

PUBLIC DISCLOSURE

February 13, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank
Certificate Number: 58

200 East Nashville Avenue
Atmore, Alabama 36502

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

10 10th Street NE, Suite 900
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of small business, small farm, and home mortgage loans was originated inside the institution's assessment areas.
- The geographic distribution of small business, small farm, and home mortgage loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels.
- The bank has not received any CRA-related complaints since the previous CRA performance evaluation, dated November 12, 2019; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

- The institution demonstrated excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas and the significant increase in community development lending activities since the prior evaluation.

DESCRIPTION OF INSTITUTION

United Bank is headquartered in Atmore, Alabama, and operates primarily in southwest Alabama and northwest Florida. The bank is wholly-owned by United Bancorporation of Alabama, Inc., also located in Atmore, Alabama. United Bank was established on January 4, 1904, and is designated a community development financial institution (CDFI) by the United States Treasury. United Bank operates with an affiliated community development entity (CDE), UB Community Development, LLC, which was established in February 2017. The bank, holding company, and CDE are all designated as CDFIs. United Bancorporation of Alabama, Inc. acquired Town-County National Bank located in Camden, Alabama in July 2021. However, the acquisition did not merge the two banks.

The bank received an ‘Outstanding’ rating at its previous FDIC Performance Evaluation, dated November 12, 2019, based on Interagency Intermediate Small Institution Examination Procedures. United Bank operates 20 full-service branches throughout its assessment areas: 17 branches in Alabama and 3 in Florida. The bank offers an array of loan products, which include commercial, home mortgage, agricultural, and consumer loans. The bank primarily focuses on commercial lending. The bank also offers small dollar consumer loans through its Credit Advantage Loan Program. Furthermore, the bank participated in the Paycheck Protection Program (PPP). In 2020, the United States Government established the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which implemented the PPP through the U.S. Small Business Administration (SBA) to offer economic relief to small businesses adversely impacted by the COVID-19 pandemic. The program ended on May 31, 2021. From April 2020 through May 2021, the bank originated 1,701 PPP loans totaling \$93.7 million.

Deposit services include checking, savings, money market deposit accounts, certificates of deposit accounts, and individual retirement accounts. In addition, the bank offers check cashing services, safe deposit boxes, personal storage compartments, and reloadable debit cards. The bank also offers internet banking via its website, <https://www.unitedbank.com> with an integrated financial education program available to all website users. Additionally, mobile banking, mobile check deposit, electronic bill pay, and automated teller machines (ATMs) at the main office, branches, and off-site locations are also available as alternative banking methods.

United Bank closed two branches, opened two branches, and installed thirteen deposit-taking ATMs since the previous evaluation. The bank closed the Greensboro “virtual” branch in Greensboro, Hale County, Alabama on February 6, 2020, which did not provide retail services to customers. The Spanish Fort branch in Spanish Fort, Baldwin County, Alabama was also closed on March 28, 2022. The bank opened the Daphne branch in Daphne, Baldwin County, Alabama on December 5, 2019 and the Semmes branch in Semmes, Mobile County, Alabama on March 2, 2020. The changes among branches did not negatively impact low- and moderate-income individuals.

As of September 30, 2022, assets totaled \$1.2 billion, which represents an increase of \$505.0 million (or 73.0 percent) since the prior evaluation. Assets include \$632.1 million in loans and \$273.2 million in securities. Deposits totaled \$1.1 billion. The composition of the loan portfolio is detailed in the following table.

Loan Portfolio Distribution as of 09/30/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	79,595	12.6
Secured by Farmland	42,984	6.8
Secured by 1-4 Family Residential Properties	85,131	13.5
Secured by Multifamily (5 or more) Residential Properties	19,447	3.1
Secured by Nonfarm Nonresidential Properties	140,453	22.2
Total Real Estate Loans	367,610	58.2
Commercial and Industrial Loans	165,978	26.3
Agricultural Production and Other Loans to Farmers	43,211	6.8
Consumer Loans	20,913	3.3
Obligations of State and Political Subdivisions in the U.S.	29,304	4.6
Other Loans	5,078	0.8
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
Total Loans	632,094	100.0
<i>Source: Reports of Condition and Income</i>		

The bank provides for the credit needs of its communities in a manner consistent with its size, financial condition, resources, and local economic conditions. Examiners did not identify any financial or legal impediments that affect the bank's ability to meet the assessment areas' credit needs. However, the review period included a time when a national emergency designation was in effect due to the COVID-19 pandemic, and remained in effect as of the evaluation date. Although the pandemic did not affect the bank's ability to meet assessment areas' credit needs, the pandemic nonetheless impacted borrowers by diminishing business and consumer loan demand.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. United Bank operates with four assessment areas within the states of Alabama and Florida. Since the previous CRA performance evaluation, the bank added one new assessment area with the opening of a new branch in March 2020, which established the Mobile County, Alabama assessment area. The bank has delineated three assessment areas in Alabama and one assessment area in Florida. The assessment areas are depicted in the following table.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Alabama Non-Metropolitan Statistical Area (NMSA)	Escambia and Monroe	19	7
Baldwin	Baldwin	44	9
Mobile	Portions of Mobile	12	1
Alabama Subtotal		75	17
Pensacola	Portions of Escambia and Santa Rosa	20	3
Florida Subtotal		20	3
Total		95	20
<i>Source: Bank Data, 2020 U.S Census Data</i>			

The Federal Financial Interagency Examination Council (FFIEC) has designated certain non-metropolitan middle-income census tracts as distressed based on high unemployment rates, high poverty rates, and significant population losses. FFIEC has also designated certain non-metropolitan middle-income census tracts in rural areas as underserved. A census tract can be designated as distressed and/or underserved. Of the 58 middle-income census tracts that comprise the various assessment areas, 14 or 24.1 percent are designated as distressed middle-income geographies. Refer to the rated areas and individual assessment areas for additional information.

SCOPE OF EVALUATION

General Information

This performance evaluation covers the period from the previous evaluation, dated November 12, 2019, to the current evaluation dated February 13, 2023. In evaluating United Bank's CRA performance, examiners utilized the Interagency Intermediate Small Institution CRA Examination Procedures, which consist of the Lending Test and Community Development Test.

Examiners evaluated lending data, deposit activity, and number of branches to determine relative weighting of the rated areas. As shown below, Alabama has the most lending (72.1 percent), deposits (82.8 percent), and branch activity (85.0 percent); therefore, examiners gave the most weight to the lending performance in Alabama.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Alabama NMSA	20,972	32.2	452,710	44.7	7	35.0
Baldwin County	25,916	39.8	356,401	35.2	9	45.0
Mobile County	50	0.11	29,532	2.9	1	5.0
Alabama Subtotal	46,938	72.1	838,643	82.8	17	85.0
Pensacola	18,172	27.9	173,739	17.2	3	15.0
Florida Subtotal	18,172	27.9	173,739	17.2	3	15.0
Total	65,110	100.0	1,012,382	100.0	20	100.0
<i>Source: Bank Data; FDIC Summary of Deposits (06/30/2022)</i>						

As previously stated, United Bank operates three assessment areas in Alabama and one in Florida. All assessment areas, excluding the Mobile County assessment area, received full-scope reviews. The Mobile County assessment area received a limited-scope review. Refer to the rated areas and individual assessment areas for additional information.

Activities Reviewed

This performance evaluation includes the consideration of small business, small farm, and home mortgage loans originated since the previous evaluation. Data was obtained from the bank's loan trial and Home Mortgage Disclosure Act (HMDA) data. Only 2022 small business and small farm lending was reviewed and presented within this evaluation, as it is considered to be representative of the review period. The bank is not required to report CRA data, but is required to report loans pursuant to HMDA; therefore, 2019, 2020, and 2021 HMDA data was reviewed for the home mortgage lending analysis. Since 2021 is the most recent year with aggregate performance data, this year is presented for the Borrower Profile and Geographic Distribution factors with 2019 and 2020 HMDA lending performance differences and/or anomalies discussed, if applicable.

Dunn & Bradstreet (D&B) data for 2022 will be used as the source of comparable data for small business and small farm lending. Since U.S. Census data was updated during the evaluation period from 2010 to 2020, all demographic tables presented will reflect 2020 U.S. Census data, given that the evaluation considers 2022 small business and small farm lending. However, for home mortgage lending comparison purposes, 2010 U.S. Census and 2015 American Community Survey data will be used, as this data is used to analyze lending from 2019 – 2021. Since the bank is subject to HMDA reporting requirements, aggregate data will be used as a source of comparable data for home mortgage lending performance.

