 per transfer
Zelle Fees -	
Send Money Fee	Next Day Fee
Microbusiness payment	\$0.75
Stop Payment	\$10.00
Transfer of Funds	
Wire – Domestic Outgoing	\$25.00
Wire – Domestic Incoming	Free
Wire – International Incoming	\$25.00
Wire – International Outgoing	\$50.00
Wire – Returned	\$20
Wire – Research/Investigation	\$25
Safe Deposit Boxes	
3 X 5	\$40.00 per year
3 X 10	\$50.00 per year
5 X 10	\$80.00 per year
10 X 10	\$120.00 per year
Key Replacement	\$50.00
Drilling	\$200.00
Miscellaneous Services	
Early Closure (account must be open 30 days)	\$20
Lost Card Replacement	\$5 (on 3 rd replacement in a year)
Escheatment	\$50
Account Charge Off Fee	\$25
Legal Fees (Tax Levy)	\$100.00
Legal Fees (Garnishment)	\$100.00
Gift Card	\$3.00 per card



SCHEDULE OF FEES

Checking Account

• Minimum balance to open	\$ 50.00
• Maintenance fee if daily balance drops below \$50.00	\$ 5.00
• Deposited check returned	\$ 5.00
• Insufficient Funds (NSF)	\$ 30.00
• Stop payment requests	\$ 20.00
• Copy fee for checks, statements, deposits & other documents	\$ 5.00
• Wire Transfer, domestic incoming and outgoing	\$ 20.00
• Wire Transfer, international incoming	\$ 20.00
• Wire Transfer, international outgoing	\$ 50.00
• Official Checks	\$ 5.00
• Legal Processing (tax levies, garnishments, etc.)	\$ 50.00
• Account Research (Per hour)	\$ 20.00
• Early Closing Penalty (within 3 months of account opening)	\$ 15.00
• Dormant Account (Per month after no customer initiated activity for 12 months)	\$ 3.00
• Escheat Fee...Per account after no customer initiated activity for 60 months (See note below)	\$ 20.00

Money Market Account

• Minimum balance to open	\$ 2,000.00
• Maintenance fee if daily balance drops below \$2,000.00	\$ 5.00
• Per excess item fee (Federal regulations limit preauthorized or automatic transfers to other accounts you may have with us or third party withdrawals to no more than six (6) per statement period. Transactions made at our office are unlimited. Wake Forest Federal reserves the right to close the account or convert it to a checking account if these limits are routinely exceeded).	\$ 5.00
• Account Research (Per hour)	\$ 20.00
• Early Closing Penalty (within 3 months of account opening)	\$ 15.00
• Dormant Account (Per month after no customer initiated activity for 12 months)	\$ 3.00
• Escheat Fee...Per account after no customer initiated activity for 60 months (See note below)	\$ 20.00
• Our money market account is tiered interest-bearing. The higher your balance, the higher your interest rate. Rates are subject to change at our discretion. Interest Rate tiers are as follows: Tier 1: \$0 - \$1,999; Tier 2: \$2,000 - \$24,999; Tier 3: \$25,000 - \$49,999; Tier 4: \$50,000 - \$99,999; Tier 5 - \$100,000 and up. Amounts below \$2,000 earn the same interest rate as our checking accounts.	

302 Brooks St.
Wake Forest, N.C. 27587
(919) 556-5146
www.wakeforestfederal.com



Disclosures about our Deposit Accounts

Checking Account:

Minimum balance to open a checking account is \$50.

Your interest rate and annual percentage yield are subject to change at any time at our discretion.

Interest begins to accrue on the business day you deposit noncash items (for example, checks).

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Interest is compounded daily and credited to your account monthly. If you close your account, accrued interest will be credited to your account at that time.

You can avoid a monthly maintenance fee of \$5.00 if you maintain a minimum daily balance of \$50 in your checking account during the statement cycle.

A \$15.00 service charge will be imposed if you close your checking account within 90 days of the opening date.

Our "Schedule of Fees" has other important information.

Money Market Account:

Minimum balance to open a MMA account is \$2,000.

Your interest rate and annual percentage yield are subject to change at any time at our discretion.

This is a tiered rate account. Your interest rate and annual percentage yield are based on the balance in your account. The interest rates within the tiers may change.

Interest begins to accrue on the business day you deposit noncash items (for example, checks).

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Interest is compounded daily and credited to your account monthly. If you close your account, accrued interest will be credited to your account at that time.

This account is limited to 6 preauthorized, automatic transfer, or third party withdrawals per statement period. Exceeding these limits will result in a \$5.00 monthly fee and routinely exceeding these limits could result in account closure. Transactions at our office are unlimited.

A \$15.00 service charge will be imposed if you close your Money Market account within 90 days of the opening date.

You can avoid a monthly maintenance fee of \$5.00 if you maintain a minimum daily balance of \$2,000 in your MMA account during the statement cycle.

Our "Schedule of Fees" has other important information.

Statement Savings Account:

Minimum balance to open a Statement Savings account is \$50.

A \$5.00 service charge will be imposed if you close your Statement Savings account within 30 days of the opening date.

Your interest rate and annual percentage yield are subject to change at any time at our discretion.

Interest begins to accrue on the business day you deposit noncash items (for example, checks).

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest is compounded daily and credited to your account monthly. If you close your account, accrued interest will be credited to your account at that time.

Our "Schedule of Fees" has for other important information.

Please see a customer service representative or call our office at (919) 556-5146 for current interest rates and annual percentage yields on our deposit accounts.

Visit us online at www.wakeforestfederal.com



Wake Forest Federal
Your Community. Your Bank.

CERTIFICATE OF DEPOSIT ACCOUNT

- Minimum balance to open an account and to earn the annual percentage yield is \$1,000.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- The interest rate and annual percentage yield are fixed for the term of the certificate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.
- No additions (other than credited interest) may be made to this account during the term, except when specified.
- Interest is compounded daily on twelve (12) month to sixty (60) month certificates and credited quarterly.
- Simple interest is paid on thirty (30) day to ninety-one (91) day certificates and interest is credited at maturity.
- Simple interest is paid on one-hundred eighty-two day (182 day) certificates and interest is credited monthly or at maturity.
- Accounts will automatically renew on the maturity date. Each renewal term will be the same as the original one, beginning on the maturity date. You must come into our office or notify us in writing before or within a ten day grace period after the maturity date if you do not want this certificate to automatically renew. The interest rate for each renewal term will be determined by us on or just before the renewal date. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the new rate will be known for the renewal period.
- A penalty will be assessed for withdrawal prior to maturity. The penalty for certificates of deposit with terms of less than one year is 91 days loss on interest. The penalty for certificates of deposit with terms of one year to two years is 182 days loss of interest. The penalty for certificates of deposit with terms greater than two years is one year's loss of interest.
- Please refer to our Schedule of Fees for other important information.

Revised February 2021

Please see a customer service representative for current interest rates and annual percentage yields or call our office at 919-556-5146.

**302 Brooks St.
Wake Forest, N.C. 27587
(919) 556-5146
www.wakeforestfederal.com**



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ATM Fees	FREE
Stop Payment Fee (ACH/Check/Bill Pay)	\$35.00 per item
PFBusinessChoice & PFCCommunity item charge in excess of product maximum (checks paid, deposits, deposited items, ACH debits/credits)	\$0.35 \$0.50 \$0.50
PFBusinessEssentials item charge in excess of 150	
PFBusinessConnect item charge in excess of 175	
Non-Sufficient Funds (NSF) – Returned Check/ACH	\$35.00 per item
Non-Sufficient Funds (NSF) – Paid Check/ACH	\$35.00 per item
eStatements & paper statements	FREE
Returned Deposited Item	\$12.00 per item
Statement Copy	FREE through online banking or \$25.00 per request
Image Copy	FREE through online banking or \$5.00 per item
Research Fees and Statement Reconciliation	\$50.00 per hour / \$50.00 minimum
Undeliverable Mail	\$20.00 per item
Currency & Coin Counting charge in excess of product maximum	\$1.50 per \$1,000
Official Check – Customer	\$8.00
Inactivity/Dormant Fee –Checking	\$5.00 per month (after 365 days with no activity) *
Inactivity/Dormant Fee- Savings and Money Market Accounts	\$3.00 per month (after 3 years with no activity)*
Excessive Activity Fee (Over limit of 6) (Savings and Money Market accounts)	\$10.00 per item
Business Online Banking	
Online Banking	FREE
Online Bill Pay	FREE
Mobile Banking	FREE (Mobile service provider charges may apply)
Wire Transfer Fees	
Wire – Domestic Incoming	FREE
Wire – Domestic Outgoing	\$25.00
Wire – International Incoming	\$50.00
Wire – International Outgoing	\$50.00
Safe Deposit Boxes	
3 X 5	\$40.00 per year
3 X 10	\$50.00 per year
5 X 10	\$80.00 per year
10 X 10	\$120.00 per year
Key Replacement	\$50.00
Drilling	\$200.00
Miscellaneous Services	
Legal Fees (Tax Levy)	\$100.00
Legal Fees (Garnishment)	\$100.00
Gift Card	\$3.00 per card

March 01, 2024



Compare Checking Accounts



Piedmont Federal offers a variety of checking options for all of your life's financial milestones: **PFBBoost**, **PFFFree**, **PFCClassic** and **PFPinnacle**.




PFFFree, PFCClassic and PFPinnacle earn interest. All of our checking accounts offer unlimited free withdrawals at any ATM worldwide, Online Banking, Credit Sense, Mobile Banking, Telebanking, Mobile Deposit, Bill Pay, Overdraft Protection,³ Account-to-Account Transfers, eStatements, Debit Cards, Make\$ents, CardValet® and Zelle®.



Hey Students! Check out our new **Student Smart Start Checking**. **Score big** with rewards for completing financial education modules. **Stress less** knowing that your banking experience is "on the house." **Simplify your banking** using our mobile app for all your financial needs.



Best if you prefer	Straightforward checkless banking	Free checking, with online and mobile access for banking on the go	Traditional banking with unlimited check writing	Relationship checking that offers discounts, rewards and additional security
Minimum opening balance	\$20 or \$0 with direct deposit	\$50	\$100	\$100
Monthly fee	\$4	No monthly maintenance fee.	No monthly maintenance fee when you meet one of the following requirements each statement cycle: Maintain a \$100 average daily balance OR Maintain a minimum balance of \$2,500 in Piedmont Federal deposit accounts	No monthly maintenance fee when you meet one of the following requirements each statement cycle: Maintain a minimum balance of \$10,000 in Piedmont Federal deposit accounts OR Have a Piedmont Federal mortgage with a balance

			OR Conduct 25 or more debit card purchase transactions Otherwise, \$10 monthly maintenance fee	OR Have a Piedmont Federal Home Equity Line of Credit with a balance of \$10,000 or more Otherwise, \$20 monthly maintenance fee
Checks	N/A	Unlimited check writing	Unlimited check writing	Unlimited check writing
Checks printing charge	N/A	At customer's expense	Free first order of standard checks, 40% discount on standard check orders if you are age 55+	Two Free orders of standard checks or 40% discount on custom checks
Other PFPerks or Requirements	Paper or eStatements 	eStatements required Online Banking required		No purchase fee for gift cards 40% discount on safe deposit box rental fee, ² Visa Credit card with no annual fee ³
Make\$ents	Yes, learn more	Yes, learn more	Yes, learn more	Yes, learn more
UChoose Rewards®	Yes, learn more	Yes, learn more	Yes, learn more	Yes, learn more

[View Products and Services Fee Schedule \(PDF\)](#)TO OPEN AN ACCOUNT: **[APPLY IN MINUTES](#)** OR CALL FOR DETAILS.¹ Standard nonsufficient funds and overdraft advance fees still apply.² Based on availability.³ Subject to credit approval.



Student Smart Start Checking

At Piedmont Federal, we open doors for everyone. We want to open the door for you as you begin your banking journey. We invite you to open a Student Smart Start Checking account* and start experiencing the perks of Piedmont Federal today!

Student Smart Start Checking Exclusive Perks

- Themed Debit Card Design**
- Financial Education Rewards Program***
- ZERO FEES with no catch... really, we mean no catch!
- \$20 minimum opening balance
- Free budgeting tools and credit building tips

Ages 13-17 need to visit one of our local branches to open the account.

TO OPEN AN ACCOUNT: **APPLY IN MINUTES** OR CALL FOR DETAILS.

*Account eligible for ages 13-23. Account holders aged 13-17 must be joint with a parent or guardian. Account will be changed from the Student Smart Start Checking to a PFFree Account upon 24th birthday of qualifying customer

** Only applies to instant issue debit cards – Ask your banker for more information

*** Must complete Banzai course with at least a score of an 80% to qualify; can only participate in each course one time

Personal Banking

Checking Account

Personal Checking Account

- Open with just \$50.00
- No monthly fee with minimum daily balance of \$50.00
- Unlimited transactions
- Free online banking
- Free bill pay
- Paper statements or eStatements with images
- Free Visa debit card
- Free mobile banking with mobile deposit

Savings Plans and Accounts

Savings Account

- \$50.00 to open account
- No monthly fee with minimum daily balance of \$50.00
- Interest is compounded daily and paid quarterly

Money Market Account

- Tiered interest rates tied to account balances
- No monthly fee with minimum daily balance of \$2,000.00

Certificate of Deposit & IRA

- Terms from 31 days to 5 years
- Minimum deposit to open account is \$1,000.00



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SAVINGS & MONEY MARKET

Statement Savings, Money Market, Health and Education Savings Accounts

	STATEMENT SAVINGS	MONEY MARKET	HEALTH SAVINGS ACCOUNT (HSA)	COVERDELL EDUCATION SAVINGS ACCOUNT (CESA)
Best if you want	A simple way to start reaching your savings goals A <u>Youth Savings</u> account	A tiered account where higher balances can earn higher rates	A tax-advantaged way to pay for qualified medical expenses ¹	A tax-free account for educational expenses
Minimum Opening Balance	\$100	\$2,500	\$100	\$100
Monthly Fee	No monthly maintenance fee when you meet the following requirement: Maintain \$100 average daily balance Otherwise, \$2 monthly maintenance fee.	No monthly service charge	No fees	No fees
Earns Interest	Yes, see rates	Yes, see rates	Yes, see rates ²	Yes, see rates ²
Online Banking	Free – Online Banking eStatements	Free – Online Banking eStatements	Free – Online Banking (inquiry only)	Free – Online Banking (inquiry only)
Mobile & Text Banking	Free Mobile & Text Banking ³	Free Mobile & Text Banking ³	N/A	N/A
Telebanking	Free Telebanking ³	Free Telebanking ³	N/A	N/A
Additional Benefits	ATM Card Can be used as overdraft protection for your PF Checking Account Make\$ents	Can be used as overdraft protection for your PF Checking Account	Learn more about HSAs (PDF)	Learn more about CESAs (PDF)
Transaction Limits	Yes. View limits (PDF).	Yes. View limits (PDF).	N/A	N/A

[View Products and Services Fee Schedule](#) (PDF)

TO OPEN AN ACCOUNT: VISIT A BRANCH NEAR YOU OR CALL FOR DETAILS.

¹ To meet the requirements, you must be covered by a high-deductible health plan (HDHP), must NOT be covered by another health insurance plan, and NOT enrolled in Medicare. If you meet the eligibility requirements for a HSA, you, your employer, your family members or other individuals may contribute to your HSA.

² Rates depend on CD product selected.

³ Your mobile carrier may charge fees depending upon your individual plan. Check with your carrier for specific fees and charges. To access Mobile & Text Banking, you must first enroll in the service. Enrollment through the Mobile App is not available on all devices.



Two savings accounts to help guide children and teens

PFStart and PFGo

We understand young children and tweens to teens have different needs and expectations for their savings.

So we've designed these accounts to help kids ages 0 – 18 build savings for the future and increase their financial knowledge!

Account Features and Benefits

- Higher **interest rate**¹ paid on balances up to \$2500.
Balances over \$2500 will revert to regular statement savings rate.
- \$10 minimum opening balance.
- Gifts awarded at account opening, birthdays, and upon reaching balance milestones.
- Make automatic transfers from parent/guardian accounts to child's account.
- **Make\$ents** program
- Statements provide customized messages and links to financial tips.
- **High School Graduation Gift Program (PDF)**.

Savings Account Comparison »

¹ Rates subject to change without notice.



