

PUBLIC DISCLOSURE

August 19, 2024

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**First Progressive Bank
312 Sowell Street
Brewton, Alabama 36426**

RSSD ID NUMBER: 177135

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

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

TABLE OF CONTENTS

	PAGE
Institution’s Community Reinvestment Act (CRA) Rating.....	1
Scope of Examination.....	1
Description of Institution.....	2
Description of Assessment Area (AA).....	4
Conclusions with Respect to Performance Criteria.....	10
Responsiveness To Substantiated Complaints.....	14
Fair Lending Or Other Illegal Credit Practices Review.....	14
Appendix A – Scope of Examination.....	15
Appendix B – Definitions and General Information.....	16
Appendix C – Glossary.....	17

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

Major factors supporting the institution's rating include:

- The LTD ratio is reasonable given the bank's asset size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes.
- The bank has not received any CRA-related complaints during the review period.

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including LMI neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, and the economic and demographic characteristics of its defined AA. This CRA performance review was based on the bank's lending performance in its AA using the Interagency Small Institution Examination Procedures. The rating was assessed using the following core criteria developed for evaluating CRA lending performance for small banks:

- Net LTD Ratio
- Lending Inside the AA
- Geographic Distribution of Loans
- Lending to Borrowers of Different Incomes and Businesses of Different Sizes
- Responsiveness to complaints regarding CRA activities, if applicable

First Progressive Bank operates in one AA, which was reviewed using full-scope examination procedures. The bank is not a HMDA reporter and was not subject to HMDA reporting for 2019 to 2023; therefore, HMDA-reportable lending was not analyzed as part of this performance evaluation. The Lending Test evaluation includes an analysis of the universe of consumer loans and CRA small business loans originated from January 1, 2019 to December 31, 2023. A CRA small business loan is defined as a business loan with an original amount of \$1 million or less and typically is either secured by nonfarm or nonresidential real estate or classified as a commercial loan. Consumer loans include motor vehicle, other secured, and unsecured loans made for consumer purpose. In accordance with CRA examination procedures, consumer loans were chosen based on volume to inform an accurate conclusion concerning the bank's lending record.

Given that the volume of consumer loans and CRA small business loans is similar by number, the two products were weighted equally for the Lending Test analysis. The AA census tract composition changed from zero low-income tracts, one moderate-income tract, two middle-income tracts, and one upper-income tract in 2019 – 2021 to five middle-income tracts in 2022 – 2023. With all census tracts in the AA being middle-income from 2022 to 2023, the geographic distribution of loans analysis was limited to the 2019 – 2021 portion of the review period. The analysis for lending to borrowers of different incomes and businesses of different sizes included the entire review period from 2019 to 2023 and as a result, greater weight was placed on performance for borrower distribution when determining overall conclusions.

As part of this evaluation, one community contact was made with a local economic development representative who is familiar with the economic and demographic characteristics in the AA. Information obtained from this contact was used to establish a context for the communities in which the bank operates and to gather information

on the bank’s performance. Specific information obtained from the community contact is included in the applicable section of the evaluation for each AA. The contact did not identify any unmet credit needs.

DESCRIPTION OF INSTITUTION

First Progressive Bank is a small family-owned community bank located in Brewton, Alabama that does not have a holding company.

Branch Offices

The bank operates one branch office located in a middle-income census tract in the bank’s AA and does not have any ATMs. The bank did not open or close any branch offices since the previous examination.

Loan Portfolio

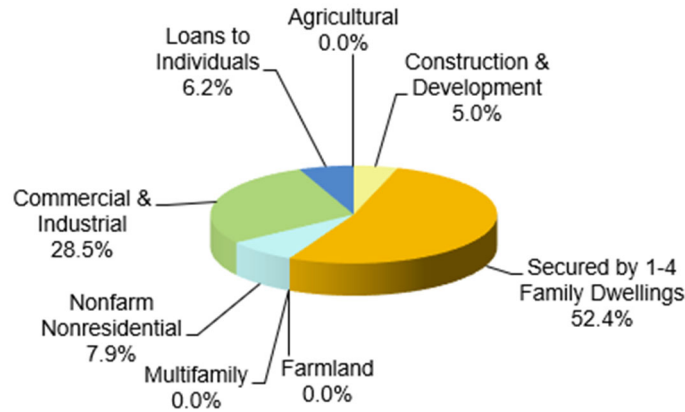
According to the December 31, 2023 Report of Condition (ROC), the bank’s assets totaled \$33.2 million, an increase of approximately \$2.9 million (9.7 percent) since the bank’s previous CRA evaluation conducted on January 27, 2020.