Small business loans received the most weight in this evaluation and is considered to be consistent among all rated areas. The following table details the total universe and number of loans reviewed from each loan category.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business	385	51,569	162	22,362
Small Farm	263	42,873	143	24,933
Home Mortgage	577	97,695	577	97,695
<i>Source: 2019 – 2021 HMDA Data and 2022 Small Business and Small Farm Data</i>				

For the Community Development Test, examiners reviewed data provided by bank management on community development loans, qualified investments, and community development services since the previous CRA evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The overall Lending Test rating for this institution is Satisfactory. Lending levels indicate the bank is lending within its assessment areas and is consistent across both rated areas. A majority of loans extended during the review period were originated inside the assessment areas. The geographic distribution reflects reasonable penetration throughout the assessment areas and the distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and borrowers of different income levels. Additionally, the loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment areas' credit needs. The bank has not received any CRA-related complaints since the previous evaluation; therefore, this Lending Test component did not affect the overall rating for the bank.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 64.4 percent over the past 13 calendar quarters from December 31, 2019 to December 31, 2022. The ratio ranged from a low of 56.2 percent, as of September 30, 2022, to a high of 72.0 percent, as of December 31, 2019.

United Bank does not operate with any similarly situated institutions within its immediate assessment areas; however, there are two institutions operating with similar asset sizes, loan portfolio concentrations, and branching structure throughout Alabama. United Bank's performance was compared to the LTD data of the two institutions. The LTD ratios are similar. Refer to the following table for additional details.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 09/30/2022 (\$000s)	Average Net LTD Ratio (%)
United Bank	1,197	64.4
Citizens Bank & Trust	1,042	69.2
First Bank of Alabama	860	60.8
<i>Source: Reports of Condition and Income 12/31/2019 – 09/30/2022</i>		

Assessment Area Concentration

A majority of the small business, small farm, and home mortgage loans was originated within the bank's assessment areas. The following table further details the assessment areas' concentration of lending.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	183	88.0	25	12.0	208	21,204	82.7	4,435	17.3	25,639
2020	150	85.2	26	14.8	176	23,849	74.6	8,100	25.4	31,949
2021	164	85.0	29	15.0	193	31,051	77.4	9,056	22.6	40,107
Subtotal	497	86.1	80	13.9	577	76,104	77.9	21,591	22.1	97,695
Small Business	127	78.4	35	21.6	162	13,841	61.9	8,522	38.1	22,363
Small Farm	115	81.0	27	19.0	142	20,218	83.2	4,068	16.8	24,286
Source: 2019 – 2021 HMDA Reported Data; 2022 Small Business and Small Farm Data										

Geographic Distribution

United Bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Conclusions regarding the institution's overall performance is consistent with the conclusions for each rated area. Examiners focused on the percentage, by number, of loans in low- and moderate- income census tracts, where applicable, when arriving at conclusions for this performance factor. Each rated area includes a more detailed discussion of the geographic distribution.

Borrower Profile

United Bank's distribution of loans to borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. Conclusions regarding the institution's overall performance is consistent with the conclusions for each rated area. Examiners focused on the percentage by number of loans to businesses with gross annual revenues (GARs) of \$1 million or less and to low- and moderate- income individuals when arriving at conclusions for this performance factor. Each rated area includes a more detailed discussion of the distribution of loans based on borrower profile.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

United Bank demonstrated Outstanding performance under the Community Development Test. United Bank's community development performance demonstrates excellent responsiveness to the needs of its assessment areas through community development loans, qualified investments and donations, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development. The overall level of performance under the Community Development Test is consistent with the performance for Alabama and exceeds that of Florida. Examiners considered the institution's capacity and the need and availability of such opportunities. United Bank's and UB Community Development's activities and CDFI designations were considered in the analysis as well.

Community Development Loans

During the evaluation period, United Bank originated 29 community development loans totaling \$65.3 million within its assessment areas, representing a 54.4 percent increase in lending based on dollar volume from the prior evaluation. Examiners also considered an additional 65 loans, totaling \$177.6 million, benefiting broader statewide or regional areas in Alabama and Florida that include the assessment areas. These loans were made for various purposes, mainly affordable housing, including community services, economic development, and revitalization and stabilization. These loans were given favorable consideration since United Bank notably addressed the community development lending needs within its assessment areas. Community development loans within the assessment areas represent 5.5 percent of total assets and 10.5 percent of net loans. When broader statewide or regional area activities are considered, the level of lending represents 20.3 percent of total assets and 39.1 percent of net loans, as of September 30, 2022, which is a notable increase since the prior evaluation when the percentages were 13.2 percent and 20.3 percent, respectively. The following tables illustrate community development lending activity by year and purpose.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Alabama	7	22,210	0	0	5	10,390	16	31,746	28	64,346
Florida	0	0	0	0	1	936	0	0	1	936
Statewide/Regional Activities	43	86,370	4	7,137	4	7,081	14	77,004	65	177,592
Total	50	108,580	4	7,137	10	18,407	30	108,750	94	242,874
<i>Source: Bank Data</i>										

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	2	1,150	0	0	0	0	9	10,343	11	11,493
2020	14	30,290	2	5,437	4	10,094	7	18,822	27	64,643
2021	17	38,582	2	1,700	6	8,313	5	20,632	30	69,227
2022	17	38,558	0	0	0	0	9	58,953	26	97,511
Total	50	108,580	4	7,137	10	18,407	30	108,750	94	242,874
<i>Source: Bank Data</i>										
<i>*From 11/12-2019 – 12/31/2019</i>										

Examples of statewide or regional community development lending activities are noted below.

- In 2021, United Bank extended a \$5.3 million loan to an organization located in a moderate-income census tract in Florida. The loan helped to create and retain 56 jobs for low- and moderate-income individuals in the region.
- Throughout the evaluation period, the bank participated in 35 affordable housing development projects totaling \$63.5 million through participations with the Alabama Multifamily Loan Consortium (AMLC) and the Capital Magnet Fund in Alabama.

Qualified Investments

United Bank's qualified investments and donations totaled 107, by number, and \$7.7 million, by dollar volume inside the assessment areas and broader regional areas. Of those 107 investments, 18 investments and donations totaling \$4.3 million benefited areas outside of the assessment areas but within the broader regional areas that include the assessment areas. These investments and donations were for affordable housing, economic development, and community services purposes.

As of September 30, 2022, the bank's fully-funded investments represent 2.8 percent of total investments and 0.6 percent of total assets. This activity is similar to the prior evaluation's pre-commitment totals when the percentages were 2.9 percent of total investments and 0.6 percent of total assets. The following tables illustrate qualified investment and donations activity by year and purpose.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Alabama	0	0	62	926	4	11	14	2,427	80	3,364
Florida	0	0	8	13	1	1	0	0	9	14
Regional Activities	3	2,000	13	2,115	1	10	1	220	18	4,345
Total	3	2,000	83	3,054	6	22	15	2,647	107	7,723
<i>Source: Bank Data</i>										

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	7	2,094	0	0	5	1,199	12	3,293
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	1	375	1	375
2021	0	0	2	755	0	0	1	780	3	1,535
2022	1	2,000	0	0	0	0	1	280	2	2,280
Subtotal	1	2,000	9	2,849	0	0	8	2,634	18	7,483
Qualified Grants & Donations	2	0	74	205	6	22	7	13	89	244
Total	3	2,000	83	3,054	6	22	15	2,647	107	7,723
<i>Source: Bank Data</i>										
<i>*From 11/12/2019 – 12/31/2019</i>										

Examples of the regional qualified investments are noted below.

- United Bank donated \$10,000 to an organization that enhances opportunities for farmers by connecting them with retailers and consumers, supporting economic development.
- United Bank donated \$17,500 to two organizations who provide housing, food, and essential supplies to disadvantaged youth.

Community Development Services

United Bank has provided an excellent level of community development services. Delivery systems for retail banking services are readily accessible within geographies and to individuals of different income levels in the assessment areas. The bank operates branches in moderate-income census tracts and in distressed, middle-income census tracts. Throughout its assessment areas, the bank offers many retail services designed to benefit low- and moderate-income individuals. Specifically, the Credit Advantage loan product is designed to offer secure, small dollar loans to help build and improve credit. Low-cost check cashing, Advantage pre-paid cards, and Gateway Checking accounts (for customers with low or no credit) are also offered as a way to help underserved, low- and moderate-income, and underbanked individuals. In addition, the bank's website offers Financial Focus, an online platform that is open to all users and provides financial education modules in English and Spanish. United Bank continues to provide BANZAI financial literacy software to area schools who have low- and moderate-income students enrolled.

This evaluation's activity level of 565 services is lower than the services performed at the previous evaluation (988). However, the level of community development services performed is significantly higher than both of the bank's similarly situated institutions. The community development services listed below are ongoing services that meet the definition of community development and relate to the provision of financial services, as required by the CRA regulation. The following tables illustrate community development services by purpose and by activity year. Refer to each rated area for examples of the regional services provided by United Bank employees.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Alabama	2	488	18	7	515
Florida	1	9	3	0	13
Statewide/Regional Activities	8	23	5	1	37
Total	11	520	26	8	565
<i>Source: Bank Data</i>					

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	5	0	0	5
2020	3	63	7	1	74
2021	3	65	9	4	81
2022	5	387	10	3	405
Total	11	520	26	8	565
<i>Source: Bank Data</i>					
<i>*From 11/12/2019 – 12/31/2019</i>					

Examples of the state or regional qualified services are noted below.

