

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☒ single-employer plan ☐ multiple-employer plan (not multiemployer) ☐ one-participant plan
B This return/report is for:	☐ first return/report ☐ final return/report ☐ an amended return/report ☐ short plan year return/report (less than 12 months)
C Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan PEOPLES BANK PENSION PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 12/01/1952
2a Plan sponsor's name and address (employer, if for single-employer plan) PEOPLES BANK OF MENDENHALL P. O. BOX 7 MENDENHALL, MS 39114	2b Employer Identification Number (EIN) 64-0220470
	2c Plan sponsor's telephone number 601-847-2210
	2d Business code (see instructions) 522110
3a Plan administrator's name and address (if same as Plan sponsor, enter "Same") PEOPLES BANK OF MENDENHALL P. O. BOX 7 MENDENHALL, MS 39114	3b Administrator's EIN 64-0220470
	3c Administrator's telephone number 601-847-2210
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. Sponsor's name	4b EIN
	4c PN
5a Total number of participants at the beginning of the plan year	5a 59
b Total number of participants at the end of the plan year	5b 59
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....	5c
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	☒ Yes ☐ No
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.).....	☒ Yes ☐ No
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.	

Part III	Financial Information		
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1815789	2365456
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a).....	7c	1815789	2365456
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	193686	
(2) Participants	8a(2)		
(3) Others (including rollovers).....	8a(3)		
b Other income (loss).....	8b	374993	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		568679
d Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	19012	
e Certain deemed and/or corrective distributions (see instructions)....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f		
g Other expenses.....	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		19012
i Net income (loss) (subtract line 8h from line 8c).....	8i		549667
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G 1I 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**Part V Compliance Questions**

	Yes	No	Amount
10 During the plan year:			
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c Was the plan covered by a fidelity bond?		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f Has the plan failed to provide any benefit when due under the plan?		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500))..... ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year.....	12b	
c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a** _____

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2010	DENNIS AMMANN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2010	DENNIS AMMANN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan PEOPLES BANK PENSION PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PEOPLES BANK OF MENDENHALL	D Employer Identification Number (EIN) 64-0220470

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500
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Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2009		
2 Assets:		
a Market value	2a	1815789
b Actuarial value	2b	1997367
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 2	119078
b For terminated vested participants	3b 13	449805
c For active participants:		
(1) Non-vested benefits	3c(1)	0
(2) Vested benefits	3c(2)	2222073
(3) Total active	3c(3) 44	2222073
d Total	3d 59	2790956
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	6.24 %
6 Target normal cost	6	0

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>09/13/2010</div> <div>Signature of actuary</div> <div>MICHAEL E. BRISTER, F.S.A.</div> <div>Type or print name of actuary</div> <div>BRYAN, PENDLETON SWATS & MCALLISTER</div> <div>Firm name</div> <div>SUITE 266 HIGHLAND VILLAGE 4500 I-55 NORTH JACKSON, MS 39211</div> <div>Address of the firm</div>	<div>Date</div> <div>08-03861</div> <div>Most recent enrollment number</div> <div>601-984-8962</div> <div>Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	76031	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	76031	0
10	Interest on item 9 using prior year's actual return of <u>-27.62</u> %	-21000	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		44184
b	Interest on (a) using prior year's effective rate of _____ %		0
c	Total available at beginning of current plan year to add to prefunding balance		44184
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	55031	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	69.59 %
15	Adjusted funding target attainment percentage.....	15	69.59 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	81.90 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/07/2009	22863				
07/14/2009	37763				
10/14/2009	37763				
12/28/2009	95297				
			Totals ►	18(b)	193686
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 184842
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.32 %	2nd segment: 6.45 %	3rd segment: 6.69 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	681163	120276
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	120276
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	120276
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	184842
38 Interest-adjusted excess contributions for current year (see instructions).....	38	64566
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information <small>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</small> ► File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Peoples Bank Pension Plan	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Peoples Bank of Mendenhall	D Employer Identification Number (EIN) 64-0220470
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a		1,815,789
b Actuarial value.....	2b		1,997,367
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	2	119,078
b For terminated vested participants	3b	13	449,805
c For active participants:			
(1) Non-vested benefits.....	3c(1)		0
(2) Vested benefits.....	3c(2)		2,222,073
(3) Total active	3c(3)	44	2,222,073
d Total.....	3d	59	2,790,956
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5		6.24 %
6 Target normal cost.....	6		0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Signature of actuary Michael E. Brister, F.S.A. Type or print name of actuary Bryan, Pendleton Swats & McAllister Firm name Suite 266 Highland Village 4500 I-55 North Jackson MS 39211 Address of the firm </div>	<div style="text-align: center;"> 09/13/2010 Date 08-03861 Most recent enrollment number (601) 984-8962 Telephone number (including area code) </div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	76,031	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	76,031	0
10 Interest on item 9 using prior year's actual return of <u>(27.62)%</u>	(20,999)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		44,184
b Interest on (a) using prior year's effective rate of _____%		0
c Total available at beginning of current plan year to add to prefunding balance		44,184
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	55,032	0