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CERTIFICATES OF DEPOSIT (CDs)

Compare CDs

	SHORT TERM CDs	LONGER TERM CDs	JUMBO CD
Best if you want	Fixed rates with short term maturity	Fixed rates with daily compounding	Flexible terms that range from 3 months to 5 years
Terms	3, 6, 9, 12 months	13, 18, 24, 30, 36, 48, 60 months	Negotiable
Minimum to open	\$500	\$500	\$100,000
Renewal	Automatic	Automatic	Automatic
Fees and penalties	3 month CD – 30 days interest All Other Terms – 90 days interest Interest paid to certificate can be withdrawn at any time during the term without penalty	60 month CD – 12 months interest All other terms – 180 days interest Interest paid to certificate can be withdrawn at any time during the term without penalty	3 month CD – 30 days interest 60 month CD – 12 months interest All Other Terms – 90 or 180 days interest based on negotiated term Interest paid to certificate can be withdrawn at any time during the term without penalty
Available as an IRA?	Yes ¹ Learn more about IRAs	Yes ² Learn more about IRAs	Yes
Certificate of Deposit Accounts do not receive statements; the account holder will receive a maturity notice and letter.			
Your Certificate of Deposit balance can be viewed at any time through our Online Banking. Learn more about Online Banking			
Open a Companion Deposit Account with a CD term of 12 months or greater.			

[View current CD & IRA Rates](#)

TO OPEN AN ACCOUNT: [APPLY IN MINUTES](#) OR CALL FOR DETAILS.

¹ Only 6 and 12 month term on IRAs.

² Only 18, 30 and 48 month terms on IRAs.



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COMPANION DEPOSIT ACCOUNT (CDA)

The best of both worlds.

The Companion Deposit Account (CDA) is a higher interest-bearing savings account that accompanies newly issued Certificates of Deposit (CDs). Enjoy the best of both worlds with some funds locked into a competitive rate CD and some funds readily available in a higher paying deposit account.

Account Features and Benefits

- Open a new CD or rollover a maturing CD into a 12-month term or longer and link your CDA.
- Higher **interest rate** paid on the Companion Deposit Account.¹
- \$2500 minimum opening balance required in each account; CDA balance must be equal to or less than CD.
- Must open and fund CDA and CD at the same time.
- Unlimited in-person withdrawals.
- Available for personal accounts only.
- Balances below \$1,000 will revert to the standard statement savings rate.
- Deposit to the CDA can only be made at account opening; no future deposit can be made to the CDA.

¹ Rates subject to change without notice.



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RETIREMENT

Traditional IRAs, Roth IRAs, and Simplified Employee Pension (SEP) Plans

	TRADITIONAL IRA	ROTH IRA	SEP IRA
Best if you want	Your money to grow tax-deferred until you retire	Both tax-free growth and tax-free withdrawals	A plan if you're self-employed or a small business
Contribution eligibility	Any age with taxable compensation	Any age with taxable compensation	Only the employer can make contributions
Maximum contribution limits	Contributions Limits for 2024: <ul style="list-style-type: none"> \$7,000 if under age 50 \$8,000 if age 50 or older 	Contributions Limits for 2024: <ul style="list-style-type: none"> \$7,000 if under age 50 \$8,000 if age 50 or older 	Contributions Limits for 2024: <ul style="list-style-type: none"> Employer contributions that are lesser of 25% of employee's compensation or \$69,000
Tax advantages	Pay no taxes until you take distributions	Tax-free when you take distributions	Pay no taxes until you take distributions
Tax deductions	Depends on: <ul style="list-style-type: none"> Your earnings Whether you (or your spouse, if married) participate in an employer's retirement plan Your tax filing status 	Contributions are not deductible	The lesser of your contributions or 25% of employee's compensation (limited to \$345,000) not to exceed \$69,000 If you're self-employed, your business can generally deduct the contributions you make to your own SEP IRA
Distributions	Reportable and may be subject to income tax Distributions are IRS penalty-free after age 59½	Tax-free after 5 year IRS holding period and you are 59½ Distribution of a contribution is IRS tax and penalty-free	Reportable and may be subject to income tax Distributions are IRS penalty free after age 59½
Required minimum distribution	Mandatory at age 73 if you turn 70½ in 2020 or later	None	Mandatory at age 73 if you turn 70½ in 2020 or later
Products	View IRA products chart		
Additional benefits	Learn more about Traditional IRAs (PDF)	Learn more about Roth IRAs (PDF)	Learn more about SEP IRAs (PDF)
Other information	Which IRA is right for you? (PDF) Moving Assets Between Retirement Plans (PDF)		

TO OPEN AN ACCOUNT: VISIT A BRANCH NEAR YOU OR CALL FOR DETAILS.



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BUSINESS CHECKING

Compare Business Checking Accounts



Piedmont Federal offers five full-service checking options tailored for your business: **PFBusinessEssentials**, **PFBusinessConnect**, **PFBusinessChoice**, **PFCCommunity**, and **Analyzed Checking***.



PFBusinessConnect, **PFBusinessChoice**, and **PFCCommunity** **earn interest**. All of our checking accounts offer unlimited free withdrawals at any **ATM worldwide**, **Business Online Banking**, **Business Mobile Banking**, **Business Mobile Deposit**, **Business Online Bill Pay**, **Business Overdraft Protection**,¹ **Business eStatements**, **Business Debit Cards**, **Business Credit Cards** and **Business CardVale**®.

IOLTA Checking is available for attorney trust accounts. Features include no monthly account maintenance fees, no item or transaction fees and direct payment of interest to the North Carolina Bar Association. Minimum opening deposit is \$100.

* See Branch or Business Banker for details.



Best if your business utilizes	The basics with limited activity	Moderate activity and online/mobile banking channels	Higher balances and activity levels	IRS non-profit organization designation
Minimum opening balance	\$100	\$100	\$100	\$100
Monthly fee	No monthly maintenance fee	No monthly maintenance fee when you meet one of the following requirements each statement cycle: Maintain \$1,000 average daily balance OR Combined business deposit relationship balance of \$2,500+	No monthly maintenance fee when you meet one of the following requirements each statement cycle: Maintain \$5,000 average daily balance OR Combined business deposit relationship balance of \$10,000+	No monthly maintenance fee

		Otherwise, \$10 monthly maintenance fee	Otherwise, \$15 monthly maintenance fee	
Items (includes checks paid, deposits, deposited items, ACH debits and credits)	150 free per statement cycle \$.50 per item in excess of 150, regardless of balance.	175 free per statement cycle \$.50 per item in excess of 175, regardless of balance.	500 free per statement cycle \$.35 per item in excess of 500, regardless of balance.	150 free per statement cycle \$.35 per item in excess of 150, regardless of balance.
Checks printing charge	At customer's expense	At customer's expense	At customer's expense	At customer's expense
Cash/coin service fee	Up to \$2,000 cash services processed free of charge, then \$1.50 will be assessed per \$1,000	Up to \$2,000 cash services processed free of charge, then \$1.50 will be assessed per \$1,000	Up to \$5,000 cash services processed free of charge, then \$1.50 will be assessed per \$1,000	Up to \$2,000 cash services processed free of charge, then \$1.50 will be assessed per \$1,000
Other PFPerks or requirements	Free Business eStatements or paper statements	Free Business eStatements or paper statements	Free Business eStatements or paper statements	Free Business eStatements or paper statements
UChoose Rewards®	Yes, learn more	Yes, learn more	Yes, learn more	Yes, learn more

[View Business Account Services Fee Schedule \(PDF\)](#)

EXISTING CUSTOMERS: **[ADD ACCOUNT ONLINE](#)** OR CALL FOR DETAILS.

¹ Subject to credit approval

Business Banking

Checking Account

Business Checking Account

- Open with just \$50.00
- No monthly fee with minimum daily balance of \$50.00
- Unlimited transactions
- Free online banking
- Free bill pay
- Paper statements or eStatements with images
- Free Visa debit card
- Free mobile banking with mobile deposit

Savings Plans and Accounts

Savings Account

- \$50.00 to open account
- No monthly fee with minimum daily balance of \$50.00
- Interest is compounded daily and paid quarterly

Business Money Market Account

- Tiered interest rates tied to account balances
- No monthly fee with minimum daily balance of \$2,000.00

Certificate of Deposit (CD)

- Terms from 31 days to 5 years
- Minimum deposit to open account is \$1,000.00



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BUSINESS SAVINGS & MONEY MARKET

PFBusiness Savings and PFBusiness Market



Best if your business wants	A simple way to earn interest on excess cash	A tiered account earning higher interest while allowing for liquidity and flexibility
Minimum Opening Balance	\$100	\$2500
Monthly Fee	No monthly maintenance fee when you meet the following requirement: Maintain \$100 average daily balance Otherwise, \$2 monthly maintenance fee.	No monthly service charge
Earns Interest	Yes, see rates	Yes, see rates
Online Banking	Free Business Online Banking Free Business eStatements or paper statements	Free Business Online Banking Free Business eStatements or paper statements
Business Mobile Banking	Free Business Mobile Banking ¹	Free Business Mobile Banking ¹
Additional Benefits	Can be used as overdraft protection for your PFBusiness Checking Account	Can be used as overdraft protection for your PFBusiness Checking Account

[View Products and Services Fee Schedule \(PDF\)](#)

TO OPEN AN ACCOUNT: VISIT A BRANCH NEAR YOU OR CALL FOR DETAILS.

¹ Your mobile carrier may charge fees depending upon your individual plan. Check with your carrier for specific fees and charges. To access Mobile & Text Banking, you must first enroll in the service. Enrollment through the Mobile App is not available on all devices.



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BUSINESS LOANS

Lending solutions tailored specifically for your business.

Piedmont Federal understands it's not personal – it's your business. Whether you are expanding and need a new home for your business, additional equipment or a line of credit to support cash flow needs, Piedmont Federal's experienced business lending team is here to help you achieve your goals.

Piedmont Federal offers a variety of business lending options.

- Commercial Real Estate Loans
- Owner-occupied Real Estate Loans
- Equipment Financing
- Lines of Credit
- Capital Financing

WHY CHOOSE PIEDMONT FEDERAL FOR YOUR BUSINESS LOAN?

We are your neighbors. Our business bankers are local professionals committed to understanding and advocating for your business. Your loan is made and underwritten right here. Reach out to us today.

Allen Suttle, Director of Business Banking 336-770-1029 asuttle@piedmontfederal.com

Anabel Romero, Business Banker 336-770-1068 aromero@piedmontfederal.com

Ken Esposito, Senior Business Banker 336-423-5839 kesposito@piedmontfederal.com

Gary Newcomb, Senior Business Banker 336-423-5840 gnewcomb@piedmontfederal.com

Brad McMillian, Business Banker 336-423-5835 bmcmillian@piedmontfederal.com



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BUSINESS OVERDRAFT PROTECTION

Mistakes happen but we have solutions to help you avoid them.

Enjoy peace of mind and save on fees from overdrafts or returned checks with overdraft protection.

Safeguard your account through automatic transfers from another Piedmont Federal business account.

OR



Prepare your business for the unexpected with PFBusinessReserve¹, a variable rate² line of credit that protects your business checking account by providing automatic overdraft protection.

Avoid overdrafts by utilizing these services to help keep track of expenses and balances.

- **PFBusiness Mobile Banking** – Bank on the go and check your balance in advance or after making purchases. **Transfer funds** from your other Piedmont Federal business accounts.
- **Account Alerts** – Set up alerts for debit cards transactions through **Business CardValet**. Set up email or text alerts from **PFOne Banking**.
- **Record your transactions** – **PFOne Banking** allows you to record transactions that have not yet cleared. Don't forget your recurring payments!
- **Know your current available balance**. Check your available balance anytime with **PFOne Banking** or **PFBusiness Mobile Banking**.

¹ Subject to credit approval.

² Rates subject to change without notice.

Wake Forest Federal, a division of Piedmont Federal Savings Bank

Business Loans

- Builder Construction Loans
- Commercial Real Estate Mortgages
- Commercial Lines of Credit
- Investment and Land Loans
- Commercial Real Estate Construction to Permanent Loans

Builder Construction Loans

We offer construction loans to local real estate contractors in our market area, generally for construction of one-to-four family residences. The Association makes construction loans to local builders on either a pre-sold or speculative (unsold) basis.

We originate construction loans on commercial properties. The underwriting requirements are similar to those required for construction loans on residential properties. However, the loan to value may not exceed 75% of the property's appraised value, certain debt service and income ratios are considered, and financial projections and business plans are reviewed.

Commercial Real Estate Mortgages

Wake Forest Federal, a division of Piedmont Federal Savings Bank originates commercial real estate mortgage loans that are generally secured by properties used for business purposes and retail facilities, such as small office buildings located in the Association's market area as well as a significant number of church loans. These loans are generally originated as five or seven-year balloon loans with amortization periods of up to 20 years. The Association's underwriting standards and procedures for these loans are similar to those applicable to its construction lending, whereby the Association considers factors such as the borrower's expertise, credit history and profitability. Interest rates may be fixed or tied to prime.

Commercial Lines of Credit

Commercial lines of credit are made in amounts up to 75% of the appraised value of developed real estate or 65% of the appraised value of undeveloped land. Commercial lines of credit are generally made with terms of between 3 and 10 years at rates based upon prime, with adjustments to prime made on the first day of the month following a change in prime. Our underwriting policies require that commercial lines of credit be secured by real estate where we have a first mortgage position.



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MORTGAGE TYPES

Compare Mortgage Types

Construction Loans and Home Equity Line of Credit

	FIXED RATE MORTGAGE	5/1 Adjustable Mortgage	10/30 ADJUSTABLE MORTGAGE	FIRST-TIME HOMEBUYER	HOMEBUYERS DREAM PROGRAM
Best if you	Want a low monthly payment.	Plan to be in your home less than 5 years.	Plan to be in your home less than 10 years.	Are buying a home for the first time.	Have received approval for Down Payment Assistance from an approved city or county program.
Interest Rates	Fixed	Fixed/Adjustable	One-time rate adjustment	Fixed/Adjustable	Fixed
Terms	10, 15, 20 or 30 years	Fixed for first 5 years, then adjusts every year thereafter	30 years - Fixed for 10 years One-time adjustment to current 30-year fixed rate ¹	10, 15, 20 or 30 years or 10/30 Adjustable Mortgage	30 years
Benefits	Interest rate and monthly payment stay the same for the term of the loan By selecting a lower term, you can pay off your mortgage in a shorter amount of time. Learn more	Lower initial rate, SOFR daily rate + 1% margin Learn more	Lower initial rate - ½% below current 30-year fixed rate mortgage product. Learn more	No loan origination fee. Appraisal fee refunded at closing. Accepts loan request up to 90% Loan To Value ³ with no PMI ² . Down payment may come from a gift. Learn more	No loan origination fee. Appraisal fee refunded at closing. Accepts loan request up to \$180,000 or 90% of the sales price, whichever is less. No PMI ² . Learn more
Free Services	PFPinnacle Online Banking eStatements See our many payment options	PFPinnacle Online Banking eStatements See our many payment options	PFPinnacle Online Banking eStatements See our many payment options	PFPinnacle Online Banking eStatements	PFPinnacle Online Banking eStatements

Compare Mortgage Types

Construction Loans and Home Equity Line of Credit

CONSTRUCTION-TO-PERMANENT⁵ FINANCING NEW CONSTRUCTION COMMITMENT PROGRAM

PIEDMONT HOME EQUITY LINE

Best if you	Want to build your dream home and enjoy peace of mind during the process.	Want loan approval and a lock-in rate on your permanent mortgage before you start construction? ⁶	Need some extra money to cover home improvements or general expenses.
Interest Rates	Fixed	Fixed	Variable
Terms	Construction – 15 months Permanent – 10, 15, 20 or 30 years	10, 15, 20 or 30 years	15 years - 10 year draw period 5 year repayment
Benefits	Provides financing for the construction of the home. One application, one closing and one loan, you save money. Learn more	Does not provide financing for the construction of the home. Peace of mind with loan approval and an interest rate locked for 9 months before you begin construction. Our commitment program locks in your mortgage rate for your permanent financing after the completion of your home beyond the normal 60 days, protecting against interest rate changes. Learn more	Draw on your home's equity to afford home repairs, consolidate debt or pay for education. Learn more
Free Services	N/A	N/A	PFPinnacle Online Banking eStatements

¹ Or a maximum of 3.00% over the initial rate.

² Private Mortgage Insurance (PMI)

³ A ratio used to calculate the loan amount requested as a percentage of the value of a home.

⁴ Must have \$10,000 or greater balance on your Piedmont Home Equity Line of Credit to receive PFPinnacle with no monthly maintenance fee.

⁵ Subject to credit approval.

⁶ This program applies to the permanent financing after the completion of the home. Piedmont Federal does not provide financing for the construction of the home.

Wake Forest Federal, a division of Piedmont Federal Savings Bank

Loans

Mortgage Loans

Home Purchase Loans
Home Refinance Loans
Construction/Permanent Loans
Home Equity Loans
Land Loans
Deposit Loans

Fixed Rate Mortgages

We offer fixed rate mortgages where the interest rate remains fixed over the entire term of the loan, up to 30 years on most residential properties. With a fixed rate loan, you always know what your principal and interest payment will be. Because we do not sell our loans, you can always call us or stop by if you have questions.

Balloon Mortgages

We offer five and seven-year balloon loans, which are either called or modified based upon the Bank's interest rates currently in effect at the balloon date. These loans are similar to adjustable rate loans in that the loans generally amortize over terms up to 30 years but are not indexed to any widely recognized rate, and do not have interest rate caps or floors.