The following table and graphs show the composition of the loan portfolio according to the Consolidated Report of Condition and Income (Call Report). As indicated, the loan portfolio experienced an overall increase of \$1.4 million (16.9 percent) between 2019 and 2023. As of December 31, 2023, loans secured by one- to four-family dwellings made up the largest percentage of the loan portfolio by dollar amount at 52.4 percent of total loans, followed by loans secured by commercial and industrial at 28.5 percent. Loans secured by nonfarm nonresidential experienced the highest percentage increase in volume from 2019 to 2023 at 491.6 percent followed by loans secured by one- to four-family dwellings at 50.6 percent.

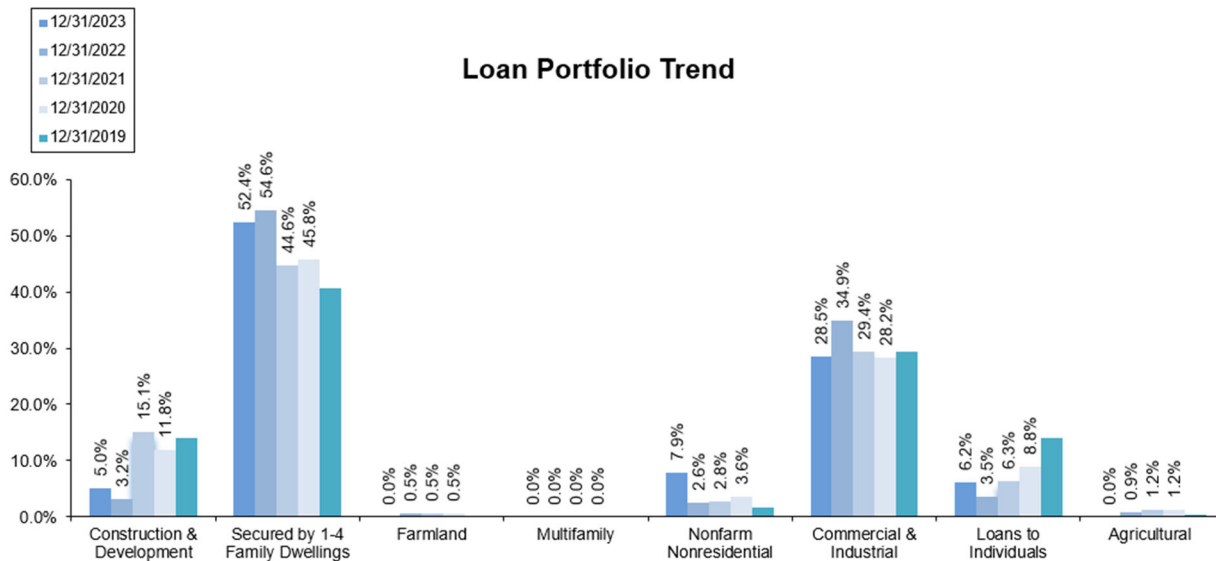
COMPOSITION OF LOAN PORTFOLIO												
Loan Type	12/31/2023		12/31/2022		12/31/2021		12/31/2020		12/31/2019		% Change	
	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%		
Construction and Development	489	5.0%	286	3.2%	1,280	15.1%	1,124	11.8%	1,183	14.1%	-58.7%	
Secured by One- to Four- Family Dwellings	5,146	52.4%	4,950	54.6%	3,793	44.6%	4,362	45.8%	3,418	40.7%	50.6%	
Other Real Estate: Farmland	0	0.0%	46	0.5%	46	0.5%	50	0.5%	0	0.0%	0.0%	
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%	
Nonfarm nonresidential	775	7.9%	232	2.6%	238	2.8%	342	3.6%	131	1.6%	491.6%	
Commercial and Industrial	2,801	28.5%	3,167	34.9%	2,501	29.4%	2,688	28.2%	2,465	29.3%	13.6%	
Loans to Individuals	610	6.2%	315	3.5%	533	6.3%	838	8.8%	1,174	14.0%	-48.0%	
Agricultural Loans	0	0.0%	78	0.9%	106	1.2%	119	1.2%	30	0.4%	-100.0%	
Total	\$9,821	100.00%	\$9,074	100.00%	\$8,497	100.00%	\$9,523	100.00%	\$8,401	88.22%	16.9%	

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

**Loan Portfolio
as of
12/31/2023**



Loan Portfolio Trend



Credit Products

The bank offers traditional consumer and business deposit and lending products. Credit products offered include consumer loans (including consumer installment loans, fixed rate in-house residential real estate loans, residential real estate construction loans, secured and unsecured loans, and automobile) and commercial loans. The bank does not offer consumer open-end credit or other complex residential real estate loans such as Adjustable-Rate Mortgage (ARM) loans.

First Progressive Bank complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its AA. The bank received a Satisfactory” rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated January 27, 2020 under the Small Institution Examination Procedures.