- In 2020, 2021, and 2022, a director serves as a Board member of an organization that works to preserve and sustain affordable housing in Alabama.
- In 2020, 2021, and 2022, an employee serves as a Board member of an organization that partners with financial institutions to bring capital, create opportunity, and build wealth for low-income people and communities throughout the region.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

ALABAMA

CRA RATING FOR ALABAMA: OUTSTANDING

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA

United Bank operates 17 full-services branches (85.0 percent of total branches) in three assessment areas contained within Alabama. The assessment areas contained within this rated area are comprised of entire counties or portions of counties within MSAs and Non-MSAs. The Mobile County Assessment Area is new since the prior evaluation and became a delineated assessment area with the opening of a full-service branch in Mobile in March 2020. The bank also operates 21 ATMs throughout the state. Refer to each individual assessment area for additional details.

SCOPE OF EVALUATION – ALABAMA

The evaluation of the bank's performance in Alabama focused on the operations of United Bank in the NMSA, Baldwin County, and Mobile County assessment areas with respect to small business, small farm, and home mortgage loans. Due to lending and deposit activity and the number of branches, the NMSA and Baldwin County assessment areas were reviewed using full-scope examination procedures. The Mobile County assessment area received a limited-scope review due to the limited number of branches, deposits, and loans originated in the assessment area since the branch was opened in 2020. Community development activities were also considered and contributed significantly to the state and overall CRA ratings. As previously noted, a significant majority of the loans reviewed were originated in Alabama. Therefore, more weight was given to the CRA performance in Alabama when arriving at an overall rating.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ALABAMA

LENDING TEST

The Lending Test is Satisfactory and is supported by a reasonable geographic distribution of lending and borrower profile performance. Performance within the NMSA and Baldwin County assessment areas was consistent; however, performance in the Mobile County assessment area is below performance in the aforementioned assessment areas. The NMSA assessment area received the greatest weighting within the state due to the number of branches and lending and deposit volume.

Geographic Distribution

The geographic distribution of different loan products reviewed reflects reasonable dispersion throughout the assessment areas in Alabama. This is supported by reasonable small business, small farm, and home mortgage dispersion of loans throughout the assessment areas. Performance within the NMSA and Baldwin County assessment areas is consistent; however, performance in the Mobile County assessment area is below performance in the aforementioned assessment areas.

Borrower Profile

The distribution of borrowers reflects reasonable penetration. Reasonable penetration among businesses and farms of different sizes and individuals of different income levels within the assessment areas supports this conclusion. Performance within the NMSA and Baldwin County assessment areas is consistent; however, performance in the Mobile County assessment area is below performance in the aforementioned assessment areas.

COMMUNITY DEVELOPMENT TEST

The Community Development Test is Outstanding within Alabama. United Bank demonstrates excellent responsiveness to community development needs in its assessment areas 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 assessment areas. This level of performance is consistent with the performance of each of the Alabama assessment areas. The bank extended a large number of community development loans within the various assessment areas, as well as a substantial amount of loans benefitting the statewide and regional areas. Qualified investments and donations, and services were extended in large quantities that benefitted each of the assessment areas.

Community Development Loans

United Bank extended 28 loans within the defined assessment areas totaling \$64.3 million. Additionally, 51 community development loans totaling \$143.1 million were extended outside of the bank's assessment areas were considered, which benefitted the broader statewide and/or regional areas in Alabama. These loans were made for various purposes, including community services, affordable housing, economic development, and revitalization and stabilization, and are given favorable consideration since United Bank notably addressed the lending needs within its assessment area. Examples of these community development loans are included below.

- In 2022, the bank extended a \$31.4 million loan to a business operating in a distressed middle-income census tract in Epes, Alabama that created 100 jobs in the area that benefitted low- and moderate-income individuals.
- In 2022, the bank funded \$6.2 million of a participation to construct a 177-unit affordable housing development in Harvest, Alabama, which benefitted low-and moderate-income individuals in the area.

Refer to each individual assessment area depicting a breakdown of community development lending, by year.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
AL NMSA	1	3,500	0	0	5	10,390	15	31,338	21	45,228
Baldwin County	4	15,123	0	0	0	0	1	408	5	15,531
Mobile County	2	3,587	0	0	0	0	0	0	2	3,587
Statewide Activities	35	63,489	0	0	0	0	0	0	35	63,489
Regional Activities	0	0	4	7,137	1	3,100	11	69,363	16	79,600
Total	42	85,699	4	7,137	6	13,490	27	101,109	79	207,435
<i>Source: Bank Data</i>										

Qualified Investments

United Bank provided 80 qualified investments and donations totaling \$3.4 million within the assessment areas in Alabama. Given that the bank met the needs of its assessment areas, broader statewide and/or regional activities were considered, which includes 16 investments totaling \$4.3 million. These investments include a \$2.0 million commitment to the AMLC to support affordable housing projects, along with other activities that supported community services, economic development, and revitalization/stabilization activities throughout the state. Examples of these qualified investments and donations are included below.

- During the prior period, United Bank invested \$524,000 to help fund school improvements for Fultondale where at least 50.0 percent of all students enrolled within the district are eligible for free or reduced lunch.
- In 2022, United Bank donated \$10,000 to a non-profit foundation that enhances marketing opportunities for Alabama farmers by connecting retailers and consumers to Alabama grown agricultural products.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
AL NMSA	0	0	38	650	1	4	11	1,904	50	2,558
Baldwin County	0	0	22	271	3	7	3	523	28	801
Mobile County	0	0	2	5	0	0	0	0	2	5
Statewide Activities	3	2,000	7	2,094	1	10	1	220	12	4,324
Regional Activities	0	0	4	18	0	0	0	0	4	18
Total	3	2,000	73	3,038	5	21	15	2,647	96	7,706
<i>Source: Bank Data</i>										

Refer to each individual assessment area depicting a breakdown of investment and donation activity, by year.

Community Development Services

United Bank provided 544 community development services within the rated area. Delivery systems for retail banking services are readily accessible within geographies and to individuals of different income levels in the assessment areas. Within the NMSA assessment area, the bank operates two branches in moderate-income census tracts and two branches in distressed, middle-income census tracts. Throughout its assessment areas and as noted previously, the bank offers many retail services designed to benefit low- and moderate-income individuals. The services listed below are ongoing services that meet the definition of community development and relate to the provision of financial services, as required by the CRA regulation. Refer to each individual assessment area for a breakdown of community development services, by year.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
AL NMSA	0	327	11	7	345
Baldwin County	2	152	3	0	157
Mobile County	0	9	4	0	13
Statewide Activities	5	9	3	0	17
Regional Activities	0	9	2	1	12
Total	7	506	23	8	544
<i>Source: Bank Data</i>					

Examples of community development services are included below.

- In 2022, an employee served as a board member and provided financial expertise to an organization that promotes economic development through education, engagement, and other opportunities throughout the state.
- In 2021, an employee served as a Board member and provided financial expertise to a community service organization that provides health and wellness services to low- and moderate-income individuals.

ALABAMA NON-METROPOLITAN STATISTICAL AREA (NMSA) ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ALABAMA NMSA ASSESSMENT AREA

The bank operates seven full-service branches in this assessment area. The NMSA assessment area is comprised of Escambia and Monroe counties in their entirety, which are located in the southwestern portion of the state. The designation of this assessment area has not changed since the previous evaluation. However, as previously noted, U.S. Census data was updated during this review period to reflect 2020 data; therefore, three census tracts were added to the assessment area. Specifically, the number of census tracts increased from 16 to 19, as of the date of this evaluation. Additionally, income classification changes for select geographies occurred since the prior evaluation, which will be discussed in the following section.

Economic and Demographic Data

According to 2010 U.S. Census and 2015 ACS data, the NMSA assessment area included 16 census tracts within Escambia and Monroe counties. The census tracts reflected the following income designations: 5 moderate-income, 9 middle-income, and 2 upper-income census tracts. All middle-income census tracts were considered distressed or underserved. Monroe County contained four remotely rural underserved and distressed tracts due to poverty, while Escambia County contained five distressed tracts due to poverty. This aforementioned information will be used in the analysis and presentation of home mortgage lending.

For small business and small farm lending, the following demographic data will be used and illustrates select demographic characteristics of the NMSA assessment area based on 2020 U.S. Census and 2022 D&B data. As a result of the U.S. Census data changes, the assessment area now contains the following geographies: 1 low-income, 3 moderate-income, 14 middle-income, and 1 upper-income census tracts.

