

# **PUBLIC DISCLOSURE**

January 26, 2026

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Citizens Bank  
RSSD# 186744

2601 4<sup>th</sup> Street Southwest  
Mason City, Iowa 50401

Federal Reserve Bank of Chicago

230 South LaSalle Street  
Chicago, Illinois 60604-1413

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

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**INSTITUTION'S CRA RATING**

**First Citizens Bank Overall CRA Rating:** Satisfactory

**Performance Test Rating Table**

The following table indicates the performance level of First Citizens Bank with respect to the lending, investment, and service test.

First Citizens Bank			
Performance Levels	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	✓		✓
Low Satisfactory		✓	
Needs to Improve			
Substantial Noncompliance			

*\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating*

**Summary of Major Factors that Support the Rating**

Lending Test:

- Lending levels reflect good responsiveness to assessment area credit needs;
- A substantial majority of loans were made in the bank’s assessment areas;
- The geographic distribution of loans reflects good penetration throughout the assessment areas;
- The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and business and farms of different sizes;
- The bank exhibits a good record of serving the credit needs of low-income individuals and

- areas and very small businesses and farms;
- The bank made a relatively high level of community development loans; and
- Makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs.

Investment Test:

- The bank made an adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position;
- The bank made rare use of innovative and/or complex investments to support community development initiatives; and
- The bank exhibits good responsiveness to credit and community development needs.

Service Test:

- Delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment areas;
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and/or to low- and moderate-income individuals;
- Services do not vary in a way that inconveniences the needs of its assessment areas. Particularly to moderate-income geographies and/or low- and moderate-income individuals; and
- The bank provides an adequate level of community development services.

## DESCRIPTION OF INSTITUTION

First Citizens Bank is a wholly owned subsidiary of First Citizens Financial Corporation, a one-bank holding company, with total assets of \$1.9 billion as of September 30, 2025. Both the holding company and the bank's main office are located in Mason City, Iowa. The bank maintains a branch presence in both Iowa and Minnesota – seven locations, including the main office are in the Non-Metropolitan Statistical Area (Non-MSA) Iowa assessment area, and one location is in Mora, Minnesota in the Non-MSA Minnesota assessment area. The bank also operates five full-service automated teller machines (ATMs) and two cash-only ATMs throughout north central Iowa. Additionally, there is one full-service ATM located in Mora, Minnesota. On November 21, 2025, the bank closed one branch with a cash-only ATM in the Non-MSA Iowa assessment area. As this branch and ATM were open for a majority of the evaluation period, they will be considered in the bank's operations for this evaluation and are included in the number of locations and ATMs stated above. Additionally, one cash-only ATM in the Non-MSA Iowa assessment area was closed on April 8, 2024. As this ATM was only operational during the first few months of the evaluation

period, it will not be considered in this evaluation and is not included in the number of ATMs listed above. The bank also provides banking services through both online banking and mobile banking.

The bank offers a variety of lending products including commercial, agricultural, residential real estate, and consumer loans. The distribution of the bank's loan portfolio is primarily in the state of Iowa at 92.0 percent, and the remaining 8.0 percent in Minnesota. First Citizens Bank is primarily a commercial and agricultural lender consisting of 58.8 percent and 23.4 percent of the loan portfolio, respectively, as of September 30, 2025. The bank offers standard products and services such as deposit and savings products for both consumers and businesses. The bank's marketing efforts are primarily through social media, billboards, radio, and occasional use of television.

Details of the allocation of the bank's loan portfolio by product are provided in the following table.

Composition of Loan Portfolio As of September 30, 2025		
Type	Dollar Volume (\$ in 000s)	% of Portfolio
Commercial	792,721	58.8
Agriculture	315,485	23.4
Residential Real Estate	166,716	12.4
Other	48,278	3.6
Consumer	24,916	1.8
Total	1,348,116	100.0

First Citizens Bank is an interstate institution with two designated assessment areas: the Non-MSA Iowa assessment area serves the north central portion of Iowa that borders Minnesota, and the Non-MSA Minnesota assessment area serves a portion of central Minnesota north of Minneapolis. The Non-MSA Iowa assessment area delineates Cerro Gordo, Chickasaw, Floyd, Franklin, Hancock, Howard, Mitchell, Worth, and Wright counties in their entirety. Additionally, the bank delineates two contiguous census tracts (701.00 and 703.00) located in Butler County, Iowa. The Non-MSA Minnesota assessment area includes 12 contiguous census tracts that include Kanabec County in its entirety which consists of four census tracts, five of Isanti County's nine census tracts, and three of Pine County's nine census tracts. There have been no changes to the assessment areas since the previous evaluation dated November 13, 2023.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

At its previous evaluation conducted on November 13, 2023, the bank was rated **Satisfactory** under the CRA.