DESCRIPTION OF THE BREWTON AA

Overview

The bank's AA has not changed since the previous examination; however, the number of tracts in the AA and distribution by census tract income category has changed. The AA included four tracts in Escambia County in 2019 - 2021, expanding to five tracts in 2022 - 2023 due to one tract splitting into two tracts. For the 2019 – 2021 period, the AA included no low-income tracts, one moderate-income tract, two middle-income tracts, and one upper-income tract. In 2022 – 2023, the AA expanded to five census tracts and all five of the tracts in the AA were middle-income. The middle-income tracts in the bank’s AA were designated by the federal bank regulatory agencies as middle-income “distressed” geographies due to poverty in 2021⁴ and 2023⁵. The designation reflects local economic conditions, including unemployment, poverty, and access to essential services.

Population Information

According to the 2020 U.S. Census, the AA population was 16,129, representing a 0.5 percent decrease in population since 2015, compared to a population decrease of 3.1 percent in Escambia County but an increase in Alabama’s statewide growth rate of 4.0 percent.

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the FFIEC estimated median family income for the relevant area. The following table sets forth the estimated median family income from 2019 to 2023 for the Alabama State Non-MSA. It also provides a breakdown of the estimated annual income based on income-level.

**Borrower Income Levels
Alabama State Non-metro**

FFIEC Estimated Median Family Income		Low		Moderate		Middle		Upper	
		0	- 49.99%	50%	- 79.99%	80%	- 119.99%	120%	- & above
2019	\$49,700	0	- \$24,849	\$24,850	- \$39,759	\$39,760	- \$59,639	\$59,640	- & above
2020	\$51,700	0	- \$25,849	\$25,850	- \$41,359	\$41,360	- \$62,039	\$62,040	- & above
2021	\$53,400	0	- \$26,699	\$26,700	- \$42,719	\$42,720	- \$64,079	\$64,080	- & above
2022	\$63,200	0	- \$31,599	\$31,600	- \$50,559	\$50,560	- \$75,839	\$75,840	- & above
2023	\$65,700	0	- \$32,849	\$32,850	- \$52,559	\$52,560	- \$78,839	\$78,840	- & above

The estimated median family income for the Alabama State Non-MSA area changed from \$49,700 in 2019 to \$65,700 in 2023, an increase of \$16,000 (32.2 percent). According to 2023 FFIEC census data, there were 3,588 families in the AA. Of those families, 22.7 percent were low-income, 20.0 percent were moderate-income, 21.4 percent were middle-income, and 36.0 percent were upper-income. Of the total families, 14.1 percent had incomes below the poverty level. As previously noted, all middle-income tracts in the AA are designated as being “distressed” due to poverty.

⁴ 2021 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies. FFIEC. <https://www.ffiec.gov/press/pr062521.htm>. Accessed 2024 June 18.

⁵ 2023 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies. FFIEC. <https://www.ffiec.gov/press/pr062323.htm>. Accessed 2024 June 17.

Housing Characteristics

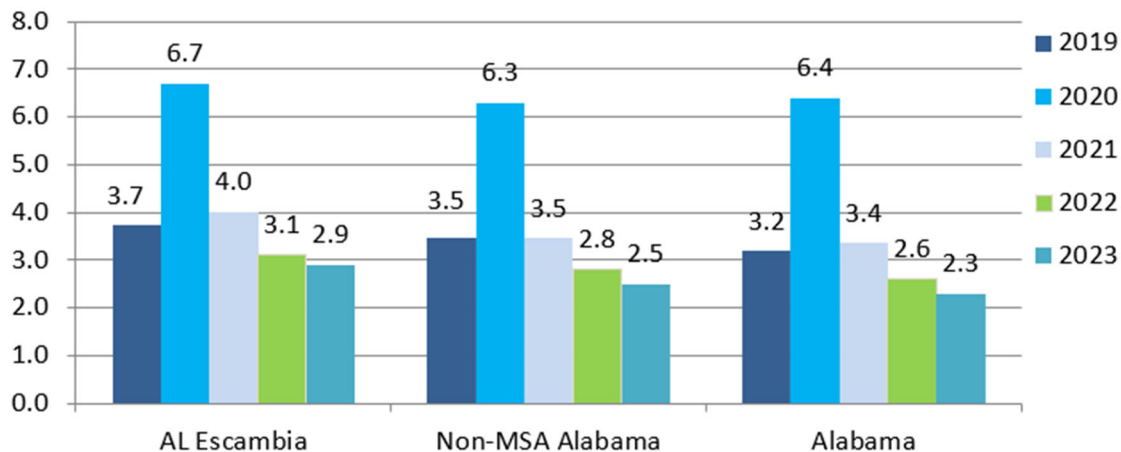
According to the 2023 FFIEC census data, there were 7,366 housing units in the AA. Of the total units, 52.5 percent were owner-occupied, 23.9 were rental units, and 23.6 percent were vacant. The median housing age in the AA was 42 years, which is higher than the state of Alabama at 36 years. The median housing value in AA was \$98,678, which is lower than the state of Alabama at \$149,600. The housing affordability ratio, defined as the median household income divided by the median housing value, is 42.0 for the AA, which is higher than the state of Alabama at 34.8. A higher ratio means the housing is considered more affordable while a lower ratio means the housing is considered *less affordable*.