Construction/Permanent Loans

Construction loans to individuals are typically made in connection with the granting of the permanent loan on the property. Such loans convert to a fully amortizing adjustable or fixed-rate loan at the end of the construction term. In most cases, we require that the closing with respect to the permanent financing occur simultaneously with the closing of any construction loan to the borrower.

We also offer construction loans to local real estate contractors in our market area, generally for construction of one-to-four family residences. The Association makes construction loans to local builders on either a pre-sold or speculative (unsold) basis.

We also originate construction loans on commercial properties. The underwriting requirements are similar to those required for construction loans on residential properties. However, the loan to value may not exceed 75% of the property's appraised value, certain debt service and income ratios are considered, and financial projections and business plans are reviewed.

Home Equity Line of Credit

We offer home equity loans on one-to-four family residential properties, whether we have the first mortgage or not. These loans can be made in amounts up to 80% of the appraised value taking into account the outstanding balance of the first mortgage in determining the loan to value ratio. Although subject to change, we currently offer such home equity loans at prime +

1%, with adjustments to the rate made monthly for any subsequent changes to prime. Interest charges are due monthly and the loans are made with a maximum term of 180 months.

Investment and Land Loans

We also offer loans secured by residential investment properties and land. Loans secured by residential investment property are generally originated in amounts up to 75% of the appraised value for terms up to 20 years, and can be offered at fixed rates or at rates tied to prime. Loans secured by land can be made in amounts from 65% to 75% of the appraised value of the property for terms up to 10 years. Interest rates on land loans may be fixed or tied to prime.

Deposit Loans

We also offer loans secured by savings accounts at Wake Forest Federal. Interest rates charged on such loans are set at competitive rates, taking into consideration the amount and term of the related deposit and are available in amounts up to 95% of the value of the deposit account.



OVERDRAFT PROTECTION

Mistakes happen but we have solutions to help you avoid them.



We offer several ways to safeguard you from overdrafts, bounced checks and declined card transactions.

Secure your account with overdraft protection through automatic transfers from another Piedmont Federal account.

OR

Our Fixed-Rate Personal Reserve ¹ account offers a competitive fixed rate ² and provides peace of mind knowing you are covered when using your **debit card** or writing checks.

Want to avoid overdrafts? Utilize these services to help keep track of expenses and balances.

- **PFMobile Banking** – Bank on the go and check your balance in advance or after making purchases. **Transfer funds** from your other Piedmont Federal accounts.
- **Account Alerts** – Set up alerts for debit cards transactions through **CardValet**. Set up email or text alerts from **PFOne Banking**.
- **Record your transactions** – **PFOne Banking** allows you to record transactions that have not yet cleared. Don't forget your recurring payments!
- **Know your current available balance.** Check your available balance anytime with **PFOne Banking**, **PFMobile** or **Telebanker**.

¹ Subject to credit approval.

² Rates subject to change without notice.



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PERSONAL LOANS

Personal loans to meet a variety of needs.

Piedmont Federal offers personal loans for your convenience. Whether you are seeking extra funds for unexpected expenses or for debt consolidation, we provide competitive rates, a variety of terms, and a simple application process. **[Apply Now](#)**



Convenient, easy and secure ways to transfer your money.

Piedmont Federal offers your business convenient, easy and secure ways to transfer your money. Manage your accounts, perform transactions that would otherwise have to be processed at a branch, including domestic wire transfers, ACH transfers and check deposits.

Features and Benefits

- **Transfer Funds** – Move money between your Piedmont Federal Business accounts from your computer or mobile device with one-time or recurring transfers.
- **Bill Pay** – Payments can be sent to any business or person.
- **ACH Payments** – Make batch ACH payments to multiple recipients. Pay individuals, vendors or suppliers.
- **Wire Transfer** – Transfer funds domestically for same day availability of funds.
- **Remote Deposit Capture** – Electronically scan your checks and securely transmit deposit data for posting to your accounts.
- **Positive Pay/Account Reconciliation** – Enjoy piece of mind with fraud protection for checks or ACH.
- **Sweep Accounts** – Move money between checking, investment and line of credit accounts automatically.

Business Remote Deposit Capture

Piedmont Federal offers your business the convenience and cost savings of making check deposits from your office or store, on your own time and terms, rather than only when the branch doors are open.

- Scan multiple checks and transmit check images and data directly to Piedmont Federal.
- The only equipment needed is an internet-ready computer and a scanner that is provided by the bank.

Positive Pay/Account Reconciliation

Offers fraud protection for checks issued and ACH transactions, along with ability to upload account transaction data into your accounting software. Submit your file to the bank, and let the system do its work when an item doesn't match.

Sweep Accounts

Want your excess balances to work harder for you? Automatically “sweep” leftover balances after daily processing into a bank deposit account for a better return, and/or into a business line of credit to help reduce interest costs.



Piedmont Federal's partner, Atlantic Merchant Services, specializes in bringing the latest technology through multiple processors to businesses and non-profits of all types. They provide the highest level of personal service, which helps you select the best solution at the lowest possible cost.

PRODUCTS



- Credit/Check Card & Pin Debit Card processing
- Check Conversion, Guarantee & Recovery
- Electronic Benefits Transfer (EBT/Food Stamps)
- E-Commerce (Pay/Donate buttons through website)
- Gift/Loyalty/Reward card programs
- Mobile Phone processing

PRICING



- Flexi-Pricing (side by side merchant statement comparison)
- Tiered & Cost Plus pricing models
- Next Day funding of deposits available for Visa/MC/DS/Amex

CONNECTIVITY



- Terminals (dial, high-speed ,wireless, and EMV Compatible)
- Mobile Applications (iPhone, Android)
- Virtual Terminals and four Point-of-Sale Options to choose from
- E-Commerce (hosted payment portal website integration)

MERCHANT SUPPORT



- Multiple service channels: Processor, Individual Representative and Atlantic Merchant Services' office
- Monthly statements & robust online reporting
- Daily text notifications of deposits
- Quick approval and terminal deployment
- PCI Compliance support

Piedmont
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SAVINGS BANK

Member
FDIC



PiedmontFederal.bank

ATLANTIC MERCHANT
Value • Service • Innovation

Rebecca Barbee

Direct: 336.978.2687

Office: 877.947.1800

Fax: 336.245.4661

Rebecca.Barbee@atlanticmerchant.com

Serving Winston-Salem, Kernersville, Clemmons,
High Point, Boone, North Wilkesboro, and
surrounding areas



PF BOOST
Exhibit "P"

Piedmont Federal responded to the needs of the unbanked and underbanked by offering a new account called PF Boost. It is designed to give the underbanked and those needing a second chance access to a checking account. Many people are using check cashing places and other venues which may take unfair advantage with high fees and predatory services. We can provide PF Boost in a format that is simple, predictable and not intimidating to customers.

PFBoost is a checkless, non-interest bearing banking account which offers flexibility and convenience. The account features a debit card and does not have checks, so there are no overdrafts or NSF fees with the account. There is a \$4/month flat fee, which is less than many check cashing companies charge. PF Boost is exempt from dormancy or inactivity. Piedmont Federal will also open accounts for customers who owe up to \$500 on ChexSystems and will not demand repayment from the customer. This account is ideal for those new to banking, those that are underbanked and those needing a second chance with a bank account. PF Boost provides banking in a format that is simple, predictable and not intimidating to customers. PF Boost has met the Bank On National Account Standards and has been certified by the Cities for Financial Empowerment.



Check
it out...

PFPersks Include:

- Debit Card
- uChoose Rewards
- ATMs - Unlimited free withdrawals at any ATM worldwide
- Account-to-Account Transfers
- Online Banking
- Mobile Banking
- Mobile Deposit
- Make\$ents
- eStatements
- CardValet®
- Bill Pay
- Zelle®

B PFBOOST

CHECKLESS CHECKING

- Ideal as a first checking account
- \$20 minimum opening balance or \$0 with direct deposit
- No checks, no overdrafts
- Free debit card
- Free direct deposit
- Low monthly fee of \$4.00

HOMEBUYERS DREAM *Program*

Specially designed for families that have received approval for Down Payment Assistance from an approved city or county program

One of the primary barriers to homeownership for first-time home buyers is saving money for the down payment and closing costs.

The Homebuyer Dream Program provides closing cost assistance to credit worthy first-time homebuyers making less than 80% of the median income based on the designated Bank's Assessment area.

Each applicant is required to receive home buyer education and counseling, before and after the mortgage purchase, to acquire the knowledge and confidence needed to navigate the home buying process and become successful homeowners.

For more information:

Cameron Berry
Cberry@piedmontfederal.com
NMLS#2038972
Phone:336-770-1122
Fax:336-464-1574



Program Features:

- Designed for first-time homebuyers seeking loans up to \$180,000 at 90% of the sales price, whichever is less.
- No loan origination fee.
- Appraisal fee refunded at loan closing.
- An affordable monthly payment with our competitive interest rate could mean a monthly payment lower than your current rent.
- Private Mortgage Insurance Waived.
- Use "non-traditional" credit sources such as proof of timely rent payments, utility payments and other monthly obligations to compensate for a lack of credit history.



Habitat for Humanity Loan Program
Exhibit "R"

Habitat for Humanity is seeking ways to generate additional capital to increase their capacity for building new homes in the areas they serve. The local Habitat affiliate, as well as other affiliates in North Carolina, continue to experience challenges in generating the needed funds to cover construction and land costs for building affordable homes as their costs continue to rise. As a result, Habitat affiliates are having to develop alternative methods for the financing of homes to ensure they continue to meet the needs in the area of supplying affordable housing to families in the low to moderate income range. Another method more recently developed is in the form of a Habitat Affordable Home Loan Program where the mortgage loan is offered at a below the market discounted interest rate. Financial institutions either buy the loans from Habitat at an agreed upon amount or originate and service the loan at a below market interest rate.

Because of PIEDMONT FEDERAL SAVINGS BANK's long standing involvement and relationship with the local Habitat affiliate we were approached to see if PIEDMONT FEDERAL SAVINGS BANK would have any interest participating in their Affordable Home Loan Program.

In this approach, PIEDMONT FEDERAL SAVINGS BANK would be able to develop other banking relationships and services to those in this program as they would be Piedmont Federal customers who qualified under the Habitat Affordable Home Loan Program.

This homebuyer program provides loans to families that are at or above 50% but no more than 80% of Annual Median Income based on family size. The applicant and property must be approved through **Habitat for Humanity**. The mortgage loan is offered at a below the market discounted interest rate. Maximum total originated loans not to exceed \$1,000,000 through the 2019 calendar year with a maximum of \$2,000,000 in total originations in this program.



Servicing of Habitat Loans

Exhibit "S"

Servicing Habitat for Humanity mortgages require knowledge of how they differ from conventional mortgages. Piedmont Federal understands the Habitat for Humanity mission., and wishes to assist with that mission. Servicing a Habitat for Humanity loan is a unique opportunity. It is a great honor for Piedmont Federal to partner with Habitat for Humanity of Forsyth County to be their mortgage servicer. Our loan servicing team members serve as the liaison between Habitat for Humanity of Forsyth and Piedmont Federal Savings. Piedmont Federal assists with common servicing challenges such as payment changes and escrow shortages. In addition to helping these homeowners with occasional challenges of home ownership, Piedmont Federal will collect and post monthly mortgage payments, pay the taxes and insurance, perform an annual escrow analysis and provide payoff quotes to Habitat for Humanity of Forsyth. Piedmont Federal does not charge for any of these services. From the beginning our goal is to provide the best customer experience for our Habitat for Humanity homeowners.



CAHEC – Strengthening Communities
Exhibit “T”

Piedmont Federal is proud to partner with CAHEC to further our purpose to open doors for our communities to be better places to live.

About CAHEC

CAHEC’s mission is to provide communities with affordable housing and opportunities for growth and revitalization by investing in qualified tax credit products. We envision sustainable communities, offering housing and life-changing opportunities to their residents. CAHEC is a nonprofit tax credit syndicator that helps develop and foster healthy neighborhoods by raising equity capital and investing in affordable rental housing and community revitalization. To further our impact on communities, we go beyond simply financing the development of housing to provide residents in our footprint with economic, educational, and enrichment opportunities.

Created in 1992, CAHEC ranks as one of the largest nonprofit equity syndicators in the United States. Our mission is to provide communities with affordable housing and opportunities for growth and revitalization by investing in qualified tax credit products.

CAHEC also provides innovative initiatives that empower residents, promote the development of affordable rental and ownership housing, and foster sustainability within the communities it serves. With nearly 30 years of tax credit knowledge, CAHEC is committed to meeting the needs of our partners and ensuring the long-term impact of our efforts as the catalyst of sustainable and healthy neighborhoods.

Neal Parnell, Chief Retail Banking Officer states: *“Piedmont Federal has committed to invest \$1,000,000 in CAHEC over a 3-year period (2023-2026) to support the financing of LMI Housing across NC and the surrounding states. We are focusing our investment dollars towards projects in our assessment area. Identified projects in process or planning are in WS, Kernersville and Greensboro. Our investment goes towards the equity injection needed for these projects that make up the difference in the total cost and the appraised value based off of restricted rents. In turn we receive the Low Income Housing Tax Credits.”*

March 01, 2024

Giving Back to our Community



Our Teammates love where we work and live, so we come together as teammates, donating and volunteering all year. When something matters to our teammates it matters to Piedmont Federal Bank. This is why we promote their volunteer efforts and donate to some of their favorite charities.

At Piedmont Federal Bank, we are committed to supporting our communities. Our teammate volunteer program supports our **Piedmont Federal Essentials** by improving the lives of our neighbors, non-profit groups and the communities in which we do business through building relationships. Our teammates give generously of their time and talent by participating on boards, conducting financial literacy training, mentoring our youth and providing services to strengthen our local community. In 2023, our teammates recorded more than 743 hours of time invested in our communities.

Piedmont Federal Bank was built on community, and much of our community was built with the financing of Piedmont Federal. That is the heart of what it means to be a mutual – working with the community for the community.

We belong to each other, and when we work together we can achieve amazing outcomes.

In January, we ignited our relationship with Dress for Success to explore a business woman mentoring program. We also launched a Coats for Kids campaign that brought in enough coats and funding to provide 100 coats for children!

In February, our focus has been on Food Insecurity. Team Members have been committing time each week to volunteer with the great people at Second Harvest Food Bank.

March was Animal Month at Piedmont Federal when we partnered loved on our furry friends at the Forsyth Humane Society. It took everything we had to resist taking them home with us. To learn more about this great non-profit, go to <https://forsythhumane.org/>

In April, Piedmont Federal rolled up their sleeves to help build the brand new Stuart and Emma Thomas Trail on the beautiful Crossnore Campus. It was a true honor to work side by side with the Piedmont Land Conservancy (check them out at <https://www.piedmontland.org/>)

Who doesn't love FIELD DAY? Well, with the partnership of the Fusion Foundation and Beyond Sports NC, Piedmont Federal was able to put on Field Day festivities at Kimberly Park and Winston-Salem Prep in June! To learn more about Beyond Sports visit <https://www.beyondsportsnc.com/>

This summer, Piedmont Federal proudly sponsored the YMCA's Bright Beginnings Program. Team Members, along with children from local Title 1 schools, got on the school bus and headed to Walmart to go back to school shopping. What an honor to come alongside these young people and give them the dignity of choosing new things to wear for school. To learn more, go to <https://ymcanwnc.org/community/bright-beginnings>

ORGANIZATIONS & PROGRAMS PFSB SUPPORTS

After School and Summer Enrichment Program
Artizens
American Heart Association
(Go Red, Heart Walk)
Appalachian State University
Big Brothers/Big Sisters
Bookmarks
Camp Challenge
Cancer Services
Center for Home Ownership
Children's Museum of Winston-Salem
Communities in Schools
Crisis Control Ministry
Crosby Scholars
Downtown Winston-Salem Partnership
Forsyth Technical Community College
Financial Pathways of the Piedmont
Frank Spencer High School Basketball Tournament
Guiding Institute for Development Education
Habitat for Humanity
Health Foundation
Hospice & Palliative Care Center
Leadership Winston-Salem
Piedmont Down Syndrome Support Network
Second Harvest Food Bank
Senior Services
Shepherd's Center
Special Olympics
United Way
Watauga High School DECA
Wilkes Community College
Winston-Salem Chamber of Commerce
Winston-Salem Forsyth County Schools
Winston-Salem Street School
Winston-Salem Youth Chorus



Attached Exhibit "V"

The Do School

www.thedo-school.org

Piedmont Federal is proud to partner and collaborate with The Do School in Winston Salem, NC.

The Do School promotes collaboration in training a capable and sustainable workforce in underserved communities. The Do School is an innovative approach to skills training in the construction industry. The training, earmarked for marginalized members of low-wealth neighborhoods, entails: the purchase of distressed properties to serve as a training "lab" in construction trades, the renovation of these properties via a standard training program in the various trades, delivered by professionals in the industry and the re-sale of the renovated properties providing a sustainable flow of resources to repeat the process. The Do School is a tax-exempt 501(c)(3) organization founded in November 2020. The Do School believes collaboration is KEY. They believe each individual is capable of changing their lives, with the help of a village, inner drive and perseverance.