Part III Funding percentages

14 Funding target attainment percentage	14	69.59 %
15 Adjusted funding target attainment percentage	15	69.59 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	81.90 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/07/2009	22,863				
07/14/2009	37,763				
10/14/2009	37,763				
12/28/2009	95,297				
Totals ▶			18(b)	193,686	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	184,842

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.32 %	2nd segment: 6.45 %	3rd segment: 6.69 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	681,163	120,276
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	120,276
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	120,276
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	184,842
38 Interest-adjusted excess contributions for current year (see instructions)	38	64,566
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan Name: Peoples Bank Pension Plan

Plan Year: 2009

EIN/PN: 64-0220470/001

Schedule SB, Line 19 - Discounted Employer Contributions

Employer Contributions	Date	Year Applied	Effective Rate	Discounted Value
22,863	04/07/2009	2009	6.24%	22,502
37,763	07/14/2009	2009	6.24%	36,567
37,763	10/14/2009	2009	6.24%	36,014
95,297	12/28/2009	2009	6.24%	89,759
193,686				184,842

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

(1)		(2)	(1) X (2)
Age	Rates	Number Active	Number Retiring
		100	
<65	0.00%	100.0000	0.0000
=65	100.00%	0.0000	100.0000
		Average	65

Schedule SB, line 25 - Change in Method

Actuarial value of assets was changed from market value to the averaged value allowed under Code Section 430(g). Approval for this change is provided under IRC Regulations Section 1.430(g)-1(f)(3).

Schedule SB, line 32 - Schedule of Shortfall Amortization Bases

Type of Bass	Present Value	Initial Year	Years Remaining	Amortization Installment
Shortfall	\$ 220,587	2008	5	\$ 48,172
Shortfall	382,433	2009	6	72,104
Shortfall	(171,361)	2010	7	(28,639)
	\$ 431,659			\$ 91,637

Schedule SB, Line 26 - Schedule of Active Participant Data
Plan Name: Peoples Bank Pension Plan

Plan Year: 2009
EIN/PN: 64-0220470/001

Plan is Hard Frozen: Accrued Benefit is shown in place of compensation.

AGE GROUP		YEARS OF SERVICE									
		Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - UP
1 - 24	Number	0	0	0	0	0	0	0	0	0	0
	Avg Comp*	0	0	0	0	0	0	0	0	0	0
25 - 29	Number	0	0	1	0	0	0	0	0	0	0
	Avg Comp*	0	0	N/A	0	0	0	0	0	0	0
30 - 34	Number	0	0	2	1	0	0	0	0	0	0
	Avg Comp*	0	0	N/A	N/A	0	0	0	0	0	0
35 - 39	Number	0	0	1	1	0	0	0	0	0	0
	Avg Comp*	0	0	N/A	N/A	0	0	0	0	0	0
40 - 44	Number	0	0	2	6	1	1	0	0	0	0
	Avg Comp*	0	0	N/A	N/A	N/A	N/A	0	0	0	0
45 - 49	Number	0	0	1	2	1	2	0	0	0	0
	Avg Comp*	0	0	N/A	N/A	N/A	N/A	0	0	0	0
50 - 54	Number	0	0	1	3	2	0	1	0	0	0
	Avg Comp*	0	0	N/A	N/A	N/A	0	N/A	0	0	0
55 - 59	Number	0	0	1	1	1	0	0	2	0	0
	Avg Comp*	0	0	N/A	N/A	N/A	0	0	N/A	0	0
60 - 64	Number	0	0	1	1	2	0	1	1	1	1
	Avg Comp*	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A
65 - 69	Number	0	0	0	1	0	0	0	0	0	0
	Avg Comp*	0	0	0	N/A	0	0	0	0	0	0
70 - UP	Number	0	0	0	0	0	0	0	0	0	0
	Avg Comp*	0	0	0	0	0	0	0	0	0	0

* Average accrued benefit is omitted for cells with fewer than 20 participants.