Employment Statistics

According to the Alabama Department of Labor as of December 31, 2022, the industries that employed the most people in the Escambia County were manufacturing, retail trade, public administration, healthcare and social assistance, and arts, entertainment, and recreation.⁶

The following graph shows the unemployment rate from 2019 to 2023 (using a nine month average in 2023 from January – September) for Escambia County, the non-MSA Alabama, and the state of Alabama. The graph shows that the unemployment rates for the three areas increased from 2019 to 2020, with the highest rates in 2020 due to the effects of the COVID-19 pandemic. As the effects of the COVID-19 pandemic waned in 2021 and 2022, the unemployment rates in all three areas also decreased and continued to decline in 2023. Escambia County experienced the highest overall unemployment rate from 2019 to 2023 relative to Non-MSA Alabama and the state overall.

Unemployment Rates - Escambia



Not Seasonally Adjusted. Source: Bureau of Labor Statistics
2023 is partial year data through September 2023

Competition

The banking market in the AA is competitive with national and regional banks having a presence. According to the FDIC Deposit Market Share Report as of June 30, 2023, 10 financial institutions operated 19 branch offices in the AA. First Progressive Bank ranked 8th in deposit market share with \$25.1 million in deposits, or 1.50 percent of total deposits. Truist Bank held the largest deposit market share with 44.6 percent, followed by United Bank with 20.9 percent and Trustmark National Bank with 11.3 percent.

⁶ Escambia County Profile. Alabama Department of Labor.
[https://www2.labor.alabama.gov/workforcedev/CountyProfiles/Escambia County.pdf](https://www2.labor.alabama.gov/workforcedev/CountyProfiles/Escambia%20County.pdf). Accessed 2024 July 01

Community Contacts

As part of the CRA examination, information was obtained from a local economic development representative who is familiar with the economic and demographic characteristics in the AA. The contact stated there has been a steady increase in the economy post-COVID. Financial institutions are actively involved in being responsive to the credit needs of the community and often collaborate on projects. Projects have been initiated and are ongoing to help revitalize the downtown areas in Atmore and Brewton. Citizens in Atmore came together to help initiate raising public and private funds to revitalize the downtown area with a focus on stabilizing and saving historic buildings such as the Strand Theater. Also, Atmore established a main street program. The city of Brewton is not part of a main street program, but projects are ongoing to help revitalize the downtown area. For example, a facility was recently constructed by the company Provalus with a focus on providing jobs and helping to boost the economy. The contact also highlighted that Escambia County is home to the Poarch Band of Creek Indians, that became federally recognized in 1984 and remains the only Tribe in the state of Alabama with this designation.⁷ As the principal gaming and hospitality entity for the Poarch Creek Indians, Wind Creek (WCH) is leading the industry as one of the fastest-growing resort brands. WCH operates one gaming casino in the bank's AA in Atmore, Alabama, which is a source of employment for the AA.⁸

General Economic and Business Characteristics

Escambia County is located in the southwestern part of Alabama, comprising an area of 962 square miles and bordering the state of Florida to the south. Natural resources are crude oil, pine trees, sand and gravel, and artesian wells. Cities in Escambia County include Atmore and Brewton.⁹

The city of Brewton is home to the T.R. Miller Mill Company, which has been in operation for more than 150 years, and is one of the oldest privately held forest product companies in business today. The company is a major employer in the area and is one of the 150 largest softwood lumber producers in America.¹⁰ Additionally, the city is home to a containerboard mill that is owned by Georgia Pacific and employs over 400 employees. In 2023, Georgia Pacific made a new capital investment of \$159 million in the mill¹¹ that is helping to make the mill become one of the most modernized paper mills in the country.¹²

New market tax credits totaling \$8 million that were provided to the city of Brewton and the Brewton Development Authority have helped support downtown redevelopment efforts to attract and encourage new projects.¹³ Provalus is a company that has participated in the redevelopment efforts by building a new state of the art 55,000 square foot facility that serves as the flagship and initial technology innovation center.¹⁴ The Provalus team selected Brewton as the headquarters of its operations in 2017, anticipating growth to hundreds of employees.¹⁵ The Provalus mission is to revitalize rural communities by providing technology, business, and support positions to undiscovered talent

⁷ History of the Porch Creek Indians. History. [History - Poarch Creek Indians of Alabama \(pci-nsn.gov\)](https://pci-nsn.gov)

⁸History of the Poarch Creek Indians. PCI-NSN. <https://pci-nsn.gov/our-story/history/>. Accessed 2024 Aug 06.