Vision and Mission Statements

"To demonstrate the transcendent effect of collaboration in every facet of life."

"To inspire and promote collaboration in training a capable and sustainable workforce in underserved communities."

"Collaboration, as bedrock, has the power to assemble capacity of unimaginable strength to perform ...regardless of the task." ~Jerry Anderson

Michele Mitchell and other teammates participated in volunteer opportunities, the graduation recognition and the year in review celebration. Monetary personal donations have also been made by some of our teammates. Piedmont Federal received the volunteer spotlight in their quarterly newsletter.

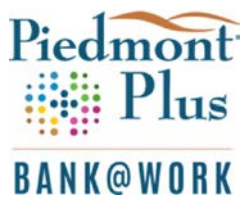
Special recognition is given to employees of Piedmont Federal Savings Bank for their day of volunteer service at live learning lab #2 on Tuesday, August 8th. Michele Mitchell was instrumental in organizing this team of volunteers who actually helped to replace exterior walls. Thanks, Piedmont Federal! We appreciate you!



March 01, 2024



Piedmont Federal at your work with the Piedmont Plus Bank@Work program



When an employer partners with **Piedmont Plus Bank@Work**, their employees can take advantage of bank benefits that build strong financial futures.

Employer Benefits:

- A great addition to both your employee benefits and wellness programs with savings and perks on banking services.
- In-person and online curriculum to better position your employees to achieve financial success.
- **Piedmont Plus Bank@Work** is provided at no cost to you and is free of administrative burdens.

Employee Benefits:

- Personal checking accounts that fit your needs.
- Finance your dreams with a variety of loan options to fit your budget.
- Certificates, Money Markets, and IRAs.
- On-site financial education seminars and online webinars.
- Personal financial checkup days.
- Money management services.
- Reduced financial stress.

Piedmont Plus Bank@Work's educational tools can be customized to fit your employees' needs. Perks include financial seminars and personal checkups delivered in person or remotely to ensure all employees have the opportunity to successfully manage their finances.

Employees benefit from competitive rates, free checking accounts, discounted fees, online banking and much more. While we are located in North Carolina, if you have employees who work off-site or in neighboring states, they can also become a customer and enjoy all of the same benefits.

To learn more or sign up for this incredible benefit, please contact Eric Hermanson at 336.770.1127 or [email](#).



Helping Students Achieve Their Dreams of Higher Education

PURPOSE

Piedmont Federal Savings Bank believes in helping students achieve their dreams of higher education. That's why we are proud to offer an annual scholarship to students in the communities we serve. This scholarship is open to high school seniors who plan to attend a private or public college or university.

AMOUNT

Piedmont Federal Bank will award two \$1,000 scholarships to the candidates who best demonstrates achievement and high standards in academics, character, leadership, citizenship, and involvement in school and community activities. The recipients will also best demonstrate how they will utilize their education to make a difference in their future career.

SCHOLARSHIP CRITERIA TO APPLY

- Student must be a senior in high school.
- Student must be a Piedmont Federal Savings Bank customer or a dependent of a current Piedmont Federal Savings Bank customer.
- Student must plan to attend a private or public college or university (2 or 4 year). If the student has not yet been accepted into a college or university, they may still apply for the scholarship.
- Student must have a cumulative high school grade point average of 3.0 or higher (on a 4-point scale).
- Student must submit a copy of their high school transcript (grades 9-12) with the application.
- Student must demonstrate achievement and high standards in academics, character, leadership, citizenship, and involvement in school and/or community activities.
- Student must submit a 500-word essay. In 500 words or less, the student should discuss how they selected their intended field of interest or major. The applicant should share any experience they have in their intended field of interest (e.g., volunteer work, summer jobs, extracurricular activities, internships, etc.) and share what they gained from that experience. The essay should describe how the student's college or university education will contribute to their immediate or long-range career plan(s) and how they will use their education to make a difference in the future.
- Student must submit a letter of recommendation with the application.
- Children or immediate family members of Piedmont Federal officers and employees are not eligible.

Applicants are evaluated by a Piedmont Federal Savings Bank Scholarship Selection Committee based on the following criteria:

- **Demonstrated academic ability** – Applicants should provide school transcripts. A minimum grade point average (GPA) of 3.0 is required to be eligible for scholarship funding.
- **Demonstrated writing ability** – Applicants must submit an essay on the topic listed in the application.
- **School activities** – Applicants should list all school activities and explain which activity is most important and why.
- **Community activities** – Applicants should list all community activities unrelated to school and explain which activity is most important and why.

Guidelines to Receive Scholarship Funds:

- Piedmont Federal Savings Bank will disburse scholarship funds in one payment of \$1,000 for the recipient's freshman year of post-secondary school, subject to the student meeting the requirements described above.
- Scholarship funds will not be released until Piedmont Federal Savings Bank receives proof of enrollment via a tuition statement for academic year. The scholarship recipient is responsible for providing Piedmont Federal Savings Bank a copy of their tuition statement in a timely manner. Piedmont Federal Savings Bank will mail the scholarship check directly to the college or university.
- The payment will be disbursed during the student's first semester upon receipt of a tuition statement.
- Tuition statements and transcripts should be uploaded on the **AwardSpring Scholarship site**, but can be mailed or emailed to Piedmont Federal Savings Bank.
 - Email address: **scholarships@piedmontfederal.com**
 - Mailing address: 201 S. Stratford Rd., Winston-Salem, NC, c/o Kelly Minor

2023–2024 Scholarship Timeline:

- Applications must be submitted to Piedmont Federal Savings Bank by February 1, 2024. Any applications received after the deadline will not be considered.
- Early April 2024 – All applicants are notified of their application status via email by Piedmont Federal Savings Bank.
- The winners will be announced on or before May 15, 2024.
- June–July 2024 – Payments are processed, and funds are distributed to the college, community college or university directly by Piedmont Federal Savings Bank.



Source: Wake Forest Bancshares, Inc.

June 27, 2023 19:01 ET

Piedmont Financial Holding Company and Wake Forest Bancshares, Inc. Announce Combination of Two 100+ Year Old North Carolina Banking Institutions

WINSTON-SALEM, N.C. and WAKE FOREST, N.C., June 27, 2023 (GLOBE NEWSWIRE) -- Piedmont Financial Holding Company, the parent company of Piedmont Federal Savings Bank ("Piedmont Federal"), has announced an agreement to acquire Wake Forest Bancshares, Inc. (OTC Pink: WAKE), the parent company of Wake Forest Federal Savings and Loan Association ("Wake Forest Federal").

Piedmont Federal was chartered in 1903 and serves clients in markets ranging from the Northwest Piedmont to the Triad and Lake Norman. Its merger with Wake Forest Federal, founded in 1922, will extend its deposit client base to include Wake Forest Federal's office located in the heart of Wake Forest, NC.

Per the terms of the transaction, minority shareholders of Wake Forest Bancshares will receive \$34.34 in cash for each publicly owned share. Based on 435,296 publicly held shares, the aggregate cash payment equals approximately \$14.95 million. The transaction has an implied aggregate deal value of \$36.75 million based on a total of 1,070,296 shares outstanding, which includes 635,000 shares of Wake Forest Bancshares owned by Wake Forest Bancorp, M.H.C that will be cancelled concurrently with the transaction. Wake Forest Federal will be merged into Piedmont Federal, while Wake Forest Bancshares and Wake Forest Bancorp, M.H.C. will each be merged into Piedmont Financial Holding Company. Wake Forest Federal's branch office will continue to operate as "Wake Forest Federal, a division of Piedmont Federal," for the foreseeable future.

Wake Forest Federal members will receive mutual rights in Piedmont Federal, which is 100% mutually owned by its members. In addition, upon completion of the merger, Piedmont Federal will establish a \$500,000 foundation to benefit the community of Wake Forest. It is believed that this would be the largest privately sourced community foundation in the Wake Forest area. The current members of the Wake Forest Federal Board will initially serve on the Board of Trustees of the foundation, as will one independent member who will be appointed by Piedmont Federal in consultation with Wake Forest Federal.

"This combination brings together two like-minded, historic banking institutions into a stronger franchise that will benefit all of our clients and communities," said David P. Barksdale, President and CEO of Piedmont Federal. "We at Piedmont Federal have admired the job that Renee Shaw and her team have done to serve their members over the years, and look forward to continuing that tradition together as partners."

He continued: "This is the first step in a broader strategy to extend our member banking experience to the greater Triangle market."

Renee Shaw, President and CEO, and all other current employees of Wake Forest Federal are expected to remain with the combined company after the transaction closes. One director from

Wake Forest Federal will join Piedmont Federal's board and the remaining directors will be invited to join a local advisory board.

Regarding the merger, Renee Shaw stated, "Piedmont Federal operates and serves its customers and communities in a manner very similar to us. That was an important consideration. This historic partnership makes us both a stronger franchise and will provide our members with enhanced products and services. The additional resources Piedmont Federal is committed to providing our community and members along with the assurance that our employee group will remain intact were key factors in our decision to combine our banking institutions. We expect to continue to serve our customers and members like we always have, only with greater resources. In addition, the ability to secure a strong premium for our shareholders as a result of the merger represents a best-case scenario for all of our constituents."

The transaction is expected to close during the fourth quarter of 2023, subject to regulatory and Wake Forest Federal shareholder approval and the satisfaction of the closing conditions to the merger.

Performance Trust Capital Partners and Luse Gorman, PC served as exclusive financial advisor and legal counsel to Piedmont Federal, respectively. Wake Forest Federal was advised by financial advisor Keefe, Bruyette & Woods, Inc., a Stifel Company, and legal counsel Kilpatrick Townsend & Stockton LLP.

Wake Forest Federal had \$118 million in total assets as of March 31, 2023. Piedmont Federal had \$1.16 billion as of the same date and 10 branch locations.

This news release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of Piedmont Federal. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as "expect," "believe," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should," or other expressions. We caution readers that these forward-looking statements, including, without limitation, those relating to the completion of the acquisition of Wake Forest Bancshares, Inc. and Wake Forest Federal (including the satisfaction of the closing conditions to the merger and the parties' ability to receive all required regulatory approvals on terms that do not materially reduce the benefits of the merger to the parties under the merger agreement), our future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements due to several important factors. These factors include, but are not limited to: risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and Piedmont Federal undertakes no obligation to update any statement in light of new information or future events.

About Piedmont Federal Savings Bank

At Piedmont Federal, our Purpose is simple – We Open Doors for You. We open doors for you to purchase a new home and to build savings; we open doors for your business to obtain the financing and banking services it needs; we open door for our communities to be better places to live. Our Values form the foundation of this Purpose: Being Authentic, Building Caring Relationships, Doing What's Right, Going All In, and Moving Forward. These Values guide how we do business and we believe they are our competitive advantage. We pledge to live these Values in our service to you.

About Wake Forest Bancshares, Inc. and Wake Forest Federal Savings and Loan Association

Wake Forest Bancshares, Inc. is the parent company of Wake Forest Federal Savings and Loan Association. Based in Wake Forest, North Carolina since 1922, Wake Forest Federal offers both consumer related products as well as services for small businesses and not-for-profit organizations from its office in Wake Forest, (Wake County), North Carolina.

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Renee Shaw, Wake Forest Bancshares, Inc.
renee.shaw@wakeforestfederal.com
(919) 556-5146



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

April 06, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Piedmont Federal Savings Bank
Charter Number 700007

201 South Stratford Road
Winston Salem, North Carolina 27103

Office of the Comptroller of the Currency
212 South Tryon Street Suite 700
Charlotte, NC 28281

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, and should not be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

Table of Contents

OVERALL CRA RATING	1
DESCRIPTION OF INSTITUTION	2
SCOPE OF THE EVALUATION	3
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	4
STATE RATING	5
STATE OF NORTH CAROLINA	5
COMMUNITY DEVELOPMENT TEST.....	11
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: SUMMARY OF STATE RATING.....	B-1
APPENDIX C: DEFINITIONS AND COMMON ABBREVIATIONS	C-1
APPENDIX D: TABLES OF PERFORMANCE DATA	D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**

The lending test is rated: Satisfactory

The community development test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on the bank's performance in the State of North Carolina.
- The Community Development (CD) Test rating is based on the bank's CD activities, including lending and services, in the State of North Carolina.
- Piedmont Federal Savings Bank's (Piedmont Federal) average loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the loans originated during the evaluation period were inside the bank's assessment area (AA).
- The distribution of borrowers reflects an overall reasonable penetration to borrowers of different incomes.
- The geographic distribution of loans reflects poor dispersion throughout the low- and moderate-income census tracts in the AA.
- Piedmont Federal community development (CD) activities demonstrate adequate responsiveness to the credit needs of its AAs through CD loans, donations, investments, and services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio (LTD) is reasonable.

As of December 31, 2019, the Piedmont Federal's LTD ratio was 81.3 percent. The bank's average LTD ratio over the 12-quarter evaluation period was 82.9 percent, ranging from a low of 74.2 percent to a high of 80.9 percent. We compared the bank's loan to deposit ratio to nine other financial institutions of similar asset sizes operating in North Carolina. The average loan to deposit ratio for these nine institutions was 96.2 percent ranging from an average high of 104.55 percent to an average low of 86.9 percent.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs. The bank originated 96.2 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,176	96.2	46	3.8	1,222	209,701	96.1	8,427	3.9	218,128
Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data										

Description of Institution

Piedmont Federal is a \$871 million federally chartered, mutual savings association headquartered in Winston-Salem, North Carolina. The bank operates ten full-service branches in Forsyth, Watauga, Wilkes, and Guilford Counties in North Carolina. All branch locations maintain the same operating hours. Of the ten branch locations, the bank has one branch in a low-income census tract and two branches in moderate-income census tracts. The branch location in Guilford county opened on August 19, 2019 to expand Piedmont Federal's operations into counties that are adjacent to the existing Winston Salem, North Carolina Metropolitan Statistical Area (MSA) AA. This branch is in an upper income census tract. The Reynolda Road branch in Forsyth county was closed on February 28, 2019 due to market overlap which resulted in declining deposits and loans. This branch was in a moderate-income census tract. Piedmont Federal does not operate automated teller machines (ATMs). In lieu of ATMs, the bank reimburses customers for any fees or charges incurred from use of third-party ATMs.

Piedmont Federal offers a full range of home mortgage loan and deposit products. All checking, savings, and loan products are available at every branch location. Piedmont Federal does not originate home mortgage loans for sale on the secondary market. The bank offers online and mobile banking services to both business and consumers. Piedmont Federal's internet website, www.piedmontfederal.bank, provides detailed information about products and services for consumers and businesses. In addition to traditional loan products, the bank has an Affordable First Time Home Buyer Product that features a below market interest rate and no origination fees. Piedmont Federal also began funding loans underwritten by Habitat for Humanity of Forsyth County for low- and moderate-income borrowers.

Piedmont Federal operates as a traditional thrift. During the evaluation period, 100 percent of the loans originated were home mortgage loans (excludes participations purchased). As of December 31, 2019, home mortgage loans totaled \$509 million and represented 98.6 and 58.4 percent of total loans and total assets, respectively. As of December 31, 2019, the bank's tier 1 capital totaled \$233 million.

Piedmont Federal designated the Winston Salem, North Carolina MSA, the Greensboro-High Point, North Carolina MSA and the Non-MSA counties of Wilkes and Watauga as AAs.

There are no legal, financial, or other factors that impede the bank's ability to help meet the credit needs in its AAs during the evaluation period. Piedmont Federal's rating at the preceding CRA Examination dated March 13, 2017, was "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

Piedmont Federal's performance was evaluated under the Intermediate-Small Bank Community Reinvestment Act (CRA) examination procedures. These procedures consist of two components: a lending test and a community development (CD) test. The lending test is an assessment of the bank's record of meeting the credit needs of its AAs through its lending activities. The CD test is an assessment of the bank's responsiveness to community development needs in the AAs through qualified lending, investment, donation, and service activities in the AA.

The evaluation period for the lending test is January 1, 2017 through December 31, 2019. Piedmont Federal's lending activity during the evaluation period evidenced that home mortgage loans are the bank's primary loan product. Home mortgage loans includes home purchase, home improvement, and home mortgage refinance loans reported on the Loan Application Register (LAR) as required by the Home Mortgage Disclosure Act (HMDA). The evaluation period for qualified CD loans, donations, investments, and services is March 14, 2017 through December 31, 2019.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a combination of the individual AA ratings. The AA ratings are based on the bank's performance under lending test and the CD test. For evaluation purposes, the Winston Salem, North Carolina MSA AA and the Greensboro-High Point, North Carolina MSA AA were combined under the Greensboro-Winston Salem-High Point NC CSA. We placed greater weight on the bank's performance in the Greensboro-Winston Salem-High Point NC CSA AA, as the vast majority of the bank's deposits and loans are in this AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this bank (or any affiliate whose loans have been considered as part of the bank's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the bank's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of North Carolina

CRA rating for the State of North Carolina¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The distribution of borrowers reflects an overall reasonable penetration to borrowers of different incomes.
- The geographic distribution of loans reflects poor dispersion throughout the low- and moderate-income census tracts in the AA.
- Piedmont Federal community development (CD) activities demonstrate adequate responsiveness to the credit needs of its AAs through CD loans, donations, investments, and services.