## SCOPE OF THE EXAMINATION

First Citizens Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's Large Institution CRA Examination Procedures. The CRA performance evaluation assesses the bank's responsiveness and effectiveness in meeting the credit and community development needs in its assessment area. The evaluation was performed in the context of information about the institution, such as asset size, financial condition, market presence of other financial institutions, as well as local economic and demographic characteristics. The evaluation consisted of a full-scope review for each assessment area as procedures require a full-scope review for a minimum of one assessment area in each state. The Non-MSA Iowa assessment area received more weight due to the bank's branch concentration, volume of deposits, residential real estate lending, small business, and small farm lending, and community credit needs. The bank's level of community development activities in loans, investments, and community services in each assessment area was also evaluated.

Performance within both assessment areas was evaluated using the following performance standards:

- ***Lending Activity*** – A sample of the bank's residential real estate loans originated from January 1, 2024, through December 31, 2024, and CRA-reportable loans originated from January 1, 2023, through December 31, 2024, were reviewed to determine the responsiveness to credit needs in the assessment area.
- ***Lending in the Assessment Area*** – A sample of the bank's residential real estate loans originated from January 1, 2024, through December 31, 2024, and CRA-reportable loans originated from January 1, 2023, through December 31, 2024, were analyzed to determine the percentage of loans in the bank's assessment areas.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of residential real estate loans originated from January 1, 2024, through December 31, 2024 and CRA-reportable loans originated from January 1, 2023, through December 31, 2024, were analyzed to determine the extent to which the bank is lending in census tracts of different income levels, particularly those designated as low-or moderate-income.
- ***Lending to Borrowers of Different Incomes and Businesses and Farms of Different Sizes*** – A sample of residential real estate loans originated from January 1, 2024, through December 31, 2024 and CRA-reportable loans originated from January 1, 2023, through December 31, 2024, were analyzed to determine the distribution among borrowers of different income levels, particularly low-or moderate-income borrowers, and to businesses and farms of different revenue sizes.

- **Community Development Lending** – The number, dollar volume, and complexity of community development loans from November 14, 2023, through January 26, 2026, were evaluated for their responsiveness to community credit needs.
- **Innovative or Flexible Lending Practices** – The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals or geographies and small businesses and farms was assessed.
- **Investments** – Qualified investments, grants, and donations made from November 14, 2023, through January 26, 2026, were reviewed to determine the bank’s responsiveness to community development needs. In addition, outstanding qualified investments made prior to November 14, 2023, were also considered. Qualified investments were also evaluated to determine the bank’s use of innovative or complex investments.
- **Services** – The distribution of the bank’s branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services undertaken from November 14, 2023, through January 26, 2026, were reviewed.

In addition, three community representatives were contacted in connection with the examination to provide information regarding local socio-economic conditions in the assessment area. Organizations focusing on economic development, affordable housing, and agriculture were contacted. Refer to individual assessment area summaries for community representative information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LENDING TEST

First Citizens Bank’s performance relative to the Lending Test is High Satisfactory. The bank’s lending levels reflect good responsiveness to assessment area credit needs. A substantial majority of loans were made in the bank’s assessment areas. The geographic distribution of loans reflects good penetration throughout the assessment areas. The distribution of borrowers reflects, given the product lines offered, good penetration among borrowers of different income levels and businesses and farms of different sizes. The bank’s lending exhibits a good record of serving credit needs of low-income individuals and areas, and very small businesses and farms. Further, the bank makes a relatively high level of community development loans, and extensive use of innovative or flexible lending practices in serving the credit needs of its assessment areas.

## Level of Lending Activity

First Citizens Bank's lending levels reflect good responsiveness to credit needs in its assessment area, considering the number and amount of home mortgage, small business, and small farm loans in its assessment area. When compared to overall loan volume at the previous evaluation (2,193), 2,938 loan originations represent a 34.0 percent increase by number. Originations totaling \$359.4 million represent a nearly 30.0 percent increase over the previous evaluation period when the bank originated roughly \$277.2 million in loans.

When evaluated by separate product lines, the bank originated 127 residential real estate loans for \$15.4 million. This is a significant decrease of 76.7 and 79.6 percent, respectively, from the previous evaluation where the bank originated 546 residential real estate loans for a total of \$75.5 million. While a decline in residential lending has occurred across the country due to the interest rate environment, this decline is significantly higher than that experienced by aggregate HMDA lenders across the counties comprising the assessment areas, who experienced 19.8 (Non-MSA Iowa) and 34.3 (Non-MSA Minnesota) decline by number between 2022 and 2024.

Conversely, small business and small farm lending increased. The bank originated 1,457 small business loans totaling \$159.3 million, which is an increase of 66.7 and 58.8 percent, respectively, compared to the previous evaluation when the bank originated 874 small business loans totaling \$100.4 million. Similarly, the bank originated 1,354 small farm loans totaling \$184.6 million, which is an increase of 75.2 and 82.2 percent, respectively, from the previous evaluation when the bank originated 773 small farm loans totaling \$101.3 million. First Citizens Bank's small business lending increase within its assessment areas was significantly higher than that experienced by aggregate CRA lenders. Across the counties comprising the Non-MSA Iowa assessment area, aggregate lenders experienced stable lending trends at 2.5 percent growth between 2022 and 2023. In the counties comprising the Non-MSA Minnesota assessment area, aggregate lenders experienced a 13.0 percent decline in small business lending between 2022 and 2023. Similarly, First Citizens Bank's small farm lending increase within its assessment areas was significantly higher than experienced by aggregate CRA lenders. Across the counties comprising the Non-MSA Iowa assessment area aggregate lenders experienced a decline in small farm lending of 12.7 percent between 2022 and 2023. In the counties comprising the Non-MSA Minnesota assessment area, aggregate lenders experienced an 18.7 percent decline in small farm lending.