Demographic Information of the NMSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	5.3	15.8	73.7	0.0	5.3
Population by Geography	56,529	6.6	15.7	76.1	0.0	1.6
Housing Units by Geography	28,069	7.0	16.0	74.1	0.0	2.9
Owner-Occupied Units by Geography	14,056	5.4	17.1	75.4	0.0	2.1
Occupied Rental Units by Geography	6,925	10.8	13.9	73.5	0.0	1.8
Vacant Units by Geography	7,088	6.6	16.0	72.0	0.0	5.5
Businesses by Geography	4,032	7.3	18.5	72.5	0.0	1.7
Farms by Geography	197	4.6	14.7	78.7	0.0	2.0
Family Distribution by Income Level	12,698	26.6	18.4	19.8	35.3	0.0
Household Distribution by Income Level	20,981	32.1	17.1	15.4	35.4	0.0
Median Family Income Non-MSAs - AL		\$55,960	Median Housing Value			\$103,769
			Median Gross Rent			\$566
			Families Below Poverty Level			17.6%
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.						

The analysis of small business and small farm loans under the *Borrower Profile* criterion compares the distribution of small businesses and small farms by GAR level. According to the 2022 D&B data, there were approximately 4,032 businesses in the assessment area. GARs for these businesses are below:

- 82.0 percent have \$1 million or less,
- 3.8 percent have more than \$1 million, and
- 14.2 percent have unreported revenues.

Service industries represent the largest portion of businesses at 31.6 percent, followed by retail trade at 13.9 percent. Also, 63.0 percent of area businesses have four or fewer employees, and 86.6 percent operate from a single location. Major employers for the assessment area include Walmart Supercenter, Holman Prison, Gate Precast Co., Parker & Son, Inc., and Poarch Band of Creek Indians, employing 763 total individuals.

According to 2022 D&B data, there are approximately 197 farms in the assessment area. GARs for these farms are below:

- 98.5 percent have \$1 million or less, and
- 1.5 percent have more than \$1 million.

The 2021 FFIEC-estimated median family income (MFI) levels are used to analyze home mortgages under the *Borrower Profile* criterion. The low-, moderate-, middle-, and upper-income

categories are presented in the following table. The categories are based on the 2021 FFIEC-estimated MFI for non-MSA areas in the state.

Alabama NMSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$53,400)	<\$26,700	\$26,700 to <\$42,720	\$42,720 to <\$64,080	≥\$64,080
Source: FFIEC				

The *Geographic Distribution* criterion compares home mortgage loans to the distribution of owner-occupied housing units. Based on the 2015 ACS, there are 27,731 housing units in the NMSA assessment area. Of these, 55.3 percent are owner-occupied, 24.3 percent are occupied rental units, and 20.4 percent are vacant. The *Geographic Distribution* criterion compares home mortgage loans to the distribution of owner-occupied housing units.

The following table includes data obtained from the U.S. Bureau of Labor Statistics. Monroe County has led Escambia County, state, and national averages each year in unemployment rates. While higher, Escambia County's unemployment rates are closer to state averages and lower than the national averages. Overall, unemployment rates were at their peak in 2020, likely due to the economic downturn caused by the COVID-19 pandemic.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Escambia County	6.8	4.1	3.2
Monroe County	9.0	5.6	4.4
Alabama	6.4	3.4	2.6
National Average	8.1	5.4	3.6
Source: Bureau of Labor Statistics			

Competition

The assessment area is moderately competitive for financial services. According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, there were 12 financial institutions operating 27 offices within the NMSA assessment area. Among those, United Bank ranked second with 20.7 percent of the deposit market share.

The bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so. Therefore, the analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data, but is included for context purposes. The 2021 aggregate data, however, reflects the level of demand for small business and small farm loans and is therefore included. Data for 2022 is not yet available; therefore, the most recent year of data is included. In 2021, the aggregate data showed 54 institutions reporting 733 small business loans within the assessment area. The top four institutions accounted for 50.3 percent of the market share. This indicates a high degree of competition for this product.

Approximately 10 lenders reported 82 small farm loans, with the top four institutions accounting for 87.8 percent of the market share.

A high level of competition exists for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 178 lenders reported a total of 2,189 residential mortgage loans originated or purchased within the assessment area. United Bank ranked fourth out of this group of lenders, with a market share of 4.5 percent. Other lenders, such as Rocket Mortgage, Regions Bank, and 21st Mortgage controlled 8.1, 8.0, and 8.0 percent of the market share, respectively.

Community Contact

During a CRA evaluation, it is customary for examiners to contact individuals within the institution's assessment area to gain insight regarding local economic conditions and credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners contacted a representative of an economic development organization in the assessment area. The contact noted various needs. The individual noted that the area has a high population of low- and moderate-income individuals in need of housing, financial literacy, and workforce training. Since the overall area is economically disadvantaged, funding for small businesses is a need to help revive the assessment area. Lastly, funding to support community service projects is needed; specifically, funding to support the building of a multi-purpose community center.

Credit and Community Development Needs and Opportunities

The examiner considered information provided by bank management, the community contact, and demographic data to determine that affordable housing and small business lending are the primary credit needs for the NMSA assessment area. This conclusion is supported by the local housing stock with an average age of 42 years. Additionally, there are no new affordable housing developments currently in progress. The number of small businesses within this assessment area also supports this conclusion. Finally, although mostly rural, this area has some community development opportunities given that community service, revitalization, and stabilization activities were mentioned by the community contact.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ALABAMA NMSA ASSESSMENT AREA

LENDING TEST

United Bank demonstrated reasonable performance under the Lending Test. This is supported by reasonable geographic distribution and borrower profile performance.

Geographic Distribution

The geographic distribution of loans throughout the NMSA assessment area reflects reasonable dispersion. Reasonable small business, small farm, and home mortgage lending performance supports this conclusion.

Small Business Loans

The geographic distribution of small business loans located in the assessment area reflects reasonable dispersion. As indicated in the following table, lending performance in the one low-income census tracts trails demographic data by 5.7 percent. Performance in moderate-income census tracts is below the percent of businesses, but is comparable.

Geographic Distribution of Small Business Loans Assessment Area: NMSA AL					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	7.3	1	1.7	24	0.4
Moderate	18.5	8	13.1	1,027	14.5
Middle	72.5	52	85.2	6,021	85.1
Upper	0.0	0	0.0	0	0.0
Not Available	1.7	0	0.0	0	0.0
Totals	100.0	61	100.0	7,072	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As indicated in the following table, performance in the one low-income census tract slightly trails demographic performance, but is comparable and performance in moderate-income census tracts exceeds demographics.

Geographic Distribution of Small Farm Loans Assessment Area: NMSA AL					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	4.6	1	2.3	75	0.9
Moderate	14.7	8	18.2	1,334	15.7
Middle	78.7	32	72.7	6,452	76.0
Upper	0.0	0	0.0	0	0.0
Not Available	2.0	3	6.8	625	7.4
Totals	100.0	44	100.0	8,486	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					

Home Mortgage Loans

The geographic distribution of home mortgage lending reflects reasonable dispersion within the assessment area. Given there were no low-income census tracts, performance in moderate-income census tracts is analyzed. Lending in moderate-income census tracts is slightly lower than demographics and aggregate performance, but is considered in line with peer. Refer to the following table for details.

Geographic Distribution of Home Mortgage Loans Assessment Area: NMSA AL						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	19.3	12.8	4	9.1	330	6.1
Middle						
2021	65.7	61.8	34	77.3	4,004	74.0
Upper						
2021	15.0	25.4	6	13.6	1,080	19.9
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
Totals						
2021	100.0	100.0	44	100.0	5,414	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data						

Borrower Profile

The bank's distribution of loans to businesses and farms of different sizes and borrowers of different income levels reflects reasonable performance. Small business, small farm, and home mortgage lending supports this conclusion.

Small Business Loans

Lending penetration to businesses with GARs of a million or less is reasonable. United Bank originated 73.8 percent of loans to small businesses with GARs of a million or less, which is a majority of the small business lending and, although below, remains comparable to demographic data. Refer to the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: NMSA AL					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	82.0	45	73.8	2,802	39.6
>\$1,000,000	3.8	15	24.6	4,189	59.2
Revenue Not Available	14.2	1	1.6	81	1.2
Total	100.0	61	100.0	7,072	100.0
Source: 2022 D&B Data, Bank Data					

Small Farm Loans

Lending penetration to farms with GARs of a million or less is reasonable. United Bank originated 79.5 percent of loans to small farms with GARs of a million or less, which is a majority of the small farm lending and, although below, remains comparable to demographic data due to the competition levels within the assessment area. Refer to the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: NMSA AL					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.5	35	79.5	4,973	58.6
>\$1,000,000	1.5	9	20.5	3,513	41.4
Revenue Not Available	0.0	0	0.0	0	0.0
Total	100.0	44	100.0	8,486	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					

Home Mortgage Loans

Lending penetration to low- and moderate-income borrowers represents reasonable penetration within the assessment area. While lending to low-income borrowers is much lower than the percentage of low-income families living in the assessment area, it is noted that according to U.S. 2010 Census and 2015 ACS data, 21.8 percent of families live below the poverty level. Additionally, lending to low-income borrowers slightly surpasses aggregate lending performance. Lending to moderate-income borrowers surpasses aggregate performance by 4.3 percent and demographic data by 0.5 percent. Refer to the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: NMSA AL						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	27.6	4.1	2	4.5	147	2.7
Moderate						
2021	17.7	13.9	8	18.2	458	8.5
Middle						
2021	18.7	21.6	11	25.0	1,089	20.1
Upper						
2021	36.0	41.0	19	43.2	3,453	63.8
Not Available						
2021	0.0	19.4	4	9.1	267	4.9
Totals						
2021	100.0	100.0	44	100.0	5,414	100.0
<i>Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data</i>						

COMMUNITY DEVELOPMENT TEST

The bank's record of community development activities demonstrates an excellent responsiveness to the NMSA assessment area.