Description of Institution's Operations in North Carolina

Greensboro Winston-Salem High Point NC CSA

The Greensboro Winston-Salem High Point NC CSA AA consists of Forsyth, Davidson, Davie, Stokes, Yadkin, Guilford, Rockingham, and Randolph counties. The Greensboro Winston-Salem High Point NC CSA AA meets regulatory requirements and does not arbitrarily exclude low-or moderate-income geographies.

The Greensboro Winston-Salem High Point NC CSA AA consists of 318 geographies. Of the 318 geographies, 8.5 percent and 22.6 percent, respectively are designated as low-income and moderate-income. Piedmont operates eight branches in the AA. Approximately 13 percent of the branches are located in low-income geographies and 13 percent are located in moderate-income geographies. The 2015 Census data for the Greensboro Winston-Salem High Point NC CSA AA reported a total population of 1.39 million. Approximately, 28.5 percent of the population lives in low and moderate-income census tracts.

Piedmont Federal faces strong competition in the AA. According to the FDIC Deposit Market Share Report as of June 30, 2019, there were \$48.2 billion in deposits held among 26 financial institutions with 315 offices located in the AA. The primary competitors were large national and regional banks. The top five competitors in the AA had 159 offices and controlled 84.9 percent of the total deposit market share. The bank had a deposit market share of 1.26 percent in the AA.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

The Greensboro Winston-Salem High Point NC CSA AA accounted for 92.4 percent of Piedmont Federal's total deposits as of June 30, 2019. An analysis of HMDA peer mortgage data in the AA in 2018 further demonstrates the strong level of competition faced by the bank. The bank originated 323 home mortgage loans in the Greensboro Winston-Salem High Point NC CSA AA in 2018 for a market share of 0.9 percent. During the same period, an average of 508 other lending institutions originated or purchased a total of thirty-eight thousand home mortgage loans within the same AA. The top five competitors originated 31.2 percent of the home mortgage loans in the AA, totaling 11,777 loans. In addition to market competition, the home purchase opportunities in low- and moderate-income census tracts is limited, as 59.2 and 42.9 percent of available units are renter occupied in low- and moderate-income census tracts, respectively. Compared to respective percentages of 26.8 and 20.8 in middle- and upper-income census tracts.

As of December 31, 2019, the Greensboro Winston-Salem High Point NC CSA AA unemployment rate was reported as 3.2 percent, which compared favorably to the national unemployment rate of 3.6 percent. Major employment sectors in the AA included education, health services, retail and banking. According to the December 2019 Moody's Analytics report, in the Winston Salem, North Carolina MSA solid population growth and larger job gains are adding fuel to an already-strong housing market. Households are forming at an above-average rate and consumers are in their best financial position in years, helping to release pent-up housing demand that has vaulted existing single-family home sales in the MSA to near prerecession levels. Moody's analysis indicates that the Winston Salem, North Carolina MSA's strengths include larger boost to incomes from growth in higher-value-added services, stronger house price appreciation, and the presence of biotech development outside of the research triangle. However, weaknesses include the technical abilities of workforce being unable to attract specialized manufacturing and the impact of regulations on certain industries in the AA. The December 2019 Moody Analytics report states that the Greensboro-High Point, North Carolina MSA has consistently underperformed the state and U.S. economies in recent years but has recently improved. Nonetheless, weak demographics and softness in the labor market have caused declines in housing demand. As a result, single-family construction decreased since 2017 to about half their pre-Great Recession level. Moody's analysis indicates that the Greensboro-High Point, North Carolina MSA's strengths include low business costs and a large consumer base that draw firms, as well as high housing affordability, coupled with low living costs. While weaknesses include prolonged and deepening income inequality that hurt long-term growth along with population growth that fails to accelerate, and insufficient consumer-related industries and housing.

We consulted two community contacts in the AA to better understand the general credit and community development needs as well as local economic conditions. One of the community contacts stated that economically, Winston-Salem is a tale of two cities. There is a growing biotech industry, but a large part of the population does not have the skills for the jobs. Over the prior years, the area has been transitioning from an industrial/manufacturing base to more high-tech jobs. The area used to support manufacturing related to tobacco, textiles, and furniture – but all of these industries have been declining for years and many are getting left behind. The poverty rate is relatively high resulting in challenges in the area such as hunger and affordable housing. The projected housing needs over the next 10 years is an estimated 14,000 units. The

area is losing more units than its producing while most homes being constructed are high end. There is not a lot of capacity in the nonprofit sector to help meet housing needs. Biggest needs in the AA is affordable housing and small business lending. Significant investment in low- and moderate-income neighborhoods is needed.

According to the second community contact, the poverty rate is at about 17 percent, including 26 percent of which that are children. Economic mobility is third worst in country. About 13,000 households are spending about 50 percent of their income on rent. There is a severe lack of affordable housing and a significant need for more supportive housing for those with disabilities. Other issues include economic mobility, as there is growth in white collar jobs, but not a lot of growth in manufacturing jobs or internship opportunities for post-secondary graduates. The “poverty benefits cliff” is a huge issue for those whose public assistance benefits are immediately cut off once they get a job or a wage increase. Other major issues that are impacting low- and moderate-income individuals is education equity, veteran homelessness, and lack of efficient public transportation. Graduation rates have improved over the years – from 70 percent in mid 1980s to 80 percent in 2019, which partially reflects increased investments in programs for middle and high school students. Economic conditions have not seen significant change besides growth in the innovation sector. The new tech companies that are expanding in the AA are offering white-collar jobs. Additionally, many companies have left the AA after mergers resulting in significant job loss and not much growth in manufacturing jobs (e.g. tobacco, furniture).

Table A – Demographic Information of the Assessment Area						
Assessment Area: Greensboro Winston-Salem High Point NC CSA 2017-2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	318	8.5	22.6	39.0	28.9	0.9
Population by Geography	1,393,063	6.6	21.9	41.8	29.3	0.3
Housing Units by Geography	616,833	6.6	22.4	42.3	28.6	0.1
Owner-Occupied Units by Geography	358,497	3.0	16.5	45.4	35.1	0.0
Occupied Rental Units by Geography	190,789	12.7	31.1	36.6	19.2	0.4
Vacant Units by Geography	67,547	8.8	28.9	41.7	20.4	0.2
Businesses by Geography	102,958	4.9	19.8	37.2	37.8	0.3
Farms by Geography	3,496	1.8	14.7	50.8	32.6	0.1
Family Distribution by Income Level	360,040	22.0	17.9	18.7	41.4	0.0
Household Distribution by Income Level	549,286	23.5	16.7	17.3	42.6	0.0
Median Family Income MSA - 24660 Greensboro-High Point, NC MSA		\$55,218	Median Housing Value			\$145,528
Median Family Income MSA - 49180 Winston-Salem, NC MSA		\$56,536	Median Gross Rent			\$728
			Families Below Poverty Level			13.3%
Source: 2015 ACS and 2019 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.						

Watauga and Wilkes Counties

The Watauga and Wilkes AA consists of Watauga and Wilkes counties. The Watauga and Wilkes AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

The Watauga and Wilkes AA consists of 27 geographies. Of the 27 geographies, there were no low-income census tracts and one moderate-income census tract. Piedmont Federal operates two branches in the AA, one of which is in a moderate-income census tract.

The bank faces strong competition in the AA. As of June 30, 2019, there was \$1.9 billion in deposits held among 16 financial institutions with 30 offices located in the AA. The primary competitors were large national and regional banks. The top five competitors had 159 offices and controlled 74.8 percent of the total market share. Piedmont Federal had a deposit market share of 2.56 percent in the AA. The Watauga and Wilkes AA accounted for 7.5 percent of Piedmont Federal's total deposits as of June 30, 2019. The 2015 Census data for the Watauga and Wilkes AA reported a total population of approximately 121 thousand. An analysis of HMDA peer mortgage data in the AA for 2018 further demonstrates the strong level of competition faced by the bank. The bank originated 29 home mortgage loans in the Watauga and Wilkes AA in 2018 for a market share of 1.06 percent. During the same period, an average of 230 other lending institutions originated or purchased a total of 2,736 home mortgage loans within the same AA. As of December 31, 2019, the Watauga and Wilkes counties unemployment rates were reported as 3.1 and 3.7 percent, respectively, which compared favorably with the national unemployment rate of 3.6 percent. Major employment sectors in Wilkes county included manufacturing, health services, and retail. The largest industries in Watauga County, NC are educational services, retail trade, and accommodation & food services.

We consulted two community contacts in the AA to better understand the general credit and community development needs as well as local economic conditions. One of the community contacts stated that while the official poverty rate is high at 31 percent, this is misleading as the statistic is skewed by college students who are included in the count. Even so, 21 percent of the children in Watauga county are living in poverty. There is a significant income gap, with a high level of affluent retirees at the top and a high level of people in poverty, but a low middle-class population. Many of the younger adults leave the area to find work due to the lack of suitable jobs in the area. The big driver of the economy is tourism and low wage service jobs. There are high levels of working poor, with many working several jobs to make ends meet. Unemployment is low, but the median income is also very low. The biggest employers are the hospital systems and universities. There is one manufacturing facility. Most jobs are low paying hourly positions. Philanthropically, banks are not considered to be that engaged. There are plenty of opportunities for banks to support several community needs, including financial education, youth development, and family development. There is also a need for banks to be more engaged in serving on boards of local nonprofits. The second community contact stated that the economy in Wilkes county is making good process and that banks are responsive to area needs.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Watauga and Wilkes 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	0.0	11.1	51.9	37.0	0.0
Population by Geography	121,186	0.0	7.6	62.1	30.3	0.0
Housing Units by Geography	65,754	0.0	6.6	53.5	39.9	0.0
Owner-Occupied Units by Geography	31,955	0.0	6.7	63.3	30.0	0.0
Occupied Rental Units by Geography	15,463	0.0	9.5	54.4	36.1	0.0
Vacant Units by Geography	18,336	0.0	3.8	35.8	60.5	0.0
Businesses by Geography	8,109	0.0	11.9	50.7	37.4	0.0
Farms by Geography	412	0.0	4.6	63.3	32.0	0.0
Family Distribution by Income Level	29,541	21.6	17.3	19.3	41.8	0.0
Household Distribution by Income Level	47,418	30.2	14.4	16.1	39.3	0.0
Median Family Income Non-MSAs - NC		\$47,217	Median Housing Value			\$181,045
			Median Gross Rent			\$730
			Families Below Poverty Level			15.2%
Source: 2015 ACS and 2019 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.						

Scope of Evaluation in North Carolina

All assessment areas were subject to full scope reviews. The Winston Salem, North Carolina MSA AA and the Greensboro-High Point, North Carolina MSA AA were combined under the Greensboro-Winston Salem-High Point NC CSA. We placed greater weight on the bank's performance in the Greensboro-Winston Salem-High Point NC CSA AA, as the vast majority of the bank's deposits and loans are in this AA. According to June 30, 2019 FDIC Deposit Market Share Report, 92.4 percent of the bank's total deposits are in the Greensboro-Winston Salem-High Point NC CSA AA. During the evaluation period, 88.8 percent of the bank's total home mortgage loan originations were in the Greensboro-Winston Salem-High Point NC CSA AA. In comparison, 7.6 percent and 11.2 percent of the bank's total deposits and home mortgage loan originations are in the Wilkes-Watauga Non-MSA AA, respectively.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA

LENDING TEST

The bank's performance under the Lending Test in North Carolina is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope reviews of the Greensboro-Winston Salem-High Point NC CSA AA and the Watauga and Wilkes AA, the bank's lending performance in the state of North Carolina is reasonable. To determine the overall lending test rating, more weight was placed on the borrower distribution in the Greensboro-Winston Salem-High Point NC CSA AA due to impediments lending in diverse geographies. The bank is limited in its ability to penetrate low- and moderate-income geographies in this AA, because it does not sell loans on the secondary market and has more conservative underwriting standards. To address these limitations, the bank has implemented two loan programs aimed at meeting the needs of low- and moderate-income individuals, the impact of these programs is reflected in its borrower income distribution percentages which aligns with peer performance.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the AAs.

Home Mortgage Loans

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in the Greensboro-Winston Salem-High Point NC CSA AA was poor. During the evaluation period, the percentage of home mortgage loans in low-income and moderate-income census tracts was significantly below the percentage of owner-occupied housing units and the aggregate percentage of peer lending in those census tracts. The lower distribution in the low-income and moderate-income census tracts is attributed to high level of competition in the AA from lenders that sell their loans into the secondary market. Piedmont Federal is exclusively a portfolio lender, retaining all the mortgages originated. While the bank has implemented two loan programs aimed at meeting the needs of low- and moderate-income individuals, the level of lending in low- and moderate-income geographies remains low. More conservative underwriting standards coupled with competition impeded the bank's ability to lend in low- and moderate-income geographies in the AA.

The geographic distribution of home mortgage loans in the Watauga and Wilkes AA was excellent. The percentage of home mortgage loans in moderate-income census tracts significantly exceeded the percentage of owner-occupied housing units and was almost equal to the aggregate percentage of peer lending. There are no low-income census tracts in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels.

Home Mortgage Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans was reasonable in the Greensboro-Winston Salem-High Point NC CSA AA. During the evaluation period, the percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families but near to the aggregate percentage of peer lending. Higher levels of poverty have impeded the bank and other financial institutions ability to lend to low income families in the AA. The percentage of home mortgage loans to moderate-income borrowers was slightly below the percentage of moderate-income families and the aggregate percentage of peer lending.

The borrower distribution of home mortgage loans was reasonable in the Watauga and Wilkes AA. During the evaluation period, the percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families but nearly equal to the aggregate percentage of peer lending. The percentage of home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families but near to the aggregate percentage of peer lending.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope reviews the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$ (000's)	% of Total \$
Greensboro-Winston Salem-High Point NC CSA	6	6%	450	5%
Watauga and Wilkes	1	2%	80	2.3%
Broader Statewide Area	46	92%	3,258	92.7%
Total	53	100%	3,788	100%

The bank's overall CD lending activity reflects adequate responsiveness to community development needs in the AAs.

During the evaluation period, Piedmont Federal participated \$3.5 million or 5 percent of the aggregate cost to construct fifty multifamily affordable housing developments. In aggregate, these loan participations represented 1.5 percent of tier 1 capital and were funded through a lending consortium that offers first-lien, permanent financing for multifamily developments offering rents that are affordable to households earning 60 percent or less of the area median income. With the support of its member banks and borrowers, this lending consortium offers loans across the southeast in the following states: Georgia, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Of the \$3.5 million participated through this lending consortium, \$175 thousand funded three developments located in the Greensboro-Winston Salem-High Point NC CSA AA and \$80 thousand funded one development in the Watauga and Wilkes AA. Piedmont Federal funded three additional CD loans in the Greensboro-Winston Salem-High Point NC CSA AA totaling \$275 thousand for affordable housing through Habitat for Humanity of Forsyth. The loan proceeds funded three mortgage loans for low- and moderate-income families.

Number and Amount of Qualified Investments

Qualified investments made in the Greensboro-Winston Salem-High Point NC CSA AA reflect adequate responsiveness to community development needs. The CD investments made during the evaluation period consisted of \$205 thousand in financial contributions to community development organizations in the AA. Qualified investments in the Watauga and Wilkes AA reflect adequate responsiveness to community development needs in the AA. During the evaluation period, Piedmont Federal originated qualified investments totaling \$1 thousand. Qualified investments in the AA consisted of a donation to an organization providing affordable single-family homes for low- and moderate-income individuals.

Additionally, the bank continues to maintain one mortgage back security from a prior period with a market value of \$1.1 million. This investment is secured by 10 mortgage loans to low- and moderate-income borrowers, eight of the ten homes are located in the Greensboro-Winston Salem-High Point NC CSA AA and the remaining two homes are located in the Watauga and Wilkes AA. Piedmont Federal also made donations totaling \$11 thousand to two community development organizations that serve a broader statewide area that includes both AAs.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Greensboro-Winston Salem-High Point NC CSA	1	1,104***	13	205	14	82%	1,309	99%	11	80
Watauga and Wilkes	0	0	1	2	1	6%	2	0.2%	0	0
Broader Statewide Area	0	0	2	11	2	12%	11	0.8%	0	0
Total	1	1,104	16	218	17	100%	1,322	100%	11	80
* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date. ** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ***This investment is a mortgage backed security.										