PEOPLES BANK

BASIS OF VALUATION

Summary of Provisions of the Plan

Eligibility

Each employee is eligible to become a participant in the plan on the January 1 nearest the date he has both completed one year of service and attained age 21. No new participants may enter the Plan after December 31, 2006.

Years of Service

Service is credited for two purposes under the plan, as described below.

Vesting service is based on plan years during which the employee completes at least 1,000 hours of service.

Benefit Service is based on plan years during which the employee completes at least 1,000 hours of service, subject to certain break in service rules. A full year is credited for the short plan year beginning December 1, 1980 and ending December 31, 1980, if at least one hour was worked during that period. No service after December 31, 2006 will be taken into account for benefit purposes.

Compensation of a Participant

A participant's compensation, for purposes of the plan, shall mean his total annual compensation, including bonuses and overtime pay. Compensation after December 31, 2006 will not be taken into account for determining average earnings.

Average earnings is the average of a participant's compensation for the five consecutive years which produce the highest average. Compensation after December 31, 2006 will not be taken into account for determining average earnings.

Normal Retirement

(a) Condition

The normal retirement date of a participant is the first day of the calendar month coincident with or preceding his attainment of age 65 or the fifth anniversary of the date his participation first began, if later.

(b) Benefit

The normal retirement benefit, 1/12th of which is payable monthly for life, with the first 120 payments guaranteed, is equal to the sum of i) and ii) as follows:

i) .75% of average earnings plus .585% of excess earnings all multiplied by years of Benefit Service not in excess of 35, and

ii) .75% of calendar year 2000 compensation times years of Benefit Service as of December 31, 2000.

Excess earnings is the excess of a participant's average earnings over covered compensation for a participant.

Covered Compensation, for a participant, is the average of the taxable wage bases for the 35-year period ending with the year in which the participant attains the Social Security retirement age.

Summary of Provisions of the Plan

Accrued Benefit

A participant's accrued benefit is the monthly benefit, with payments beginning at age 65, which he has earned due to his compensation and service as of any date. It is computed in the same manner as above for normal retirement, using average earnings, and years of benefit service as of the determination date. The accrued benefit is frozen as of December 31, 2006.

Early Retirement

(a) Condition

A participant may retire early after attaining age 55 and completing 15 years of vesting service.

(b) Benefit

The deferred benefit, to commence at the participant's normal retirement date, is equal to the participant's accrued benefit as of his early retirement date. Upon written application to the pension committee, retirement benefits may commence immediately upon early retirement. In that event, the deferred benefit determined above shall be reduced to recognize the fact that payments will begin early and will be payable over a longer period of time.

Delayed Retirement

(a) Condition

A participant who remains employed beyond his normal retirement date is entitled to a retirement benefit upon his actual retirement.

(b) Benefit

The benefit, commencing on the first day of the month following the participant's actual date of retirement, is calculated in the same manner as the normal retirement benefit but including compensation and service since his normal retirement date. However, the benefit will not be less than the actuarial equivalent of the benefit he could have received as of the first day of the prior plan year, or normal retirement date, if later.

Deferred Vested Benefit

(a) Condition

If a participant terminates his employment after completing 5 or more years of vesting service, he is entitled to a deferred vested benefit with payment commencing on his normal retirement date.

BASIS OF VALUATION**Summary of Provisions of the Plan****(b) Benefit**

The amount of the benefit is determined as the product of a vesting percentage and the participant's accrued benefit, determined as of his date of termination. A participant's vesting percentage can be determined from the table below:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 5	0%
5 or more	100

Death Before Retirement**(a) Condition**

In the event of the death of a participant after becoming eligible for a deferred vested benefit and (i) while still actively employed by the employer, or (ii) after terminating employment but before benefit payments begin, a monthly survivorship benefit shall be payable to the participant's named beneficiary.

(b) Benefit

The amount of the death benefit is the present value of 100% of the Participant's Accrued Benefit, payable to the Participant's beneficiary as a single sum.