Community Development Loans

United Bank originated 21 community development loans totaling \$45.2 million within the assessment area. The loans benefitted affordable housing, economic development, and revitalization/stabilization activities in low-, moderate-, and middle-income distressed and underserved geographies within the assessment area. Examples of this activity are provided below.

- In 2022, the bank extended a \$3.2 million loan to a company providing essential resources to low- and moderate-income individuals. The loans also helped to retain 29 job positions for low- and moderate-income individuals.
- In 2020, the bank extended a \$6.0 million loan to a business which helped to create 299 jobs. The business is located in a moderate-income census tract.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	4	5,461	4	5,461
2020	1	3,500	0	0	4	10,094	4	8,267	9	21,861
2021	0	0	0	0	1	296	2	9,531	3	9,827
2022	0	0	0	0	0	0	5	8,079	5	8,079
Total	1	3,500	0	0	5	10,390	15	31,338	21	45,228
<i>Source: Bank Data</i>										

Qualified Investments

United Bank provided 50 investments totaling \$2.6 million in qualified investments and donations within the assessment area during the evaluation period. The activity is comprised of donations that primarily support community services and investments with the purpose of revitalization and stabilization. While this activity is lower than the previous evaluation, the bank is excellent at meeting the needs of the assessment area. Examples of the community development investments are included below.

- In 2022, United Bank invested \$280,000 to finance improvements to infrastructure and roadways, which service moderate-income census tracts in Escambia County.
- In 2021, United Bank donated \$30,000 to a local organization that provides community services to shelter victims of trafficking and exploitation.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	2	460	2	460
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	1	375	1	375
2021	0	0	1	500	0	0	1	780	2	1,280
2022	0	0	0	0	0	0	1	280	1	280
Subtotal	0	0	1	500	0	0	5	1,895	6	2,395
Qualified Grants & Donations	0	0	37	150	1	4	6	9	44	163
Total	0	0	38	650	1	4	11	1,904	50	2,558
<i>Source: Bank Data</i>										
<i>*From 11/12/2019 – 12/31/2019</i>										

Community Development Services

The bank has provided an excellent level of community development services. This activity is less than the prior evaluation's performance, but is excellent at meeting the needs of the bank's assessment area. Examples of the bank's community development services are included below.

- In 2020 and 2021, an employee served as a Capital Campaign Committee member of an organization with a purpose to revitalize and stabilize the downtown Atmore area, which is located in a moderate-income census tract. The campaign raises funds for the revitalization projects of the organization.
- In 2020, 2021, and 2022, an employee served as a board member of a county organization that helps to provide health services to the community members in Escambia County.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	1	0	0	1
2020	0	29	4	1	34
2021	0	22	3	4	29
2022	0	275	4	2	281
Total	0	327	11	7	345
<i>Source: Bank Data</i>					
<i>*11/12/2019 – 12/31/2019</i>					

BALDWIN COUNTY ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BALDWIN COUNTY ASSESSMENT AREA

The bank operates nine full-service branches in this assessment area. The assessment area is comprised of Baldwin County in its entirety, which also makes up the Daphne-Fairhope-Foley, AL MSA. Baldwin County is located in the southwestern portion of the state on the Gulf Coast. The delineation of the assessment area has not changed since the previous evaluation. However, U.S. Census data was updated in 2020; therefore, 12 census tracts were added to the assessment area, increasing the number of census tracts from 32 to 44, as of the date of this evaluation. Additionally, income classification changes for select geographies also occurred, which will be discussed in the following section.

Economic and Demographic Data

According to 2010 U.S. Census and 2015 ACS data, the Baldwin County assessment area included 32 census tracts, which reflect the following income designations: 6 moderate-income, 20 middle-income, 5 upper-income, and 1 census tract with no income designation. It is noted that the census tract with no income designation is comprised of a body of water. This aforementioned information will be used in the analysis and presentation of home mortgage lending.

For small business and small farm lending, the following data will be used and illustrates select demographic characteristics of the assessment area based on 2020 U.S. Census and 2022 D&B data. As a result of the U.S. Census data changes, the assessment area now contains the following geographies: 9 moderate-income, 24 middle-income, 9 upper-income, and 2 census tracts with no income designation.

Demographic Information of the Baldwin County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	0.0	20.5	54.5	20.5	4.5
Population by Geography	231,767	0.0	17.6	58.0	23.7	0.7
Housing Units by Geography	116,747	0.0	15.5	57.1	22.9	4.5
Owner-Occupied Units by Geography	64,716	0.0	17.4	59.4	22.5	0.7
Occupied Rental Units by Geography	19,331	0.0	22.0	58.1	18.8	1.1
Vacant Units by Geography	32,700	0.0	8.0	52.1	25.9	14.0
Businesses by Geography	26,928	0.0	14.5	56.6	27.0	1.9
Farms by Geography	858	0.0	17.1	61.3	20.5	1.0
Family Distribution by Income Level	56,092	19.6	19.1	21.1	40.2	0.0
Household Distribution by Income Level	84,047	23.2	17.8	16.8	42.2	0.0
Median Family Income MSA - 19300 Daphne-Fairhope-Foley, AL MSA		\$79,907	Median Housing Value			\$254,050
			Median Gross Rent			\$1,033
			Families Below Poverty Level			6.3%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2022 D&B data, there are approximately 26,928 businesses in the assessment area with the following GARs:

- 90.4 percent have \$1 million or less,
- 2.6 percent have more than \$1 million, and
- 7.0 percent have unreported revenues.

Service industries represent the largest portion of businesses at 31.6 percent, followed by non-classifiable establishments at 25.5 percent. Also, 61.6 percent of area businesses have four or fewer employees, and 93.1 percent operate from a single location. Major employers in this assessment area include Wal-Mart, Inc., Infirmary Health, Collins Aerospace, Columbia Southern University, and South Baldwin Regional Medical Center, employing 6,020 individuals.

According to 2022 D&B data, there are approximately 858 farms in the assessment area, reflecting the following GARs:

- 96.6 percent have \$1 million or less,
- 1.5 percent have over \$1 million, and
- 1.9 percent have unreported revenues.

The 2021 FFIEC-estimated MFI low-, moderate-, middle-, and upper-income categories used to analyze home mortgages under the *Borrower Profile* criterion are presented in the following table. The categories are based on the 2021 FFIEC-estimated MFI for the Daphne-Fairhope-Foley MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Daphne-Fairhope-Foley, AL MSA Median Family Income (19300)				
2021 (\$74,300)	<\$37,150	\$37,150 to <\$59,440	\$59,440 to <\$89,160	≥\$89,160
Source: FFIEC				

The following table includes unemployment data obtained from the U.S. Bureau of Labor Statistics. The average unemployment rate in Baldwin County has steadily decreased during the review period and has been consistently lower than both state and national averages.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Baldwin County	3.9	2.3	2.2
State	6.4	3.4	2.6
National Average	8.1	5.4	3.6
Source: Bureau of Labor Statistics			

Competition

The assessment area is highly competitive for financial services. According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, there were 26 financial institutions operating 85 offices within the Baldwin County assessment area. Among those, United Bank ranked seventh with 5.2 percent of the deposit market share. Regions Bank, PNC Bank, N.A., Centennial Bank, Wells Fargo, N.A., and The First Bank were the top financial institutions within the assessment area, with a collective market share of 59.2 percent.

The bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so, but is included for context purposes. The analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data. The 2021 aggregate data, however, reflects the level of demand for small business and small farm loans and is therefore included. Data for 2022 is not yet available; therefore, the most recent year of data is included. In 2021, the aggregate data showed 113 institutions reporting 7,987 small business loans within the assessment area. The top four institutions accounted for 37.9 percent of the market share. This indicates a high degree of competition for this product. Approximately 23 lenders reported 94 small farm loans, with the top four institutions accounting for 63.8 percent of the market share.