Extent to Which the Bank Provides Community Development Services

Piedmont Federal's CD services reflect adequate responsiveness to community development needs in the Greensboro-Winston Salem-High Point NC CSA AA. Nine bank employees and board members provided technical expertise to community organizations. These organizations provide affordable housing and social services for low- and moderate-income individuals. Additionally, Piedmont Federal processed payments on 276 loans for Habitat for Humanity of Forsyth. This payment processing is valued at \$21 thousand annually.

Piedmont Federal's CD services reflect poor responsiveness to community development needs in the Watauga and Wilkes AA. There were no CD services provided in the AA.

An employee and a board member also provided CD services to two community development organizations that serve a broader statewide area that includes both AAs.

Piedmont Federal's branch distribution in the Greensboro-Winston Salem-High Point NC CSA AA is adequate. Branches are reasonably accessible to essentially all geographies and individuals of different income levels. The bank's percentage of branch offices in low- and moderate-income geographies is near to the percentage of the population living in these geographies.

Piedmont Federal's branch distribution in the Watauga and Wilkes AA is adequate. While the bank does not have any low-income census tracts in the AA, one of the two branches in the AA is in a moderate-income census tract. Approximately 7.9 percent of the total population in the AA live in a moderate-income census tract.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	January 1, 2017 to December 31, 2019	
Bank Products Reviewed:	Home Mortgage Loans Community Development Loans, Qualified Investments, Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	None	None
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Greensboro -Winston-Salem-High Point, NC Combined Statistical Area	Full Scope	<i>Limited to the Winston Salem, North Carolina MSA and the Greensboro-High Point, North Carolina MSA</i>
Watauga and Wilkes Counties	Full Scope	

Appendix B: Summary of State Rating

RATINGS: Piedmont Federal Saving Bank			
	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Overall Bank:			
Piedmont Federal	Satisfactory	Satisfactory	Satisfactory
State:			
North Carolina	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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, which 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Banks Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multistate metropolitan statistical area. For a bank with domestic branches in only one state, the bank's CRA rating would be the state rating. If a bank maintains domestic branches in more than one state, the bank will receive a rating for each state in which those branches are located. If a bank maintains domestic branches in two or more states within a multistate metropolitan statistical area, the bank will receive a rating for the multistate metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019
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
Greensboro-Winston Salem-High Point NC CSA	1,044	188,978	88.8	37,744	3.0	0.6	1.8	16.5	6.5	13.3	45.4	28.5	42.5	35.1	64.1	42.3	0.0	0.3	0.1
Watauga and Wilkes Counties	132	20,722	11.2	2,736	0.0	0.0	0.0	6.7	12.1	12.4	63.3	53.0	39.3	30.0	34.8	48.3	0.0	0.0	0.0
Total	1,176	209,701	100.0	40,480	2.8	0.5	1.7	15.7	7.1	13.2	46.8	31.3	42.3	34.7	60.8	42.7	0.0	0.3	0.1
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Greensboro-Winston Salem-High Point NC CSA	1,044	188,978	88.8	37,744	22.0	4.2	6.2	17.9	13.1	18.1	18.7	21.4	21.8	41.4	60.3	39.8	0.0	1.0	14.0
Watauga and Wilkes Counties	132	20,722	34.0	2,736	21.6	3.8	4.0	17.3	9.1	11.5	19.3	23.5	18.4	41.8	62.9	57.5	0.0	0.8	8.7
Total	1,176	209,701	100.0	40,480	22.0	4.2	6.1	17.9	12.7	17.7	18.7	21.6	21.6	41.4	60.6	41.0	0.0	0.9	13.7
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

May 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Piedmont Federal Savings Bank
Charter Number 700007

201 South Stratford Road
Winston Salem, NC 27103

Office of the Comptroller of the Currency

101 South Tryon Street., Suite 400
Charlotte, NC 28280

NOTE: 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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating..... 2

Description of Institution 3

Scope of the Evaluation 4

Discriminatory or Other Illegal Credit Practices Review 6

State Rating..... 7

 State of North Carolina 7

Community Development Test..... 20

Appendix A: Scope of Examination A-1

Appendix B: Summary of State Rating B-1

Appendix C: Definitions and Common Abbreviations..... C-1

Appendix D: Tables of Performance Data..... D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on Piedmont Federal Savings Bank's (Piedmont Federal or the bank) performance in the state of North Carolina.
- The bank's loan-to-deposit (LTD) ratio is reasonable given its size, financial condition, and the credit needs in its assessment areas (AAs).
- A substantial majority of the bank's loans were originated or purchased inside its AAs.
- The bank exhibits reasonable geographic distribution of loans in the AAs.
- The bank exhibits reasonable distribution of loans to individuals of different income levels.
- The Community Development (CD) Test rating is based on the bank's responsiveness to the CD needs of its AAs.
- The bank exhibits adequate responsiveness to CD needs in the AAs through CD loans, qualified investments, grants and donations, and CD services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable.

The LTD ratio is calculated on a bank-wide basis including the quarters as of March 31, 2020, through December 31, 2022. The bank's average quarterly LTD ratio for the twelve consecutive quarters since the previous Community Reinvestment Act (CRA) evaluation is 84.22 percent. This is above the average quarterly LTD ratio of 74.41 percent for similar asset-sized institutions in North Carolina and South Carolina. The bank's quarterly LTD ratio has ranged from a high of 87.63 percent to a low of 80.47 percent, over the last twelve quarters. The quarterly LTD for similar asset-sized banks ranged from a high of 99.15 percent, to a low of 57.41 percent over the same period.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs.

The bank originated and purchased 92.2 percent of its total loans inside the AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The percentage of lending inside the AAs had a positive impact on the OCC's analysis of geographic distribution of loans.

The table below illustrates the number and dollar volume of home mortgage loans the bank originated inside and outside of its AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	513	96.1	21	3.9	534	101,785	95.8	4,412	4.2	106,198
2021	511	91.9	45	8.1	556	109,567	87.5	15,667	12.5	125,234
2022	316	86.8	48	13.2	364	71,425	79.4	18,567	20.6	89,992
Total	1,340	92.2	114	7.8	1,454	282,777	88.0	38,647	12.0	321,424
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Description of Institution

Piedmont Federal is a \$1.15 billion federally chartered mutual savings association headquartered in Winston-Salem, North Carolina. It is wholly owned by Piedmont Financial Holding Company (PFHC), a single-tier mutual holding company formed on September 15, 2022. The holding company structure was established to enable the bank corporate flexibility with respect to both subsidiaries and bank acquisitions. The bank operates 10 full-service branches in Forsyth, Watauga, Wilkes, and Guilford Counties in North Carolina. All branch locations maintain the same operating hours. Of the 10 branch locations, the bank has one branch in a low-income census tract and one branch in moderate-income census tract. The branch located at 16 W Third Street in downtown Winston Salem was moved during the review period within the city to 633 N. Liberty Street and remained in the same census tract. There were no other openings or closures of bank branches during the evaluation period. Piedmont Federal does not operate automated teller machines (ATMs). In lieu of ATMs, the bank reimburses all fees associated with customer use of third-party ATMs.

Piedmont Federal offers a full range of home mortgage loan and deposit products. All checking, savings, and loan products are available at every branch location. As a portfolio lender, it does not originate home mortgage loans for sale on the secondary market. The bank offers online and mobile banking services to both businesses and consumers. The website provides detailed information about products and services for consumers and businesses. In addition to traditional loan products, the bank has an Affordable First Time Home Buyer Product that features a below market interest rate and no origination fees. Originations from this program are included in the HMDA data analyzed below.

The bank has historically operated as a traditional thrift, with a majority of the loan portfolio comprised of one-to-four family residential mortgages; however, the Board elected to become a covered savings association (CSA) in January 2020 and initiated increased commercial lending at that time. While commercial loan balances have grown during the evaluation period, Piedmont Federal continues to operate primarily as a traditional thrift. As of December 31, 2022, home mortgage loans totaled \$508.2 million

and represented 72.8 percent of total loans. Tier 1 capital totaled \$238 million and represented 20.5 percent of total assets.

Management and the Board have designated the Winston Salem, North Carolina metropolitan statistical area (MSA), the Greensboro-High Point, North Carolina MSA and the Non-MSA counties of Wilkes and Watauga in North Carolina as the bank's AAs. There were no legal, financial, or other factors that impeded the bank's ability to help meet the credit needs in its AAs during the evaluation period. Piedmont Federal's rating at the preceding CRA Examination dated December 31, 2019, was "Satisfactory."

Table 1: Distribution of Loan Portfolio*		
Type of Loan	Balance Outstanding (\$000s)	% of Total Loans
1-4 Family Residential Real Estate	521,205	74.50
Non-Farm/Non-Residential Real Estate	130,144	18.60
Multi-family Residential Real Estate	19,755	2.82
Commercial and Industrial	18,928	2.71
Construction & Land Development	9,414	1.35
Loans to Individuals	138	0.02
Total Gross Loans	699,584	100.00

*Source: Schedule RC-C Part 1—Loans and Leases as reported in the Consolidated Report of Condition and Income as of December 31, 2022

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the bank's performance under the Intermediate Small Bank procedures, which includes a Lending Test and CD Test. The Lending Test evaluates the institution's record of meeting the credit needs of its AAs through its lending activities. The CD Test evaluates the institution's responsiveness to CD needs in its AAs through CD lending, services, and qualified investments. The evaluation period under the Lending Test and the CD Test covers the institution's performance from January 1, 2020, through December 31, 2022. For this evaluation, we analyzed home mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA). Given the timing of this examination, peer lending data was not available for comparison for 2022 performance.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on the state rating.

The state rating is based on performance in the three AAs in the state, which included full-scope reviews of the Winston-Salem MSA AA, Greensboro-High Point MSA AA, and the NC Non-MSA AA. No limited-scope reviews were performed.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of North Carolina

CRA rating for the State of North Carolina: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The bank exhibits reasonable geographic distribution of loans in the state.
- The bank exhibits reasonable distribution of loans to borrowers of different income levels.
- CD activities, including CD loans, qualified investments, and CD services, reflect adequate responsiveness to the CD needs of the bank's AA.

Description of Institution's Operations in North Carolina

Piedmont Federal has identified three AAs in the state of North Carolina including the Winston-Salem, NC MSA, Greensboro-High Point, NC MSA, and the NC Non-MSA. Piedmont Federal operates 10 full-service branches in the state of North Carolina, with one branch in a low-income census tract (CT), one located in a moderate-income CT, four located in middle-income CTs, three in upper-income CTs, and one located in an unknown-income designated CT. The AAs do not arbitrarily exclude any low- or moderate-income areas.

The Winston-Salem, NC MSA AA includes the counties of Forsyth, Davidson, Davie, Stokes, and Yadkin. The Greensboro-High Point, NC MSA consists of Guilford, Rockingham, and Randolph Counties. The NC Non-MSA AA includes the counties of Watauga and Wilkes. Please refer to the Description of the Institution section for more details. There are no distressed or underserved CTs within the AAs.

Winston-Salem, NC MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Winston Salem 2020-2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	150	10.7	18.7	39.3	30.0	1.3
Population by Geography	651,630	7.7	20.3	40.8	30.6	0.6
Housing Units by Geography	289,934	7.7	20.8	41.5	29.7	0.3
Owner-Occupied Units by Geography	174,068	3.3	15.8	44.9	35.9	0.0
Occupied Rental Units by Geography	83,588	16.0	28.9	34.5	19.7	0.8
Vacant Units by Geography	32,278	9.5	27.1	41.3	21.7	0.4
Businesses by Geography	46,615	6.0	17.1	37.9	38.4	0.6
Farms by Geography	1,696	1.8	15.3	48.3	34.3	0.3
Family Distribution by Income Level	170,293	22.4	17.6	19.0	41.1	0.0
Household Distribution by Income Level	257,656	23.6	16.7	17.1	42.6	0.0
Median Family Income MSA - 49180 Winston-Salem, NC MSA		\$56,536	Median Housing Value			\$145,961
			Median Gross Rent			\$704
			Families Below Poverty Level			13.2%
Source: 2015 ACS and 2020 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.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Winston Salem 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	169	8.9	17.8	49.7	23.7	0.0
Population by Geography	675,966	6.4	17.6	50.1	25.9	0.0
Housing Units by Geography	300,968	6.2	18.3	51.2	24.3	0.0
Owner-Occupied Units by Geography	181,699	2.9	13.7	54.1	29.2	0.0
Occupied Rental Units by Geography	85,904	12.3	26.1	44.9	16.7	0.0
Vacant Units by Geography	33,365	8.5	23.1	51.3	17.0	0.0
Businesses by Geography	66,034	5.4	17.0	44.3	33.4	0.0
Farms by Geography	2,283	2.5	13.3	57.9	26.4	0.0
Family Distribution by Income Level	174,706	21.7	17.3	20.3	40.8	0.0
Household Distribution by Income Level	267,603	23.7	16.7	17.5	42.2	0.0
Median Family Income MSA - 49180 Winston-Salem, NC MSA		\$66,563	Median Housing Value			\$161,417
			Median Gross Rent			\$801
			Families Below Poverty Level			11.0%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on the 2015 and 2020 American Community Survey (ACS) U.S. Census data, the Winston-Salem, NC MSA consisted of 150 CTs during 2020-2021, and 169 CTs during 2022. In 2020-2021, low- and moderate-income (LMI) CTs represented 10.7 percent and 18.7 percent, respectively of the total. In 2022, LMI CTs represented 8.9 percent and 17.8 percent, respectively. The total population in the MSA increased from 651,630 to 675,966. The percentage of the population living in LMI CTs was approximately 28 percent during 2020-2021, and 24 percent in 2022. The bank operates seven branches in the MSA with one located in a low-income CT and one located in a moderate-income CT.

Piedmont Federal faces strong competition in the Winston-Salem, NC MSA. As of June 30, 2022, there were \$21.2 billion in deposits held among 27 financial institutions with 134 offices located in the MSA. The bank ranked 10th in the MSA and had a deposit market share of 3.23 percent. The primary competitors were large national and regional banks. The top three competitors in the MSA holding 52.54 percent of the total deposit market share are Truist Bank, Truliant, and Wells Fargo. The Winston-Salem, NC MSA AA accounted for 89 percent of Piedmont Federal's total deposits.

An analysis of 2021 HMDA peer mortgage data in the AA further demonstrates the strong level of competition faced by the bank. The bank originated 388 home mortgage loans in the Winston-Salem, NC MSA in 2021. The bank ranked 19th in the MSA for loan originations for a market share of 1.19 percent. During the same period, an average of 514 other lending institutions originated or purchased a total of 32,715 home mortgage loans within the same AA. The top three competitors in the MSA originated 22.09 percent of the home mortgage loans in the MSA, totaling 7,227 loans. The top three competitors are Rocket Mortgage, State Employee's Credit Union, and Fairway Independent Mortgage Corporation.

Employment and Economic Factors

The primary industries in the Winston-Salem, NC MSA are manufacturing, health care and social assistance, and retail trade. According to the North Carolina Department of Commerce, leading employers in the MSA are Atrium Health Wake Forest Baptist, Novant Health, Ashley Furniture Industries, and local county school districts.

According to the December 2022 U.S. Bureau of Labor Statistics, the Winston-Salem, NC MSA unemployment rates for 2020, 2021, and 2022, were 5.5 percent, 3.2 percent, and 3.2 percent, respectively. The MSA's unemployment rate compared favorably against the national and state unemployment rates during 2020, 2021, and 2022. The U.S. national unemployment rates were 6.7 percent, 3.9 percent, and of 3.5 percent, respectively. The state of North Carolina unemployment rate were 5.6 percent, 3.3 percent, and 3.2 percent, respectively.

Housing

The 2020 ACS U.S. Census data reported single family homes make up most of the housing units in the MSA, with 76.8 percent of the homes consisting of one-unit, detached dwellings. Total rental occupied units are 28.6 percent, and multifamily units accounted for 13.4 percent of the housing units in the MSA. The median housing value in the MSA was \$161,417 for the 2022 evaluation period and the median gross rent was \$801 per month. Based on the 2015 ACS U.S. Census data, single family units and multifamily units represented 76.4 percent and 13.1 percent of the housing units, respectively, in the MSA for the 2020 and 2021 evaluation period. The median housing value in the MSA for the 2020 and 2021 evaluation period was \$145,961 and the median gross rent was \$704 per month.

Homeownership in LMI geographies may be difficult due to high median housing prices compared to median family income. According to the 2020 U.S. Census, the median family income for the MSA was \$66,563, which would result in a low-income household annual income below \$33,282, and moderate-income household annual income between \$33,282 and \$53,250. The 2015 ACS U.S. Census reported the median family income for the MSA was \$56,536, which would result in a low-income household annual income below \$28,268, and moderate-income household annual income between \$28,268 and \$45,229. Additionally, 11.0 percent of households are below the poverty level. These income levels may make it difficult to afford housing at the median housing value in the AA for LMI borrowers.

