

## The Peoples Bank Customer FAQ

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### 1. Why is The Peoples Bank combining with Hanscom Federal Credit Union and what are the benefits to us as customers?

- We are excited to partner with an organization like HFCU, which sees the potential in our region and wants to invest in the community's success.
- As a member-focused organization, HFCU prioritizes personalized financial services and innovative solutions to meet the unique needs of its members and communities. By combining with HFCU, we will be able to offer our customers enhanced resources and innovative technology, including its WealthTrek solution that is aiming to redefine the banking experience.
- At the same time, HFCU sees tremendous growth opportunities in our region and is committed to investing in the small businesses and people that power our communities. With their support, The Peoples Bank will be able to increase the investments we are able to make across Kent, Queen Anne's and Talbot Counties, including through more competitive small business loan offerings.
- Together with HFCU, we will create more growth opportunities – for employees and for our organizations – to scale and make a greater impact in our combined communities.

### 2. What is the difference between a credit union and a community bank?

- Credit unions and banks have different ownership structures.
- The Peoples Bank is a subsidiary of Peoples Bancorp, Inc., which is currently owned by our public shareholders whereas HFCU is owned by its members (which we refer to as our customers). As a for-profit organization, we pay dividends to our shareholders.
- In contrast, credit unions are not-for-profit organizations that exist to benefit their members. Given this different ownership structure, a credit union is generally able to offer its members better rates, including more attractive interest and savings rates.
- Deposits at both credit unions and banks are federally insured.

### 3. Will anything about my accounts change?

- No. Your account numbers, as well as our products, services, and branch locations, will remain in place.
- If/when any changes are needed, we will communicate fully with you so you will be prepared well in advance.

### 4. Will my deposits still be insured by the FDIC?

- Following the completion of the combination, all deposits will be insured by a federal agency, the National Credit Union Share Insurance Fund of the National Credit Union Administration (NCUA), for up to \$250,000 for individual accounts. Coverage is equivalent to the FDIC coverage that you are used to.
- Like the FDIC, the NCUA insures deposits for credit union members.
- For more information about NCUA coverage, visit the following link: <https://ncua.gov/>

### 5. What is the difference between the NCUA and the FDIC?

- The main difference between the FDIC and the NCUA is the institutions they insure. The FDIC insures banks and the NCUA insures credit unions.
- Similarly to how the FDIC insures bank deposits, the NCUA insures up to \$250,000 of each individual credit union member's account.

- Both the FDIC and the NCUA are federal agencies that insure financial institutions.

**6. Will The People Bank name change?**

- No. All branches will continue to operate under The Peoples Bank brand following close.
- At the appropriate time, both organizations will decide on how best to bring together our strong, independent brands.

**7. Will branch locations or hours change as a result of this announcement?**

- No, there will be no changes to the locations or hours of our branches as a result of this combination.

**8. Will any The Peoples Bank or HFCU employees lose their job?**

- No. HFCU has pledged to retain all employees and branch locations.

**9. What is the timeline for completing the combination?**

- We expect to close the transaction in the second half of 2025. Until then, it is business as usual for both institutions.
- In the months ahead, we will form a joint plan with HFCU to integrate our two organizations.

**10. Who can I contact if I have more questions?**

- You can reach out to your normal point of contact with any further questions.