A high level of competition exists for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 625 lenders reported a total of 29,076 residential mortgage loans originated or purchased within the assessment area. United Bank ranked 41st out of this group of lenders, with a market share of 0.6 percent. The top four financial institutions accounted for 19.6 percent of the market share. This indicates a high degree of competition for this product.

Community Contact

Examiners contacted a representative of a local housing authority operating within the assessment area. The contact stated that affordable home loans are needed in Baldwin County. Specifically, the contact added that there is a significant need for affordable home loans within Foley, Daphne, Fairhope, Gulf Shores, and Robertsedale communities. Additionally, given the adverse impact on properties from Hurricane Sally, the contact noted that home repair and/or improvement loans are needed in the area.

Credit and Community Development Needs and Opportunities

Considering demographic, economic, and community contact data, examiners determined that small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with GARs of \$1.0 million or less at 90.4 percent supports this conclusion. Based on information obtained from the community contact and 2010 U.S. Census and 2015 ACS demographic data, 38.3 percent of the families are low- or moderate-income, affordable housing represents an additional need and opportunity in the area. Further, home improvement loans are a need based on information from the community contact as well as demographic data that reflects the average median age of housing stock is 29 years, which supports this opportunity.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BALDWIN COUNTY ASSESSMENT AREA

LENDING TEST

United Bank demonstrated satisfactory performance under the Lending Test. This is supported by reasonable geographic distribution and borrower profile performance.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Baldwin County assessment area. This conclusion is supported by reasonable performance in small business and home mortgage lending, and excellent performance in small farm lending. This assessment area does not contain low-income census tracts.

Small Business Loans

The geographic distribution of small business loans located in the Baldwin County assessment area reflects reasonable dispersion. The bank's performance in moderate-income census tracts is comparable to the percent of businesses operating in those areas, as it is slightly higher than the demographic percentage. Refer to the following table for details.

Geographic Distribution of Small Business Loans Assessment Area: Baldwin County AL					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	14.5	7	14.9	678	13.9
Middle	56.6	35	74.5	3,914	80.1
Upper	27.0	5	10.6	294	6.0
Not Available	1.9	0	0.0	0	0.0
Totals	100.0	47	100.0	4,886	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					

Small Farm Loans

The geographic distribution of small farm loans located in the Baldwin County assessment area reflects excellent dispersion. The bank's performance in moderate-income census tracts is more than double the percent of farms operating in those areas. Refer to the following table for details.

Geographic Distribution of Small Farm Loans Assessment Area: Baldwin County AL					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	17.1	9	37.5	1,923	50.2
Middle	61.3	15	62.5	1,909	49.8
Upper	20.5	0	0.0	0	0.0
Not Available	1.0	0	0.0	0	0.0
Totals	100.0	24	100.0	3,832	100.0
<i>Source: 2022 D&B Data; Bank Data</i> <i>Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans located in the Baldwin County assessment area reflects reasonable dispersion. Lending performance in moderate-income census tracts is higher than aggregate performance and demographic data.

Geographic Distribution of Home Mortgage Loans Assessment Area: Baldwin County AL						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	14.9	15.7	17	18.9	3,339	19.4
Middle						
2021	65.0	57.4	65	72.2	10,255	59.6
Upper						
2021	20.1	26.9	8	8.9	3,604	21.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
Totals						
2021	100.0	100.0	90	100.0	17,198	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. The reasonable performance in small business, small farm, and home mortgage lending support this conclusion.

Small Business Loans

Lending penetration to businesses with GARs of a million or less is reasonable. United Bank originated 57.4 percent of commercial loans to small businesses, which constitutes a majority of the sampled loans. When compared to the percentage of small businesses operating in the area (90.4 percent), performance is below demographics. However, given the level of competition within the assessment area, lending is considered reasonable. Refer to the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Baldwin County AL					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	90.4	27	57.4	2,722	55.7
>\$1,000,000	2.7	18	38.3	2,031	41.6
Revenue Not Available	7.0	2	4.3	133	2.7
Total	100.0	47	100.0	4,886	100.0
Source: 2022 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.					

Small Farm Loans

Lending penetration to farms with GARs of a million or less is reasonable. United Bank originated 79.2 percent of loans to small farms with GARs of a million or less, which is a majority of small farm lending. While less than demographic data, the bank faces competition within the assessment area from larger financial institutions and non-bank lenders with the capacity to extend credit for agricultural purposes. Therefore, performance is reasonable. Refer to the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Baldwin County AL					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.6	19	79.2	2,123	55.4
>\$1,000,000	1.5	5	20.8	1,709	44.6
Revenue Not Available	1.9	0	0.0	0	0.0
Total	100.0	24	100.0	3,832	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					

Home Mortgage Loans

Lending penetration to low- and moderate-income borrowers represents reasonable penetration within the assessment area. While lending to low-income borrowers is much lower than the percentage of families living in the assessment area, lending to low-income borrowers surpasses aggregate lending performance by 3.6 percent. Lending to moderate-income borrowers slightly trails demographics, but surpasses aggregate performance by 1.1 percent. Refer to the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Baldwin County AL						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.6	5.3	8	8.9	739	4.3
Moderate						
2021	17.7	14.5	14	15.6	1,503	8.7
Middle						
2021	20.9	19.2	16	17.8	2,664	15.5
Upper						
2021	40.9	42.1	42	46.7	10,975	63.8
Not Available						
2021	0.0	18.9	10	11.0	1,317	7.7
Totals						
2021	100.0	100.0	90	100.0	17,198	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

COMMUNITY DEVELOPMENT TEST

United Bank's record of community development activities demonstrates excellent responsiveness to the Baldwin County assessment area.

Community Development Loans

During the evaluation period, United Bank originated five community development loans totaling \$15.5 million within the assessment area. These loans were made for various purposes, including affordable housing and revitalization and stabilization. This activity is less than the prior evaluation's performance, but is still excellent at meeting the needs of the bank's assessment area. Examples of the community development loans are include below.

- The bank extended a \$408,000 loan to a business located in a moderate-income census tract. The loan helped to create and retain 31 jobs to low- and moderate-income individuals.
- The bank extended a \$5.9 million loan to construct a 128-unit affordable housing development within the assessment area.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	1	408	1	408
2020	0	0	0	0	0	0	0	0	0	0
2021	3	9,223	0	0	0	0	0	0	3	9,223
2022	1	5,900	0	0	0	0	0	0	1	5,900
Total	4	15,123	0	0	0	0	1	408	5	15,531
Source: Bank Data From 11/12/2019 – 12/31/2019										

Qualified Investments

As noted in the following table, United Bank provided three qualified investments totaling \$773,000 and extended \$28,000 in donations within this assessment area for a total of \$801,000. These investments and donations are primarily for community services, but also support revitalization and stabilization of moderate-income census tracts. This activity is less than last evaluation's performance, but demonstrates adequate responsiveness and is satisfactory at meeting the needs of the assessment area. Examples of the community development investments are included below.

- In 2022, United Bank invested \$255,000 to help fund a project to construct a fire station in a moderate-income census tract. The fire station constitutes an essential use facility for town services.
- In 2020, United Bank donated \$5,000 to support a small business relief initiative created to support businesses waiting for SBA loan approval within the assessment area.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	2	518	2	518
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	1	255	0	0	0	0	1	255
2022	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	1	255	0	0	2	518	3	773
Qualified Grants & Donations	0	0	21	16	3	7	1	5	25	28
Total	0	0	22	271	3	7	3	523	28	801
Source: Bank Data *From 11/12/2019 – 12/31/2019										

Community Development Services

As illustrated in the following table, United Bank provided 157 instances of community development services within the assessment area. Community development activities performed within this assessment area primarily benefitted community services. This activity level is less than

the prior evaluation's performance, but is excellent at meeting the needs of the bank's assessment area. Examples of community development services are included below.

- In 2021 and 2022, a United Bank employee serves as a Board member of an organization committed to providing affordable housing to low- and moderate-income individuals within the assessment area.
- In 2022, a United Bank employee serves as a Board member of an organization that provides food, services, and disaster relief to individuals facing hardship stemming from job loss, medical expenses, natural disasters, and other crisis.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	4	0	0	4
2020	0	20	1	0	21
2021	1	26	1	0	28
2022	1	102	1	0	104
Total	2	152	3	0	157
<i>Source: Bank Data</i>					
<i>*11/12/2019 – 12/31/2019</i>					

MOBILE COUNTY ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MOBILE COUNTY ASSESSMENT AREA

The Mobile County assessment area contains one full-service branch and one ATM. This assessment area was established in March 2020 with the opening of the Semmes branch and only contains a portion of the county's census tracts. This assessment area is located in the central part of the county, surrounding the branch. Mobile and Washington County comprise the Mobile, AL MSA. The Mobile County assessment area accounted for 0.1 percent of total loans, 2.9 percent of total deposits, and 5.0 percent of the branches. As previously noted, U.S. Census data was updated to reflect 2020 information. As a result, four census tracts were added to the assessment area, increasing the number of census tracts from 8 to 12, as of the date of this evaluation. Additionally, income classification changes for select geographies occurred since the prior evaluation. Specifically, the number of low- and upper-income geographies remained the same at 0 and 2, respectively; the number of moderate-income census tracts increased from 0 to 2; and the number of middle-income census tracts increased from 6 to 8. The following table demonstrates demographic information for the assessment area.