⁹ History. *Escambia County Alabama*. <https://www.escambiacyal.gov/about/history.php>. Accessed 2024 July 08.

¹⁰ Brewton's T.R. Miller Mill celebrates a century-and-a-half. *Business Alabama*. <https://businessalabama.com/brewtons-t-r-miller-mill-celebrates-a-century-and-a-half/>. Accessed 2024 July 09.

¹¹New and Expanding Industries Announcement Report 2023. *Office of the Governor of Alabama*. <https://governor.alabama.gov/assets/2024/03/DCOM-Alabama-New-Expanding-Industry-2023-Print-Report-V2.pdf>. Accessed 2024 July 10.

¹² Brewton is Becoming One of the Most Modernized Paper Mills in the Country. *Georgia Pacific*. <https://news.gp.com/2023/09/brewton-is-becoming-one-of-the-most-modernized-paper-mills-in-the-country>. Accessed 2024 July 08.

¹³ Brewton Redevelops its Downtown. *Business Alabama*. <https://businessalabama.com/brewton-redevelops-its-downtown/>. Accessed 2024 July 15.

¹⁴ Provalus Tech Center Expansion. *Provalus*. <https://www.provalus.com/provalus-tech-center-expansion>. Accessed 2024 July 15.

¹⁵ After Decades of Planning, Provalus Helps Deliver Municipal Water to the City of Brewton, Alabama. *Provalus*. <https://www.provalus.com/after-decades-of-planning-provalus-helps-deliver-municipal-water-to-the-city-of-brewton-alabama>. Accessed 2024 August 05.

in U.S. small towns.¹⁶ Additionally, in 2023, Governor Kay Ivey awarded a \$200,000 Community Development Block Grant to create new jobs in Brewton to provide water service for Provalus, which plans to hire 300 workers.¹⁷

The city of Atmore was selected for Main Street Alabama Designation in June 2020. Main Street is an economic development tool that enhances the tax base of a community, fosters entrepreneurship, builds community capacity, and creates partnerships among key groups in a community. Main Street Atmore is a nonprofit organization that seeks to stimulate downtown revitalization through organization; promotion; design; and economic vitality. Main Street Atmore is a key partner with Atmore's Smart Growth America committee and serves as a hub linking the other groups and partnerships as part of a sustainable, cohesive, progressive plan.¹⁸ Downtown Atmore has become a hub of activity with its recent revitalization efforts, including the iconic Strand Theatre and the historic Atmore Hardware store serving as focal points. Revitalization includes a combination of public and private dollars invested as well resulted in new jobs created and the addition of new or relocated businesses.¹⁹ Downtown Atmore is also the home to the Church Street Incubator, which is an open-format shared workspace that offers assistance to small business startups and local entrepreneurs as well as provides an incentive to new businesses to locate in the downtown business corridor bringing more employment opportunities to residents in the area.²⁰

Small businesses play an important role in the AA economy. According to 2023 Dun & Bradstreet (D&B) data, there were 506 businesses in the AA. Of the total businesses in the AA, 88.9 percent had total annual revenues less than or equal to \$1 million and were therefore considered small businesses. The community contact indicated that challenges facing an individual who is interested in starting a business is getting off the ground in the rural areas and access to capital.

AA Demographics

The following tables provide demographic characteristics of the bank's AA used to analyze CRA performance. The first table is based on 2021 FFIEC census data and 2021 D&B information and is used for the analysis of 2019 - 2021 CRA performance. The second table is based on 2023 FFIEC census data and 2023 D&B information and is used for analysis of 2022 - 2023 CRA performance. Certain components of the data in the tables are discussed in this evaluation as they apply to specific parts of the analysis.

¹⁶ Revitalizing Rural Communities Since 2018. *Provalus*. <https://www.provalus.com/revitalizing-rural-communities-since-2018>. Accessed 2024 July 16.

¹⁷ Gov. Ivey awards grant to bring new jobs to Brewton. *ADECA*. <https://adeca.alabama.gov/2023/03/24/gov-ivey-awards-grant-to-bring-new-jobs-to-brewton/>. Accessed 2024 Aug 06.

¹⁸ About Us. *Main Street Atmore*. <https://www.mainstreetatmore.org/about-us>. Accessed 2024 July 11.

¹⁹ Atmore. *Main Street Alabama*. <https://www.mainstreetalabama.org/atmore/>. Accessed 2024 July 11.

²⁰ Church Street Incubator and United Bank. *United Bank Builds*. <https://unitedbankbuilds.com/church-street-incubator/>. Accessed 2024 July 12.