Disability Retirement**(a) Condition**

In the event a participant becomes totally and permanently disabled, as adjudged by the retirement committee, he shall be entitled to a disability retirement benefit.

(b) Benefit

The disability retirement benefit, commencing on the participant's normal retirement date, is computed in the same manner as the normal retirement benefit, using the participant's average earnings as of his date of termination of employment, but counting years of benefit service while disabled.

Other Termination of Employment

If employment is otherwise terminated before retirement, no benefits are provided under the plan.

BASIS OF VALUATION**Summary of Provisions of the Plan****Optional Methods of Benefit Payment**

Subject to the applicable plan conditions, a participant may select an optional method of benefit payment, in lieu of the prescribed life income with 120 payments guaranteed, which is actuarially equivalent thereto. The purpose of the optional method is to provide a straight life income or to permit the guarantee of retirement income payments for a different period of time or to provide a continued life income to a surviving beneficiary after the death of a participant.

However, if no option is elected and the participant and his spouse have been married for a year on the date his benefit commences, the monthly benefit will automatically be paid in the form of a 50% joint and survivor annuity.

Employer Contribution

The employer contributes actuarially determined amounts to finance the plan benefits; participants do not contribute toward the cost of the plan.

Investment of Funds

The funds of the pension plan are to be invested in accordance with the terms of the trust agreement.

BASIS OF VALUATION**Summary of Actuarial Assumptions and Methods**

	AGE			
	20	35	50	60
<u>Mortality Rates</u>				
Target Liability				
IRS Combined Static Mortality Table Male	0.022%	0.069%	0.150%	0.501%
IRS Combined Static Mortality Table Female	0.013%	0.036%	0.115%	0.459%
<u>Lump Sum Benefits</u>				
2009 Applicable Mortality Table	0.017%	0.053%	0.132%	0.480%
<u>Withdrawal Rates</u>				
1st Year Select	34.20%	32.93%	27.70%	21.94%
2nd Year Select	14.08%	13.74%	12.30%	10.59%
Ultimate	10.56%	5.98%	3.84%	3.13%
<u>Salary Scale (Sy+1/Sy)</u>				
Not Applicable				
<u>Disability Rates</u>				
None				
<u>Assumed Rates of Retirement</u>				
At normal retirement date				
<u>Rate of Investment Return</u>				
	Years	Segment 1 0 to 5	Segment 2 5 to 20	Segment 3 Over 20
Per annum for Target Liability & Lump Sums		5.32%	6.45%	6.69%
Effective Interest Rate		6.24%	6.24%	6.24%
PBGC Premium Funding Target		6.72%	7.12%	6.36%
7.50% per annum for FAS 35				
<u>Social Security Projection Rate</u>				
Wage base and cost of living escalation at 3.5% per annum				
<u>Provision for Expenses</u>				
None, paid separately by employer				
<u>Asset Valuation Method</u>				
Market value				
<u>Optional Form of Payment</u>				
100% elect lump sum payment				
<u>Valuation Method</u>				
Unit Credit				

BASIS OF VALUATION

Changes in Assumptions, Methods and Plan Provisions

I. Changes in Assumptions

None

II. Changes in Methods

Asset valuation changed from market value to asset smoothing of IRC 430(g).

III. Changes in Plan Provisions

None

ATTACHMENT TO SCHEDULE SB (FORM 5500)

ITEM 19: Discounted Employer Contributions

The “Item 19: Discounted Employer Contributions” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

ITEM 22: Description of Weighted Average Retirement Age

The “Item 22: Description of Weighted Average Retirement Age” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

ITEM 25: Change in Method

The “Item 25: Change in Method” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

ITEM 32: Schedule of Amortization Bases

The “Item 32: Schedule of Amortization Bases” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

ITEM 26: Schedule of Active Participant Data

The “Item 26: Schedule of Active Participant Data” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

Part V: Summary of Plan Provisions

The “Part V: Summary of Plan Provisions” is included in the Schedule SB Attachment “SchSB signed.pdf”

ATTACHMENT TO SCHEDULE SB (FORM 5500)

PART V, ITEM 23: Statement of Actuarial Assumptions/Methods

The “Part V, Item 23: Statement of Actuarial Assumptions/Methods” is included in the Schedule SB Attachment “SchSB signed.pdf”