Demographic Information of the Mobile County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	16.7	66.7	16.7	0.0
Population by Geography	47,196	0.0	12.9	69.5	17.6	0.0
Housing Units by Geography	19,151	0.0	13.2	71.1	15.8	0.0
Owner-Occupied Units by Geography	13,378	0.0	12.5	69.0	18.5	0.0
Occupied Rental Units by Geography	3,639	0.0	13.1	78.9	8.1	0.0
Vacant Units by Geography	2,134	0.0	17.6	70.6	11.8	0.0
Businesses by Geography	3,284	0.0	8.0	75.0	17.0	0.0
Farms by Geography	120	0.0	5.8	68.3	25.8	0.0
Family Distribution by Income Level	12,406	15.2	21.7	22.7	40.4	0.0
Household Distribution by Income Level	17,017	19.9	16.8	18.6	44.6	0.0
Median Family Income MSA - 33660 Mobile, AL MSA		\$61,626	Median Housing Value			\$136,275
			Median Gross Rent			\$838
			Families Below Poverty Level			7.4%
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.						

Using 2010 U.S. Census and 2015 ACS data, the assessment area's median housing value is \$124,385 and the median family income is \$54,139, which could make housing affordability a challenge considering the market averages for interest rates. The annualized unemployment rate for Mobile County for 2021 and 2022 is 4.7 and 3.6 percent, respectively. This mirrors the Mobile County, AL MSA and is higher than the state averages for the same timeframe. When compared to national averages, the rate was lower in 2021 and the same in 2022. The assessment area's largest employers include the University of South Alabama, Infirmity Health System, Austal USA, CPSI, and AM/NS Calvert, who collectively employ 17,750 individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MOBILE COUNTY ASSESSMENT AREA

LENDING TEST

The institution's lending performance in the assessment area is below the lending performance of the assessment areas within the MSA and nonmetropolitan portions of the state that were reviewed using full-scope examination procedures; however, it does not change the conclusion for the state.

Geographic Distribution

The bank did not originate any small business or small farm loans in the assessment area during the review period. Additionally, geographic distribution analysis was not performed for home mortgage loans, as there were no low- or moderate-income census tracts in the assessment area in 2021.

Borrower Profile

The bank did not originate any small business or small farm loans in the assessment area during the review period. Further, due to the limited number of home mortgage loans originated within this assessment area, meaningful conclusions could not be formed. The bank extended one home mortgage loan totaling \$50,000 within this assessment area to a moderate-income borrower.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance in the assessment area is below the community development performance in the assessment areas within the MSA and nonmetropolitan portion of the state that were reviewed using full-scope examination procedures; however, it does not change the conclusion for the state. Refer to the appendices for additional information regarding community development lending, services, and investments.

FLORIDA – Full-Scope Review

CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN FLORIDA

United Bank operates three full-services branches (15.0 percent of total branches) in Florida. The Pensacola assessment area includes portions of Escambia and Santa Rosa counties, which partially comprise the Pensacola-Ferry Pass-Brent, FL MSA. These counties are located in the northeastern portion of the state, within the panhandle. The delineation of the assessment area has not changed since the previous evaluation. However, during the review period, demographic data was updated to reflect 2020 U.S. Census data. As a result, four census tracts were added to the assessment area, increasing the number of census tracts from 14 to 19, as of the date of this evaluation. Additionally, income classification changes for select geographies occurred since the prior evaluation, which will be discussed in the following section.

Economic and Demographic Data

According to the 2010 U.S. Census and 2015 ACS data, the Pensacola assessment area included 14 census tracts, with the following designations: 2 moderate-income, 11 middle-income, and 1 upper-income census tracts. This aforementioned information will be used in the analysis and presentation of home mortgage lending.

For small business and small farm lending, the following data will be used and illustrates select demographic characteristics of the assessment area based on 2020 U.S. Census data and 2022 D&B data. As a result of the U.S. Census data changes, the assessment area now contains the following geographies: 4 moderate-income, 12 middle-income, and 3 upper-income census tracts.

Demographic Information of the Pensacola Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	21.1	63.2	15.8	0.0
Population by Geography	89,573	0.0	16.2	68.1	15.7	0.0
Housing Units by Geography	34,775	0.0	17.4	67.3	15.3	0.0
Owner-Occupied Units by Geography	23,532	0.0	12.2	69.9	17.8	0.0
Occupied Rental Units by Geography	8,356	0.0	27.2	63.4	9.4	0.0
Vacant Units by Geography	2,887	0.0	31.5	57.2	11.4	0.0
Businesses by Geography	9,825	0.0	16.7	65.9	17.4	0.0
Farms by Geography	580	0.0	8.4	75.7	15.9	0.0
Family Distribution by Income Level	22,524	20.0	17.5	22.6	39.9	0.0
Household Distribution by Income Level	31,888	20.3	15.6	18.9	45.2	0.0
Median Family Income MSA - 37860 Pensacola-Ferry Pass-Brent, FL MSA		\$71,094	Median Housing Value			\$160,465
			Median Gross Rent			\$1,046
			Families Below Poverty Level			8.3%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2022 D&B data, there are approximately 9,825 businesses in the assessment area with the following GARs:

- 93.3 percent have \$1 million or less,
- 1.4 percent have more than \$1 million, and
- 5.3 percent have unreported revenues.

Service industries represent the largest portion of businesses at 31.6 percent, followed by non-classifiable establishments at 24.9 percent. Also, 66.1 percent of area businesses have four or fewer employees, and 95.1 percent operate from a single location. Major employers in this assessment area include Navy Federal Credit Union, Baptist Health Care, Sacred Heart Health System, Gulf Power Co., and Ascend Performance Materials, employing 23,925 individuals.

According to 2022 D&B data, there are approximately 580 farms in the assessment area, reflecting the following GARs:

- 98.5 percent have \$1 million or less,
- 0.3 percent have over \$1 million, and
- 1.2 percent have unreported revenues.

The 2021 FFIEC-estimated MFI low-, moderate-, middle-, and upper-income categories used to analyze home mortgages under the *Borrower Profile* criterion are presented in the following table.

The categories are based on the 2021 FFIEC-estimated MFI for the Pensacola-Ferry Pass-Brent, FL MSA and are as follows:

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Pensacola-Ferry Pass-Brent, FL MSA Median Family Income (37860)				
2021 (\$73,900)	<\$36,950	\$36,950 to <\$59,120	\$59,120 to <\$88,680	≥\$88,680
<i>Source: FFIEC</i>				

The following table includes data obtained from the U.S. Bureau of Labor Statistics. Escambia County has led Santa Rosa County and MSA averages each year in unemployment rates. Escambia and Santa Rosa County unemployment rates were lower than state and national rates throughout the review period. Overall, unemployment rates were at their peak in 2020, likely due to the economic downturn caused by the COVID-19 pandemic.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Escambia County	7.3	4.5	2.8
Santa Rosa County	5.6	3.5	2.4
Pensacola MSA	6.7	4.1	2.7
Florida	8.1	4.6	2.9
National Average	8.1	5.4	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive for financial services. According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, there were 22 financial institutions operating 79 offices within Escambia County and Santa Rosa County. Among those, United Bank ranked 12th with 2.0 percent of the deposit market share. Regions Bank, Synovus Bank, Bank of America, N.A, Hancock Whitney Bank, and Truist Bank were the top financial institutions within the assessment area, with a collective market share of 63.6 percent.

The bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so; therefore, the analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data, but is included for context purposes. The 2021 aggregate data, however, reflects the level of demand for small business and small farm loans and is therefore included. Data for 2022 is not yet available; therefore, the most recent year of data is included. In 2021, the aggregate data showed 141 institutions reporting 11,845 small business loans within the Escambia and Santa Rosa counties. The top four institutions accounted for 37.5 percent of the market share. This indicates a high degree of competition for this product. Approximately 15 lenders reported 73 small farm loans, with the top four institutions accounting for 71.2 percent of the market share.

A high level of competition exists for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 383 lenders reported a total of 9,955 residential mortgage loans originated or purchased within the assessment area. United Bank ranked 52nd out of this group of lenders, with a market share of 0.5 percent. The top four financial institutions accounted for 21.5 percent of the market share. This indicates a high degree of competition for this product.

Community Contact

A community contact interview was performed with an agency in the assessment area, which focuses on stabilizing and redeveloping various neighborhoods throughout Escambia County. The contact stated that housing in the area is not up to standards, affordable, attainable, nor rehabilitated. Further, due to unforeseen rental payment increases, a large portion of displaced renters exist, which indicates a need for affordable multi-family housing. Based on the socio-economic make-up of some of the neighborhoods served by the agency, financial literacy is also a need.