Combined Demographics Report - 2019-2021

Assessment Area: AL Brewton

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0%	0	0.0%	0	0.0%	989	24.1%
Moderate-income	1	25.0%	438	10.7%	163	37.2%	800	19.5%
Middle-income	2	50.0%	2,515	61.2%	476	18.9%	835	20.3%
Upper-income	1	25.0%	1,156	28.1%	120	10.4%	1,485	36.1%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	4	100.0%	4,109	100.0%	759	18.5%	4,109	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Moderate-income	916	515	11.2%	56.2%	162	17.7%	239	26.1%
Middle-income	4,738	2,837	61.5%	59.9%	1,032	21.8%	869	18.3%
Upper-income	2,024	1,260	27.3%	62.3%	478	23.6%	286	14.1%
Unknown-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Assessment Area	7,678	4,612	100.0%	60.1%	1,672	21.8%	1,394	18.2%
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	128	26.0%	114	26.3%	11	23.9%	3	23.1%
Middle-income	224	45.4%	199	45.9%	18	39.1%	7	53.8%
Upper-income	141	28.6%	121	27.9%	17	37.0%	3	23.1%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	493	100.0%	434	100.0%	46	100.0%	13	100.0%
Percentage of Total Businesses:			88.0%		9.3%		2.6%	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	3	15.8%	2	11.8%	1	50.0%	0	0.0%
Middle-income	10	52.6%	9	52.9%	1	50.0%	0	0.0%
Upper-income	6	31.6%	6	35.3%	0	0.0%	0	0.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	19	100.0%	17	100.0%	2	100.0%	0	0.0%
Percentage of Total Farms:			89.5%		10.5%		0.0%	

Based on 2021 FFIEC Census Data and 2021 D&B Information

Combined Demographics Report - 2022-2023

Assessment Area: AL Brewton

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0%	0	0.0%	0	0.0%	813	22.7%
Moderate-income	0	0.0%	0	0.0%	0	0.0%	717	20.0%
Middle-income	5	100.0%	3,588	100.0%	505	14.1%	767	21.4%
Upper-income	0	0.0%	0	0.0%	0	0.0%	1,291	36.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	5	100.0%	3,588	100.0%	505	14.1%	3,588	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Moderate-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Middle-income	7,366	3,864	100.0%	52.5%	1,762	23.9%	1,740	23.6%
Upper-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Unknown-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Assessment Area	7,366	3,864	100.0%	52.5%	1,762	23.9%	1,740	23.6%
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle-income	506	100.0%	450	100.0%	43	100.0%	13	100.0%
Upper-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	506	100.0%	450	100.0%	43	100.0%	13	100.0%
Percentage of Total Businesses:			88.9%		8.5%		2.6%	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle-income	18	100.0%	16	100.0%	2	100.0%	0	0.0%
Upper-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	18	100.0%	16	100.0%	2	100.0%	0	0.0%
Percentage of Total Farms:			88.9%		11.1%		0.0%	

Based on 2023 FFIEC Census Data and 2023 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overview

First Progressive Bank’s overall performance rating for the Lending Test is Satisfactory. As previously stated in the *Scope of Examination* section, the bank’s lending performance was evaluated by analyzing the universe of consumer loans and CRA small business loans.

The bank’s LTD ratio is reasonable with a majority of the loans by number and dollar amount originated inside the AA. The geographic distribution of loans reflects reasonable dispersion throughout the AA and the distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. The bank has not received any CRA-related complaints since the previous examination. Performance context information, such as factors related to competition, demographics, economic conditions, and business strategy were considered in evaluating the bank’s lending performance.

Loan-to-Deposit Ratio

The bank’s net average LTD ratio for the 20 quarters ending December 31, 2023 was 38.5 percent, which is considered reasonable given the bank’s size, financial condition, and AA credit needs. The bank’s average LTD ratio was compared with the average LTD ratio of the only financial institution of comparable asset size with a branch office in the AA, which was 40.9 percent.

AA Concentration

The bank originated a majority of the total loans to borrowers and businesses inside the bank’s AA. The table below shows by product type, the number, and percentage of loans reviewed that were located inside and outside of the bank’s AA.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Other Loan Data	28	87.5	\$719	89.5	4	12.5	\$84	10.5
Total Consumer related	28	87.5	\$719	89.5	4	12.5	\$84	10.5
Small Business	26	86.7	\$2,771	97.6	4	13.3	\$68	2.4
Total Small Bus. related	26	86.7	\$2,771	97.6	4	13.3	\$68	2.4
TOTAL LOANS	54	87.1	\$3,490	95.8	8	12.9	\$152	4.2

Note: Affiliate loans not included

As shown above, 87.5 percent of consumer loans and 86.7 percent of small business loans by number were to borrowers and businesses inside the AA, respectively. Overall 87.1 percent of total loans were made inside the AA. This indicates the bank’s willingness to originate loans that meet the credit needs of its AA.