Community Contacts

The OCC made a community contact in the MSA during the evaluation period, which included a nonprofit agency focused on community services in LMI areas. In addition, we reviewed the county consolidated plan. The community contact indicated that the following are identified needs within the bank's AA.

- Preserve and expand the supply of affordable housing
- Financing to owners of multifamily building due to the lack of affordable rental properties
- Improve energy efficiency
- Programs that prevent and assist those experiencing homelessness
- Increase services to build self-sufficiency and sustainability
- Training and technical assistance to small businesses
- Lending and investment products for nonprofit organizations
- Serve on boards, committees, and other volunteer opportunities

Greensboro-High Point, NC MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Greensboro 2020-2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	168	6.5	26.2	38.7	28.0	0.6
Population by Geography	741,433	5.7	23.3	42.8	28.1	0.0
Housing Units by Geography	326,899	5.7	23.7	42.9	27.6	0.0
Owner-Occupied Units by Geography	184,429	2.7	17.2	45.8	34.3	0.0
Occupied Rental Units by Geography	107,201	10.2	32.7	38.2	18.8	0.0
Vacant Units by Geography	35,269	8.2	30.5	42.1	19.2	0.0
Businesses by Geography	66,223	4.1	21.6	36.2	37.9	0.2
Farms by Geography	2,006	1.7	13.7	51.8	32.7	0.0
Family Distribution by Income Level	189,747	21.7	18.3	18.4	41.7	0.0
Household Distribution by Income Level	291,630	23.4	16.6	17.4	42.6	0.0
Median Family Income MSA - 24660 Greensboro-High Point, NC MSA		\$55,218	Median Housing Value			\$145,143
			Median Gross Rent			\$747
			Families Below Poverty Level			13.3%
Source: 2015 ACS and 2020 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.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Greensboro 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	182	9.3	24.2	36.8	28.0	1.6
Population by Geography	776,566	7.8	21.5	40.4	29.5	0.8
Housing Units by Geography	336,980	8.2	22.1	41.1	27.8	0.8
Owner-Occupied Units by Geography	191,183	3.7	17.2	44.0	34.7	0.3
Occupied Rental Units by Geography	112,373	14.9	28.4	36.7	18.6	1.5
Vacant Units by Geography	33,424	11.8	29.0	39.4	18.8	0.9
Businesses by Geography	95,573	8.6	18.4	36.0	36.4	0.6
Farms by Geography	2,632	3.9	13.6	48.7	33.6	0.2
Family Distribution by Income Level	194,671	21.9	18.0	19.0	41.1	0.0
Household Distribution by Income Level	303,556	23.6	16.7	17.5	42.2	0.0
Median Family Income MSA - 24660 Greensboro-High Point, NC MSA		\$65,831	Median Housing Value			\$156,645
			Median Gross Rent			\$849
			Families Below Poverty Level			11.6%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on 2015 and 2020 ACS U.S. Census data, the Greensboro-High Point, NC MSA consisted of 168 CTs during 2020-2021, and 182 CTs for 2022. For 2020-2021, low- and moderate-income CTs represented 6.6 percent and 26.2 percent, respectively of the total. In 2022, low- and moderate-income CTs represented 9.3 percent and 24.2 percent, respectively. The total population of the MSA from 2020-2021, was 741,433 and for 2022, the total population was 776,566. During the evaluation period, approximately 29 percent of the population lived in LMI CTs.

Piedmont Federal faces strong competition in the Greensboro-High Point, NC MSA. As of June 30, 2022, there were \$19.2 billion in deposits held among 31 lenders with 150 offices located in the MSA. The bank ranked 28th in the MSA and held 0.10 percent of the deposit market share. The primary competitors were large national and regional banks. The top three competitors in the MSA with 53.14 percent of the total deposit market share are Truist Bank, Wells Fargo, and Bank of America. The Greensboro-High Point, NC MSA accounted for 2.4 percent of Piedmont Federal's total deposits.

An analysis of 2021 HMDA peer mortgage data in the MSA further demonstrates the strong level of competition faced by the bank. The bank originated 61 home mortgage loans in the Greensboro-High Point, NC MSA in 2021. The bank ranked 91st amongst peers and held a market share of 0.18 percent. During the same period, 532 other lending institutions originated or purchased a total of 34,585 home mortgage loans within the same MSA. The top three competitors holding 23.26 percent of the home mortgage loans in the MSA are State Employee's Credit Union, Rocket Mortgage, and Wells Fargo.

Employment and Economic Factors

The primary industries in the MSA included education and health services, manufacturing, and professional and business services. According to Moody's Analytics, the top three employers in the MSA are Cone Health, Ralph Lauren Corporation, and High Point regional Hospital.

According to the December 2022 U.S. Bureau of Labor Statistics, the Greensboro-High Point, NC MSA unemployment rates for 2020, 2021, and 2022, were 6.2 percent, 3.7 percent, and 3.6 percent, respectively. Compared to the U.S. national unemployment rates of 6.7 percent, 3.9 percent, and of 3.5 percent, respectively, the MSA compared favorably. The state of North Carolina unemployment rates were 5.6 percent, 3.3 percent, and 3.2 percent, respectively.

Housing

The 2020 U.S. Census data reported single family homes make up most of the housing units in the MSA, with 74.16 percent of the homes consisting of one-unit, detached dwellings. Total rental occupied units are 33.35 percent, and multi-family units accounted for 17.40 percent of total housing units. The median housing value in the MSA was \$156,645 for the 2022 evaluation period and the median gross rent was \$849 per month. Based on the 2015 ACS U.S. Census data, single-family 1-4 units and multi-family units represented 74.3 percent and 17.6 percent of the housing units, respectively, in the MSA for the 2020 and 2021 evaluation period. The median housing value in the MSA was \$145,143 and the median gross rent was \$747 per month according to the 2015 ACS U.S. Census data.

Homeownership in LMI geographies may be difficult due to high median housing prices compared to median family income. According to the 2020 U.S. Census, the median family income for the MSA was \$65,831, which would result in a low-income household annual income below \$32,916, and moderate-income household annual income between \$32,916 and \$52,664. The 2015 ACS U.S. Census reported the median family income for the MSA was \$55,218, which would result in a low-income household annual income below \$27,609, and moderate-income household annual income between \$27,609 and \$44,174. Additionally, 11.6 percent of households fall below the poverty level. These income levels may make it difficult to afford housing at the median housing value in the MSA for LMI borrowers.

Community Contacts

The OCC made a community contact in the AA during the evaluation period, which included a regional development nonprofit organization focused on economic development in LMI areas. The community contact indicated that the following are identified needs within the AA.

- Small loans to small businesses particularly to start-up businesses
- Financial expertise and support to various non-profits
- Invest in supporting economic development projects in the area

NC Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Non MSA 2020-2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	0.0	11.1	51.9	37.0	0.0
Population by Geography	121,186	0.0	7.6	62.1	30.3	0.0
Housing Units by Geography	65,754	0.0	6.6	53.5	39.9	0.0
Owner-Occupied Units by Geography	31,955	0.0	6.7	63.3	30.0	0.0
Occupied Rental Units by Geography	15,463	0.0	9.5	54.4	36.1	0.0
Vacant Units by Geography	18,336	0.0	3.8	35.8	60.5	0.0
Businesses by Geography	8,653	0.0	11.0	50.2	38.8	0.0
Farms by Geography	429	0.0	4.2	61.5	34.3	0.0
Family Distribution by Income Level	29,541	21.6	17.3	19.3	41.8	0.0
Household Distribution by Income Level	47,418	30.2	14.4	16.1	39.3	0.0
Median Family Income Non-MSAs - NC		\$47,217	Median Housing Value			\$181,045
			Median Gross Rent			\$730
			Families Below Poverty Level			15.2%
Source: 2015 ACS and 2020 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.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Piedmont FSB Non MSA 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	31	0.0	3.2	58.1	35.5	3.2
Population by Geography	120,055	0.0	3.0	55.7	37.0	4.3
Housing Units by Geography	67,729	0.0	2.6	50.8	42.2	4.3
Owner-Occupied Units by Geography	34,994	0.0	2.9	63.4	31.9	1.8
Occupied Rental Units by Geography	15,361	0.0	4.0	44.5	38.5	13.0
Vacant Units by Geography	17,374	0.0	0.9	31.1	66.2	1.7
Businesses by Geography	11,556	0.0	3.4	42.6	42.6	11.4
Farms by Geography	548	0.0	1.3	59.3	34.9	4.6
Family Distribution by Income Level	30,381	18.0	17.0	20.8	44.2	0.0
Household Distribution by Income Level	50,355	25.2	15.6	16.3	42.9	0.0
Median Family Income Non-MSAs - NC		\$57,962	Median Housing Value			\$204,429
			Median Gross Rent			\$808
			Families Below Poverty Level			10.9%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Based on 2015 and 2020 ACS U.S. Census data, the NC Non-MSA AA consisted of 27 CTs during 2020-2021 and 31 CTs for 2022. There are no low-income CTs in the AA. For 2020-2021, moderate-income CTs represented 11.1 percent and in 2022 moderate-income CTs represented 3.2 percent of CTs. The total population of the AA from 2020-2021 was 121,186 and for 2022 the total population was 120,055. The percentage of the population living in moderate-income CTs was approximately 7.6 percent during 2020-2021 and 3.0 percent in 2022. While the bank does not have any branches situated in LMI CTs in the AA, the Wilkes County Branch is located near a moderate-income CT.

Piedmont Federal faces strong competition in the AA. As of June 30, 2022, there were \$3.27 billion in deposits held among 15 lenders with 26 branches located in the AA. The bank ranks 10th in the AA and holds 2.04 percent of the total deposit market share. The primary competitors were large national and regional banks. The top three competitors in the AA hold 63.65 percent of the total deposit market share and are Truist Bank, Wells Fargo, and First National Bank of Pennsylvania.

An analysis of 2021 HMDA peer mortgage data in the AA further demonstrates the strong level of competition faced by the bank. The bank ranks 18th among lenders and originated 62 home mortgage loans in the NC Non-MSA AA in 2021 for a market share of 1.23 percent. During the same period, an average of 330 other lenders originated or purchased a total of 5,053 home mortgage loans within the AA. The top three competitors originated 29.27 percent of the home mortgage loans in the AA and are State Employee's Credit Union, Rocket Mortgage, and Truist Bank.

Employment and Economic Factors

The primary industries in AA are manufacturing, retail, health care and social assistance, and accommodation & food services. According to the North Carolina Department of Commerce, leading employers were Tyson Farms Inc., Appalachian State University, Appalachian Regional Healthcare System, Wilkes County Board of Education, and Lowes Home Centers.

According to December 2022 U.S. Bureau of Labor Statistics, the Watauga and Wilkes Counties unemployment rates were reported as 2.6 and 3.2 percent, respectively, which compared favorably with the national unemployment rate of 3.5 percent. During the onset of the COVID-19 Pandemic, the Watauga and Wilkes Counties unemployment rates reached a high of 14.8 and 13.2 percent, respectively.

Housing

The 2020 U.S. Census data reported single family homes make up most of the housing units in the AA, with 74.1 percent of the homes consisting of one-unit, detached dwellings. Total rental occupied units are 22.68 percent, and multi-family units accounted for 10.14 percent of the housing units. The median housing value in the AA was \$204,429 for the 2022 evaluation period and the median gross rent was \$808 per month. Based on the 2015 ACS U.S. Census data, single-family 1-4 units and multi-family units represented 71.0 percent and 10.9 percent of the housing units, respectively, in the AA for the 2020 and 2021 evaluation period. The median housing value in the AA was \$181,045 and the median gross rent was \$730 per month.

Homeownership in LMI geographies may be difficult due to high median housing prices compared to median family income. According to the 2020 U.S. Census, the median family income for the AA was \$57,962, which would result in a low-income household annual income below \$28,981 and moderate-income household annual income between \$28,981 and \$46,370. The 2015 ACS U.S. Census reported the median family income for the AA was \$47,217, which would result in a low-income household annual income below \$23,609, and moderate-income household annual income between \$23,609 and \$37,774. Additionally, 10.9 percent of households in the AA are below the poverty level. These income levels may make it difficult to afford housing at the median housing value in the AA for LMI borrowers.

Community Contacts

The OCC made a community contact in the AA during the evaluation period, which included a county agency focused on economic development and community revitalization. The community contact indicated that the following are identified needs within the AA.

- Training and technical assistance to small businesses
- Small business lending to access capital needs
- Job development and creation amongst current employers
- Investment in nonprofit programs
- Living wage employment
- Lending and investment products for nonprofit organizations
- Financial literacy education, specifically to young students
- Funding for after-school and youth programs
- Serve on boards, committees, and other volunteer opportunities

Scope of Evaluation in North Carolina

Piedmont Federal's AAs consist of the Winston-Salem, NC MSA, Greensboro-High Point, NC MSA, and the NC Non-MSA AAs. We will perform a full-scope review of each AA. Home mortgage loans are the primary loan product for the evaluation period.

The analysis for borrower and geographic distribution is based on originations of home mortgage loans during the evaluation period. Home mortgage loan data was analyzed using the Home Mortgage Disclosure Act Loan Register (HMDA-LAR) information. We placed more weight on the geographic distribution of loans versus lending to borrower of different income due to barriers of home ownership for LMI families.

We weighted the lending in the Winston Salem, NC MSA AA more heavily than performance in the Greensboro-High Point, NC MSA and the NC Non-MSA AAs given the majority of the bank's deposits, loans, and branches are located in this AA. The Winston Salem, NC MSA holds 89 percent of total bank deposits, 76 percent of loans, and 70 percent of the branch network. The bank maintains a small presence in the Greensboro-High Point, NC MSA and the NC Non-MSA markets, with a deposit market share of 2.4 and 8.6 percent, respectively, according to the FDIC Summary of Deposits Market Share Report as of June 30, 2022.

At the start of this evaluation, the peer comparison data was not available for 2022. To ensure a meaningful analysis was conducted, 2022 lending data was analyzed separately from combined 2020 and 2021 lending data.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA

LENDING TEST

The bank's performance under the Lending Test in North Carolina is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's lending performance in the state of North Carolina is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of North Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of home mortgage loan originations and purchases.

Winston-Salem, NC MSA AA

The percentage of loans to borrowers in LMI CTs is well below both the percentage of owner-occupied housing units and the percentage of aggregate loans originated during the 2020 and 2021 evaluation period. However, the ability to lend in low-income tracts was limited given only 3.3 percent of owner-occupied housing units were located in these tracts.

During 2022, the percentage of loans to borrowers in low-income CTs is below the percentage of owner-occupied housing units. However, the percentage of housing units in low-income tracts is low at only 2.9 percent. The percentage of loans to borrowers in moderate-income CTs was well below the percentage of owner-occupied housing units.

While evaluating the reasonableness of geographic distribution in the AA, we considered the distribution of LMI CTs in the MSA. The majority of the CTs in the MSA are middle- and upper-income CTs. Additionally, the bank faces a high level of competition in MSA from other lenders. Piedmont Federal is exclusively a portfolio lender, manually underwriting all loans, and retaining all mortgages. More conservative underwriting standards coupled with competition and the limited number of LMI tracts in the AA has negatively impacted the bank's ability to lend in LMI geographies in the MSA. Given the limitations noted above, we determined geographic distribution of loans was reasonable in the AA. As noted above, this AA received the most weight in our determination of reasonableness of geographic distribution overall given the majority of bank activity is located within the AA.

Greensboro-High Point, NC MSA AA

The percentage of loans to borrowers in LMI CTs is well below both the percentage of owner-occupied housing units and the percentage of aggregate loans originated during the 2020 and 2021 evaluation period.

During the 2022 evaluation period, the percentage of loans to borrowers in low-income CTs was similar to the percentage of owner-occupied housing units. The percentage of loans to borrowers in moderate-income CTs is well below the percentage of owner-occupied housing units.

While evaluating geographic distribution in the AA, we considered the distribution of LMI CTs in the MSA. The majority of the CTs in the MSA are middle- and upper-income CTs and approximately 79 percent of all owner-occupied housing units reside in these tracts. Additionally, the bank faces a high level of competition in MSA from other lenders.

NC Non-MSA AA

The percentage of loans to borrowers in moderate-income CTs is well above both the percentage of owner-occupied housing units and the percentage of aggregate loans originated during the 2020 and 2021 evaluation period.

During the 2022 evaluation period, the percentage of loans to borrowers in moderate-income CTs was near the percentage of occupied housing units.

There are no low income CTs in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of North Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Winston-Salem, NC MSA AA

For the 2020 and 2021 evaluation period, the percentage of loans to low-income borrowers was well below the percentage of aggregate low-income families but was near the percentage of aggregate lending. The percentage of loans to moderate-income borrowers was below both the percentage of moderate-income families and the percentage of aggregate lending.

During the 2022 evaluation period, the percentage of loans to low-income borrowers was well below the percentage of aggregate low-income families. The percentage of loans to moderate-income borrowers was below the percentage of aggregate moderate-income families.