Credit and Community Development Needs and Opportunities

Considering demographic, economic, and community contact data, examiners determined that home mortgage and multi-family residential loans represent a primary credit need for the assessment area. Opportunities in this area are based on information obtained from the community contact and 2010 U.S. Census and 2015 ACS demographic data that reflects 37.5 percent of the families are low- and moderate-income, and 9.6 percent of all families live below the poverty level. Further, with a median housing value of \$130,019 and median rent of \$887, affordable housing presents a need. Further, home improvement loans are a need and opportunity based on information from the community contact as well as demographic data that reflects the average median age of housing stock is 31 years.

SCOPE OF EVALUATION - FLORIDA

The evaluation of the bank's performance in Florida focused on the operations in the Pensacola assessment area with respect to small business, small farm, and home mortgage loans. Please refer to the overall Scope section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

LENDING TEST

United Bank demonstrated satisfactory performance under the Lending Test. This is supported by excellent geographic distribution and reasonable borrower profile performance.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Pensacola assessment area. This conclusion is supported by excellent performance in small business and home mortgage lending. This assessment area does not contain low-income geographies.

Small Business Loans

Small business lending in moderate-income census tracts is excellent. As indicated in the following table, lending performance nearly doubles the percentage of businesses located in moderate-income census tracts.

Geographic Distribution of Small Business Loans Assessment Area: Pensacola FL					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	16.7	6	31.6	585	31.1
Middle	65.9	12	63.2	1,048	55.7
Upper	17.4	1	5.2	250	13.2
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	19	100.0	1,883	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					

Small Farm Loans

Small farm lending in moderate-income census tracts is poor. The bank originated one loan in a moderate-income census tract. This performance negatively compares to the percentage of small farms located in moderate-income census tracts. Refer to the following table for details.

Geographic Distribution of Small Farm Loans Assessment Area: Pensacola FL					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	8.4	1	2.1	15	0.2
Middle	75.7	44	93.6	7,448	94.3
Upper	15.9	2	4.3	437	5.5
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	47	100.0	7,900	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					

Home Mortgage Loans

Home mortgage lending in moderate-income census tracts is excellent. Lending performance is more than triple the performance of aggregate lenders in moderate-income census tracts. Additionally, performance exceeds demographics in those areas. Refer to the following table for details.

Geographic Distribution of Home Mortgage Loans Assessment Area: Pensacola FL						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	9.9	4.4	4	13.8	945	11.3
Middle						
2021	75.4	68.9	20	69.0	5,650	67.4
Upper						
2021	14.7	26.6	5	17.2	1,794	21.3
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
Totals						
2021	100.0	100.0	29	100.0	8,389	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. The bank's reasonable performance in small business, small farm, and home mortgage lending supports this conclusion.

Small Business Loans

Lending penetration to businesses with GARs of a million or less is reasonable. United Bank originated 63.2 percent of loans to small farms with GARs of a million or less, which is a majority of the small farm lending. While less than demographic, the bank faces competition within the assessment area from larger financial institutions and non-bank lenders with the capacity to extend credit for commercial purposes. Therefore, performance is reasonable. Refer to the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Pensacola FL					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	93.1	12	63.2	1,071	56.9
>\$1,000,000	1.5	7	36.8	812	43.1
Revenue Not Available	5.4	0	0.0	0.0	0.0
Total	100.0	19	100.0	1,883	100.0
Source: 2022 D&B Data, Bank Data					

Small Farm Loans

Lending penetration to farms with GARs of a million or less is reasonable. The bank originated 87.2 percent of loans to small farms with GARs of a million or less, which is a majority of the loans. While less than demographic data, lending performance is comparable. Refer to the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Pensacola FL					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	41	87.2	5,626	71.2
>\$1,000,000	0.3	6	12.8	2,274	28.8
Revenue Not Available	1.2	0	0.0	0	0.0
Total	100.0	47	100.0	7,900	100.0
Source: 2022 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.					

Home Mortgage Loans

Lending to low- and moderate-income borrowers is reasonable. While lending to low-income borrowers is lower than demographic data, lending to low-income borrowers is slightly lower than aggregate, but is comparable. Similarly, lending to moderate-income borrowers is lower than aggregate performance and demographic data, but is comparable to peer and demographic data. Refer to the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Pensacola FL						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	18.1	5.1	1	3.4	159	1.9
Moderate						
2021	19.4	16.1	4	13.8	610	7.3
Middle						
2021	24.3	20.9	5	17.2	972	11.6
Upper						
2021	38.2	30.0	17	58.7	6,220	74.1
Not Available						
2021	0.0	27.9	2	6.9	428	5.1
Totals						
2021	100.0	100.0	29	100.0	8,389	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data						

COMMUNITY DEVELOPMENT TEST

The bank's record of community development activities demonstrates adequate responsiveness to the Florida assessment area and is considered satisfactory.

Community Development Loans

As illustrated in the following tables, United Bank originated four community development loans totaling \$15.6 million within Florida, including one loan within the defined assessment area. The bank extended one loan to a small business located in a moderate-income census tract, which created and retained 10 jobs for low- and moderate-income individuals.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pensacola	0	0	0	0	1	936	0	0	1	936
Regional Activities	1	7,850	0	0	0	0	2	6,829	3	14,679
Total	1	7,850	0	0	1	936	2	6,829	4	15,615
<i>Source: Bank Data</i>										

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	1	1,540	1	1,540
2021	0	0	0	0	1	936	1	5,289	2	6,225
2022	1	7,850	0	0	0	0	0	0	1	7,850
Total	1	7,850	0	0	1	936	2	6,829	4	15,615
<i>Source: Bank Data</i>										
<i>*From 11/12/2019 – 12/31/2019</i>										

Qualified Investments

As illustrated in the following tables, United Bank provided \$17,000 in qualified donations within the assessment area, and within a regional area of Florida. Approximately, \$13,000 was donated to community service-oriented organizations and \$1,000 was provided to an organization supporting economic development within the assessment area. Examples of qualified donations are included below.

- A \$4,100 donation to an organization that provides meals, supplies, and workforce education to low-income and indigent individuals within the assessment area.
- A \$5,000 donation to an organization that provides housing, food, and essential services to abused, neglected, and foster children within the assessment area.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pensacola	0	0	8	13	1	1	0	0	9	14
Regional Activities	0	0	2	3	0	0	0	0	2	3
Total	0	0	10	16	1	1	0	0	11	17
Source: Bank Data										

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	10	16	1	1	0	0	11	17
Total	0	0	10	16	1	1	0	0	11	17
Source: Bank Data										
*From 11/12/2019 – 12/31/2019										

Community Development Services

As illustrated in the following tables, United Bank performed an adequate amount of community development services within the assessment area. Specifically, bank employees engaged in 13 community development activities that primarily benefitted community services. Additionally, eight services were provided at the regional level. Approximately three employees serve as committee members of an organization whose mission is to revitalize and develop communities which are socially and economically integrated, affordable, and sustainable. Also, one employee provided a financial literacy class for low- and moderate-income students. Other examples of services within the assessment area are included below.

- In 2020, a bank employee served as a committee member of a county-wide affordable housing organization.
- In 2020, 2021, and 2022, an employee served as a Board member of a community service organization that provides housing, food and essential services to abused, neglected, and foster children within the assessment area.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Pensacola	1	9	3	0	13
Regional Activities	3	5	0	0	8
Total	4	14	3	0	21
<i>Source: Bank Data</i>					

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	0	0	0	0
2020	2	4	0	0	6
2021	1	5	1	0	7
2022	1	5	2	0	8
Total	4	14	3	0	21
<i>Source: Bank Data</i>					
<i>*11/12/2019 – 12/31/2019</i>					

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
ALABAMA	Satisfactory	Outstanding	Outstanding
FLORIDA	Satisfactory	Satisfactory	Satisfactory

LIMITED SCOPE ASSESSMENT AREA PERFORMANCE CRITERIA TABLES

COMMUNITY DEVELOPMENT TEST

Community Development Loans

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	1	3,540	0	0	0	0	0	0	1	3,540
2022	1	47	0	0	0	0	0	0	1	47
Total	2	3,587	0	0	0	0	0	0	2	3,587
Source: Bank Data										
*11/12/2019 – 12/31/2019										

Qualified Investments

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	2	5	0	0	0	0	2	5
Total	0	0	2	5	0	0	0	0	2	5
Source: Bank Data										
*From 11/12/2019 – 12/31/2019										

Community Development Services

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	0	0	0	0
2020	0	6	1	0	7
2021	0	2	2	0	4
2022	0	1	1	0	2
Total	0	9	4	0	13
Source: Bank Data					
*11/12/2029 – 12/31/2019					

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.