Geographic Distribution of Loans

The analysis for geographic distribution covers the entire review period from 2019 – 2023. However, due to all census tracts in the AA being middle-income in 2022 and 2023, geographic performance analysis was limited to the 2019 – 2021 portion of the review period. Overall geographic dispersion reflects reasonable dispersion throughout the AA during the review period.

Consumer Lending

The following table shows the geographic distribution of consumer loans compared to the distribution of households in the AA.

Geographic Distribution of Consumer Loans

Assessment Area: AL Brewton

Tract Income Levels	Bank Lending & Demographic Data									
	2019, 2020, 2021					2022, 2023				
	Count		Dollar		Households	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	10.8%	0	0.0%	0	0.0%	0.0%
Middle	4	33.3%	103	36.5%	61.6%	16	100.0%	437	100.0%	100.0%
Upper	8	66.7%	179	63.5%	27.7%	0	0.0%	0	0.0%	0.0%
Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%
Tr Unknown	0	0.0%	0	0.0%		0	0.0%	0	0.0%	
Total	12	100%	282	100%	100.0%	16	100%	437	100%	100%

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data, and 2023 FFIEC Census Data; 2016-2020 ACS data.

As noted previously, there were no low-income tracts and one moderate-income tract in the AA from 2019 to 2021, and no LMI tracts in 2022 and 2023. From 2019 - 2021, the bank did not originate any loans in moderate-income tracts, which is less than the percentage of households in these tracts at 10.8 percent. This reflects poor performance for 2019 – 2021. Since there were only middle-income tracts in the AA in 2022 and 2023, geographic analysis of consumer loans could not be performed for this timeframe. Considering the factors noted, First Progressive’s geographic distribution of consumer loans reflects poor dispersion throughout the AA.

Small Business

The following table shows the geographic distribution of CRA small business loans compared to the distribution of total businesses in the AA.

Geographic Distribution of Small Business Loans

Assessment Area: AL Brewton

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data									
		2019, 2020, 2021					2022-2023				
		Count		Dollar		Total Businesses	Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%	#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%
	Moderate	4	36.4%	315	26.3%	26.0%	0	0.0%	0	0.0%	0.0%
	Middle	5	45.5%	622	51.9%	45.4%	15	100.0%	1,572	100.0%	100.0%
	Upper	2	18.2%	262	21.9%	28.6%	0	0.0%	0	0.0%	0.0%
	Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%
	Tr Unknown	0	0.0%	0	0.0%		0	0.0%	0	0.0%	
	Total	11	100%	1,199	100%	100.0%	15	100%	1,572	100%	100%

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data; 2021 D&B information, and 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information.

From 2019 to 2021, the bank originated four loans (36.4 percent) in moderate-income tracts, which is greater than the percentage of total businesses located in these tracts at 26.0 percent. This reflects excellent performance for 2019 - 2021. From 2022 to 2023, the AA consisted of only middle-income tracts, therefore a geographic analysis of small business loan distribution could not be conducted for this timeframe. Considering the factors noted, First Progressive's geographic distribution of CRA small business loans reflects excellent dispersion throughout the AA.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Based on the following analysis, the overall distribution of the bank's consumer loans by borrower income and small business loans by business revenue reflects reasonable penetration throughout the bank's AA.

Consumer Lending

The following table shows the distribution of consumer loans by the income level of the borrowers.

**Borrower Distribution of Consumer Loans
Assessment Area: AL Brewton**

Household Income Levels	Bank Lending & Demographic Data									
	2019, 2020, 2021					2022, 2023				
	Bank				Households by Household Income %	Count		Dollar		Households by Household Income %
	Count		Dollar			#	%	\$ (000s)	\$ %	
#	%	\$ (000s)	\$ %	#	%					\$ (000s)
Low	0	0.0%	0	0.0%	29.1%	3	18.8%	36	8.2%	24.8%
Moderate	7	58.3%	174	61.7%	14.3%	4	25.0%	85	19.5%	14.5%
Middle	2	16.7%	12	4.3%	16.1%	2	12.5%	51	11.7%	22.9%
Upper	3	25.0%	96	34.0%	40.5%	7	43.8%	265	60.6%	37.7%
Unknown	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%
Total	12	100.0%	282	100.0%	100.0%	16	100.0%	437	100.0%	100%

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data, and 2023 FFIEC Census Data; 2016-2020 ACS data.

As shown in the table above, from 2019 to 2021 the bank did not originate any loans to low-income borrowers, which is less than the percentage of low-income households at 29.1 percent. The bank originated seven loans to moderate-income borrowers (58.3 percent), which is greater than the percentage of moderate-income households at 14.3 percent. This reflects reasonable performance for 2019 – 2021. From 2022 to 2023, the bank originated three loans to low-income borrowers (18.8 percent), which is less than the percentage of low-income households at 24.8 percent. The bank originated 4 loans to moderate-income borrowers (25.0 percent), which is greater than the percentage of moderate-income households at 14.5 percent. This reflects reasonable performance for 2022 – 2023. Based on the factors noted, the distribution of the bank’s consumer loans reflects reasonable penetration among borrowers of different income levels.