While evaluating the distribution of loans by income level of the borrower in the AA, we considered the need for affordable housing and the rise in housing prices that may impact the bank's ability to originate loans to LMI borrowers. As mentioned earlier, 11.0 percent of households within the MSA are below the poverty level. Given that median housing prices have risen from \$145,961 to \$161,417, it has become increasingly difficult for these families to afford housing within the AA. Therefore, LMI borrowers may have difficulty qualifying for home mortgage loans. Additionally, bank originations to low-income borrowers in 2020 and 2021, was near to peer level originations, evidencing efforts to lend to this group.

Greensboro-High Point, NC MSA AA

For the 2020 to 2021 evaluation period, the percentage of loans to low-income borrowers was well below percentage of low-income families but was near the percentage of aggregate lending. The percentage of loans to moderate-income borrowers was well below both the percentage of moderate-income families and the percentage of aggregate lending.

During the 2022 evaluation period, the percentage of loans to low-income borrowers was well below the percentage of aggregate low-income families. The percentage of loans to moderate-income borrowers was below the percentage of moderate-income families.

In evaluating the distribution of loans to borrowers of different income levels, we considered the need for affordable housing and the rise in housing prices that may impact the bank's ability to originate loans to LMI borrowers. As mentioned earlier, 11.6 percent of households within the MSA are below the poverty level. Given the median housing prices have risen from \$145,143 to \$156,645, it has become increasingly difficult for these families to afford housing within the AA. Therefore, LMI borrowers may have difficulty qualifying for home mortgage loans.

NC Non-MSA AA

For the 2020 and 2021 evaluation period, the percentage of loans to low-income borrowers was well below the percentage of aggregate low-income families but was well above the percentage of aggregate lending. The percentage of loans to moderate-income borrowers was below the percentage of moderate-income families but well above the percentage of aggregate lending.

During the 2022 evaluation period, the percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was below the percentage of moderate-income families.

In evaluating the distribution of loans to borrowers of different income levels, we considered the need for affordable housing and the rise in housing prices that may impact the bank's ability to originate loans to LMI borrowers. As mentioned earlier, 10.9 percent of households within the AA are below the poverty level. Given the median housing prices have risen from \$181,045 to \$204,429, it has become increasingly difficult for these families to afford housing within the AA. Therefore, LMI borrowers may have difficulty qualifying for home mortgage loans. Additionally, the bank's outperformance in originations in 2020 and 2021 to low- and moderate-income borrowers compared to aggregate lender data evidences their efforts to lend to these groups.

Responses to Complaints

Piedmont Federal did not receive any complaints about its performance in helping to meet credit needs in the state of North Carolina during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of North Carolina is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the AAs. CD activities had a positive impact on the overall state rating.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$ (000's)	% of Total \$
Winston Salem, NC MSA	2	7%	400	9%
Greensboro – High Point, NC MSA	3	11%	478	11%
NC Non-MSA	0	0%	0	0%
Broader Statewide Area	23	82%	3,542	80%
Total	28	100%	4,420	100%

Piedmont Federal demonstrated adequate responsiveness to CD needs by offering qualified CD loans to LMI individuals within the AAs and in the state of North Carolina. During the evaluation period, the bank extended five loans totaling \$878,000, representing 0.37 percent of tier 1 capital in the AAs. Additionally, the bank originated 23 loans totaling \$3.54 million, representing 1.49 percent of tier 1 capital in the state of North Carolina. CD loans originated in the AA and the state of North Carolina promoted economic development through the creation of affordable housing for LMI individuals and provided financing for vital services in LMI communities. Notable loans to support CD activities included:

- \$400,000 to purchase interests in two loans to fund the construction of 136 affordable housing units in the Winston-Salem, NC MSA.
- \$487,000 to purchase interests in three loans to fund the construction of 144 affordable housing units in the Greensboro-High Point, NC MSA.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Winston Salem, NC MSA	1	425	54	2,304	55	65%	2,729	45%	2	1,668
Greensboro-High Point, NC MSA	0	0	7	837	7	8%	837	14%	1	241
NC Non-MSA	1	98	11	24	12	14%	122	2%	0	0
Broader Statewide Area	0	0	10	2,315	10	12%	2,315	39%	1	2,624
Total	2	523	82	5,480	84	100%	6,003	100%	4	4,533

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Piedmont Federal demonstrated adequate responsiveness to CD needs within the AAs and in the state of North Carolina during the evaluation period through qualified investments and donations. The bank made 82 qualified donations and investments to several organizations totaling approximately \$5.48 million. Notable donations included:

- \$2.8 million in mortgage-backed securities that funded housing for LMI families in the AAs.
- \$185,000 in donations to organizations and charities serving LMI communities within the AAs.
- \$174,000 in donations to a non-profit tax credit syndicate to invest in affordable rental housing in the AAs.

Extent to Which the Bank Provides Community Development Services

Piedmont Federal demonstrated adequate responsiveness to CD needs when offering qualified services to LMI individuals within the AAs during the evaluation period. Fifteen bank employees volunteered significant time during the evaluation period by holding financial related leadership positions at eight organization that provide affordable housing and social services for LMI individuals and families.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2020 to 12/31/2022	
Bank Products Reviewed:	Home mortgage loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	None	None
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
North Carolina:		
Winston-Salem, NC MSA	Full-scope	All CTs in Forsyth, Davidson, Davie, Stokes, and Yadkin Counties
Greensboro-High Point, NC MSA	Full-scope	All CTs in Guilford, Rockingham, and Randolph Counties
NC Non-MSA	Full-scope	All CTs in Watauga and Wilkes Counties

Appendix B: Summary of State Ratings

RATINGS PIEDMONT FEDERAL SAVINGS BANK			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Piedmont Federal Savings Bank	Satisfactory	Satisfactory	Satisfactory
State:			
North Carolina	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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, which 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21
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
Winston-Salem MSA	767	159,529	74.9	32,715	3.3	0.9	2.2	15.8	7.2	12.0	44.9	27.1	41.7	35.9	64.5	44.1	0.0	0.3	0.1
Greensboro-High Point MSA	126	29,420	12.3	34,585	2.7	0.0	1.7	17.2	4.0	13.5	45.8	32.5	41.7	34.3	63.5	43.2	0.0	0.0	0.0
NC Non-MSA	131	22,404	12.8	5,053	0.0	0.0	0.0	6.7	10.7	4.7	63.3	61.8	42.4	30.0	27.5	52.8	0.0	0.0	0.0
Total	1,024	211,352	100.0	72,353	2.8	0.7	1.8	15.7	7.2	12.2	46.8	32.2	41.7	34.7	59.7	44.2	0.0	0.2	0.0
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table O: 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	% 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
Winston-Salem MSA	251	56,309	79.4	2.9	1.2	--	13.7	6.8	--	54.1	37.5	--	29.2	54.6	--	0.0	0.0	--
Greensboro-High Point MSA	29	6,297	9.2	3.7	3.4	--	17.2	3.4	--	44.0	44.8	--	34.7	48.3	--	0.3	0.0	--
NC Non-MSA	36	8,819	11.4	0.0	0.0	--	2.9	2.8	--	63.4	44.4	--	31.9	44.4	--	1.8	8.3	--
Total	316	71,425	100.0	3.0	1.3	--	14.4	6.0	--	50.2	38.9	--	32.0	52.8	--	0.3	0.9	--
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%																		

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21
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
Winston-Salem MSA	767	159,529	74.9	32,715	22.4	4.4	5.5	17.6	13.8	17.2	19.0	22.2	21.1	41.1	55.9	41.3	0.0	3.7	14.8
Greensboro-High Point MSA	126	29,420	12.3	34,585	21.7	3.2	5.4	18.3	7.1	17.0	18.4	23.0	20.7	41.7	62.7	41.6	0.0	4.0	15.3
NC Non-MSA	131	22,404	12.8	5,053	21.6	6.1	1.9	17.3	14.5	9.4	19.3	16.8	14.8	41.8	61.8	62.4	0.0	0.8	11.5
Total	1,024	211,352	100.0	72,353	22.0	4.5	5.2	17.9	13.1	16.6	18.7	21.6	20.5	41.4	57.5	42.9	0.0	3.3	14.8
Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: 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	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Winston Salem MSA	251	56,309	79.4	21.7	6.0	--	17.3	14.3	--	20.3	23.1	--	40.8	53.4	--	0.0	3.2	--
Greensboro-High Point MSA	29	6,297	9.2	21.9	6.9	--	18.0	13.8	--	19.0	6.9	--	41.1	72.4	--	0.0	0.0	--
NC Non-MSA	36	8,819	11.4	18.0	5.6	--	17.0	11.1	--	20.8	27.8	--	44.2	55.6	--	0.0	0.0	--
Total	316	71,425	100.0	21.5	6.0	--	17.6	13.9	--	19.7	22.2	--	41.2	55.4	--	0.0	2.5	--
Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%																		

HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review.

The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials.

HMDA data for many other financial institutions are also available online.

For more information, visit the Consumer Financial Protection Bureau's website:

www.consumerfinance.gov/hmda

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency (OCC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The OCC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the OCC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the banks and savings association that are scheduled for CRA examination in that quarter. This list is available from the OCC at the Deputy Comptroller of the Currency, Northeastern District, 340 Madison Ave, Fifth Floor, New York, NY 10173. You may send written comments about our performance in helping to meet community credit needs to CRA Officer, Piedmont Federal Savings Bank, PO Box 215, Winston Salem, NC 27102 and to the OCC, at Deputy Comptroller of the Currency, Northeastern District, 340 Madison Ave, Fifth Floor, New York, NY 10173. Your letter, together with any response by us, will be considered by the OCC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the OCC. You may also request from the OCC an announcement of our applications covered by the CRA filed with the OCC.

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency (OCC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The OCC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the OCC and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) a map showing the assessment area containing this branch, which is the area in which the OCC evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at Piedmont Federal Savings Bank, located at 201 S. Stratford Road, Winston Salem, NC 27103.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the banks and savings associations that are scheduled for CRA examination in that quarter. This list is available from the OCC at Deputy Comptroller of the Currency, Northeastern District, 340 Madison Ave, Fifth Floor, New York, NY 10173-0002. You may send written comments about our performance in helping to meet community credit needs to CRA Officer, Piedmont Federal Savings Bank, PO Box 215, Winston Salem, NC 27102-0215 and to the OCC, at Deputy Comptroller of the Currency, Northeastern District, 340 Madison Ave, Fifth Floor, New York, NY 10173-0002. Your letter, together with any response by us, will be considered by the OCC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the OCC. You may also request from the OCC an announcement of our applications covered by the CRA filed with the OCC.



Federal Housing Finance Agency

Community Support Statement

FHFA Federal Home Loan Bank (FHLBank) Member ID Number: 7

Name of FHLBank Member Institution: Piedmont Federal Savings Bank

Mailing Address: 16 West Third Street

City: Winston Salem

Submitter Name: Michael Shelton

Work Email: mshelton@piedmontfederal.com

State: NC

Title: CFO

Zip Code: 27101

Part I. Community Reinvestment Act (CRA) Standard:

Most recent CRA rating: Satisfactory

Year of most recent CRA rating: 2020

Part II. First-time Homebuyer Standard: *All Federal Home Loan Bank members must complete either Section A or B of this part, except that members with "Outstanding" federal CRA ratings need not complete this part. Members should use data or activities for the previous or current calendar year in completing this part.*

A. Complete the following two questions: *If your institution did not make, or did not track, mortgage loans to first-time homebuyers, you must complete Section B of this part.*

- | | |
|--|-------------|
| 1. Number of mortgage loans made to first-time homebuyers | 39 |
| 2. Dollar amount of mortgage loans made to first-time homebuyers | \$7,230,000 |

B. Check as many as applicable:

- | | |
|---|-----|
| 1. Offer in-house first-time homebuyer program (e.g., underwriting, marketing plans, outreach programs) | Yes |
| 2. Other in-house lending products that serve first-time homebuyers or low- and moderate-income homebuyers | Yes |
| 3. Offer flexible underwriting standards for first-time homebuyers | Yes |
| 4. Participate in nationwide first-time homebuyer programs (e.g., Fannie Mae, Freddie Mac) | No |
| 5. Participate in federal government programs that serve first-time homebuyers (e.g., FHA, VA, USDA RD) | No |
| 6. Participate in state or local government programs targeted to first-time homebuyers (e.g., mortgage revenue bond financing) | Yes |
| 7. Provide financial support or technical assistance to community organizations that assist first-time homebuyers | Yes |
| 8. Participate in loan consortia that make loans to first-time homebuyers | No |
| 9. Participate in or support special counseling or homeownership education targeted to first-time homebuyers | Yes |
| 10. Hold investments or make loans that support first-time homebuyer programs | Yes |
| 11. Hold mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers | Yes |
| 12. Use affiliated lenders, credit union service organizations, or other correspondent, brokerage or referral arrangements with specific unaffiliated lenders, that provide mortgage loans to first-time or low- and moderate-income homebuyers | No |
| 13. Participate in the Affordable Housing Program or other targeted community investment/development programs offered by the Federal Home Loan Bank | No |
| 14. Other (attach description of other activities supporting first-time homebuyers; see instructions for Part II) | No |
| 15. None of the above (attach explanation of any mitigating factors; see instructions for Part II) | No |

If you checked Question 14 or 15, please explain below. If your explanation will exceed 300 characters, please upload a file containing your explanation and supporting documents:

Supporting documents:







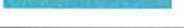



















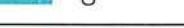
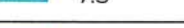



Part III. Certification:

By submitting this Community Support Statement, I certify that I am a senior official of the above institution, that I am authorized to provide this information to FHFA, and that the information in this Statement and any attachments is accurate to the best of my knowledge.

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.



Community Development Services

Organization Name	Hours
Habitat for Humanity of Forsyth County	 84
Mount Tabor High School PTSA- Athletics	 75
Leadership Winston Salem	 30.5
YMCA	 29.5
Goodwill of Northwest NC	 29
Rotary Club of Western Forsyth	 27
Rotary Club of Clemmons	 25
Beyond Sports	 24.5
St Paul's Episcopal Church	 24
Kernersville Foundation	 23
Twin City Housing Coalition	 18
Winston Salem Street School	 16
The DO School	 16
Wachovia Historical Society	 15
Love Out Loud	 14
Cyber Security Transforming Youth	 13.5
Beesons Crossroads Fire and Rescue	 12
Piedmont Land Conservancy	 12
Colonel Joseph Winston Chapter DAR	 12
Second Harvest Food Bank	 11
Ready for School Ready for Life	 11
United Way of Forsyth County	 11
Rotary Club of Kernersville	 10
Ardmore United Methodist Church Food Pantry	 10
Winston Salem State University	 10
Bunker Hill United Methodist Church	 9
Cook Literacy Model School	 8
Buddy Walk	 8
Winston-Salem RISE	 7.5
Liberty Atlantic	 7
Forsyth Humane Society of North Carolina	 6

Organization Name	Hours
Bookmarks	 6
Senior Services	 6
Piedmont Environmental Alliance	 5
S.G Atkins Community Center	 5
Institute for Regenerative Design and Innovation	 5
Thrive Communities	 5
Lewisville-Clemmons Chamber of Commerce	 5
Dress For Success	 4.5
Eliza's Helping Hand	 4
Korners Folly Foundation Board	 4
Hanes Brands Community Sales	 4
Leadership Lewisville Clemmons	 4
Piedmont Film Commission	 4
Arts Council	 4
Crisis Control Ministry	 4
UNCSA	 3.5
Latino Coalition	 3.5
Bethesda Center	 3.5
Big Brothers Big Sisters	 3.5
Big brother big sister	 3
Down Syndrome Association of Greater WS	 3
Red Cross	 3
Creative Cooridors	 3
Flywheel Foundation	 3
Creative Center of North Carolina	 3
Crosby Scholars	 2.5
ELETE Program	 2.5
Veterans Helping Veterans Heal	 2
Imprints Cares	 2
Alzheimers Association	 2
Hydrating Humanity	 2
Dream Center	 2
H.O.P.E	 1.5

Organization Name	Hours
Shepard's Center	1.5
Salem College and Academy	1.5
American Heart Association	1.5
Sight Source	1.5
Habitat for Humanity	1
Mixxer Makerspace Summer Steam Program	1
Appalachian State University	1
CAREs	1
Solutions for Independence	1
Pivot Ministries	1
Winston-Salem Symphony	1
ABC of NC	1
Legacy Women's Foundation	1
Hope Faith and Mercy Foundation	1

CRA Eligible

Not CRA Eligible

Unknown

Partially CRA Eligible

VOLUNTEERS

ORGANIZATIONS

DEPARTMENTS

LOCATIONS

AREAS

GOALS

Area	Hours
Winston Salem 49180	<div><div></div></div> 721.5
Greensboro-High Point 24660	<div><div></div></div> 17
Outside Assessment Area	<div><div></div></div> 3
Non-MSA	<div><div></div></div> 1

CRA Eligible

Not CRA Eligible

Unknown

Partially CRA Eligible