Small Business Lending

The following table shows by loan size, the number and dollar volume of small business loans originated in the AA.

**Small Business Loans by Business Revenue & Loan Size
Assessment Area: AL Brewton**

		Bank Lending & Demographic Data									
		2019, 2020, 2021					2022-2023				
		Bank		Total Businesses		Count	Dollar		Count	Total Businesses	
		#	%	\$ (000s)	\$ %		%	#		%	\$ (000s)
Revenue	\$1 Million or Less	8	72.7%	749	62.5%	88.0%	9	60.0%	621	39.5%	88.9%
	Over \$1 Million	2	18.2%	273	22.8%	9.3%	6	40.0%	950	60.4%	8.5%
	<i>Total Rev. available</i>	10	90.9%	1,022	85.2%	97.4%	15	100.0%	1,572	100.0%	97.4%
	Rev. Not Known	1	9.1%	177	14.8%	2.6%	0	0.0%	0	0.0%	2.6%
	<i>Total</i>	11	100%	1,199	100%	100%	15	100%	1,572	100%	100%
Loan Size	\$100,000 or Less	7	63.6%	423	35.3%		10	66.7%	361	23.0%	
	\$100,001 - \$250,000	3	27.3%	514	42.9%		2	13.3%	295	18.8%	
	\$250,001 - \$1 Million	1	9.1%	262	21.9%		3	20.0%	916	58.3%	
	<i>Total</i>	11	100%	1,199	100%		15	100%	1,572	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	6	75.0%	412	55.0%		8	88.9%	346	55.7%	
	\$100,001 - \$250,000	2	25.0%	337	45.0%		0	0.0%	0	0.0%	
	\$250,001 - \$1 Million	0	0.0%	0	0.0%		1	11.1%	275	44.3%	
	<i>Total</i>	8	100%	749	100%		9	100%	621	100%	

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data; 2021 D&B information, and 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information.

From 2019 to 2021 eight loans (72.7 percent) were made to businesses with annual gross revenues of \$1 million or less, which is below the 88.0 percent of total businesses in the AA considered to be small businesses. All eight of the loans (100 percent) were originated to small businesses in amounts of \$250,000 or less. This reflects reasonable performance for 2019 - 2021. From 2022 to 2023, nine loans (60.0 percent) were made to businesses with annual gross revenues of \$1 million or less, which is below the 88.9 percent of total businesses in the AA considered to be small businesses. Of those nine loans, eight (88.9 percent) were originated to small businesses in amounts of \$250,000 or less. This reflects reasonable performance for 2022 - 2023. Overall, this performance demonstrates the bank’s willingness to lend to small businesses in smaller loan amounts, an important credit need noted by the community contact. Based on the factors noted, the distribution of the bank’s CRA small business loans reflects reasonable penetration among businesses of different sizes.

RESPONSIVENESS TO SUBSTANTIATED COMPLAINTS

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED			
January 1, 2019 to December 31, 2023			
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
First Progressive Bank, Brewton, Alabama		Consumer Loans and CRA Small Business Loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
N/A	N/A	N/A	
LIST OF AAS AND TYPE OF EXAMINATION			
	<i>TYPE OF EXAMINATION</i>	<i>BRANCHES VISITED</i>	<i>OTHER INFORMATION</i>
<i>AA</i>			
Brewton, AL Non-MSA	Full-Scope Review	N/A	N/A

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM	Automated Teller Machine
CDC	Community Development Corporation
CDFI	Community Development Financial Institution
CRA	Community Reinvestment Act (Regulation BB)
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
HMDA	Home Mortgage Disclosure Act (Regulation C)
HUD	Department of Housing and Urban Development
LMI	Low- and Moderate-Income
LTD	Loan-to-Deposit
LTV	Loan-to-Value Ratio
MD	Metropolitan Division
MSA	Metropolitan Statistical Area
OMB	Office of Management and Budget
REIS	Regional Economic Information System
SBA	Small Business Administration
USDA	United States Department of Agriculture

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of First Progressive Bank prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **August 19, 2024**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C – 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/AA.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of MSAs. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multi-family rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System (Board), Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- I. Low-or moderate-income geographies;
- II. Designated disaster areas; or
- III. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and OCC, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

APPENDIX C – GLOSSARY (Continued)

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 MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

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/AA.

Metropolitan area (MA): A MSA or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

APPENDIX C – GLOSSARY (Continued)

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

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

Rated area: A rated area is a state or multistate MA. 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 MA, the institution will receive a rating for the multistate MA.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Call Report and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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