The following table represents the number of residential real estate loans First Citizens Bank originated between January 1, 2024, and December 31, 2024, and the number of CRA-reportable small business and small farm loans from January 1, 2023, to December 31, 2024.

Summary of Lending Activity				
Loan Type	#	%	\$(000s)	%
Residential Real Estate	127	4.3	15,442	4.3
Small Business	1,457	49.6	159,332	44.3
Small Farm	1,354	46.1	184,648	51.4
<b>Total Loans</b>	<b>2,938</b>	<b>100.0</b>	<b>359,422</b>	<b>100.0</b>

*Note: Percentages may not total to 100.0 percent due to rounding.*

### Assessment Area Concentration

First Citizens Bank made a substantial majority of its residential real estate and CRA-reportable small business and small farm loans in its assessment area, indicating a strong focus on lending within the two assessment areas. Overall, the bank originated 87.7 percent of its loans by number and 83.5 percent by dollar volume within the assessment areas.

The following table summarizes First Citizens Bank’s lending inside and outside its assessment areas for residential real estate loans from January 1, 2024, through December 31, 2024, and CRA-reportable small business and small farm loans from January 1, 2023, through December 31, 2024.

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Residential Loans	106	83.5	\$10,947	70.9	21	16.5	\$4,495	29.1
<b>Total Non-HMDA</b>	<b>106</b>	<b>83.5</b>	<b>\$10,947</b>	<b>70.9</b>	<b>21</b>	<b>16.5</b>	<b>\$4,495</b>	<b>29.1</b>
Small Business	1,347	92.5	\$141,326	88.7	110	7.5	\$18,006	11.3
<b>Total Small Bus. related</b>	<b>1,347</b>	<b>92.5</b>	<b>\$141,326</b>	<b>88.7</b>	<b>110</b>	<b>7.5</b>	<b>\$18,006</b>	<b>11.3</b>
Small Farm	1,125	83.1	\$147,726	80.0	229	16.9	\$36,922	20.0
<b>Total Small Farm related</b>	<b>1,125</b>	<b>83.1</b>	<b>\$147,726</b>	<b>80.0</b>	<b>229</b>	<b>16.9</b>	<b>\$36,922</b>	<b>20.0</b>
<b>TOTAL LOANS</b>	<b>2,578</b>	<b>87.7</b>	<b>\$299,999</b>	<b>83.5</b>	<b>360</b>	<b>12.3</b>	<b>\$59,423</b>	<b>16.5</b>

### Geographic and Borrower Distribution

The geographic distribution of loans reflects good penetration throughout the assessment areas. The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of highly economically disadvantaged areas in its assessment areas, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations. Further, the bank makes extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or moderate-income geographies.

The following table summarizes lending volume by number for flexible programs utilized by First Citizens Bank, accompanied by a detailed description of each.

<b>Innovative and Flexible Lending Program Volume for 2023 &amp; 2024</b>	
<b>Program</b>	<b>Loan (#)</b>
Farm Service Guaranteed Farm Loans	6
Freddie Mac Home Possible Loans	16
Iowa Finance Authority Home Loans	18
Small Business Administration Program	2
USDA Rural Housing Loans	13
Veterans Administration Home Loans	1

Details of the loan types are highlighted below:

- Farm Service Agency (FSA) Guaranteed Farm Loans – First Citizens Bank participates in the FSA Guaranteed Farm Loans. In 2023, the bank originated three loans totaling \$310,000 in Minnesota. In 2024, the bank originated three loans totaling \$677,000 in Iowa. No FSA Guaranteed Farm Loans were made in Iowa in 2023 or Minnesota in 2024.
- Freddie Mac Home Possible Loans – Only three percent downpayment is required for properties. This program is typically used for properties located within the city limits of Mason City, Iowa, as the United States Department of Agriculture (USDA) Rural Housing program is preferred in rural communities. Through the Freddie Mac Home Possible program, First Citizens Bank continues to service these loans. In 2023 and 2024, the bank originated 16 loans totaling \$2.0 million.
- Iowa Finance Authority (IFA) Home Loans – The use of the program is limited by the bank to Mason City, Iowa, as USDA Rural Housing program loans are typically preferred for rural properties. Additionally, grants are available for qualified active service members and veterans purchasing homes in Iowa. Servicing is transferred after loan closing. In 2023 and 2024, First Citizens Bank originated 18 loans totaling \$2.2 million.
- United States Small Business Administration (SBA) Program – The program facilitates small business loans in the community utilizing SBA/7a, SBA/Express, SBA/Low Doc, and SBA 504 Programs. In 2023 and 2024, First Citizens Bank originated two loans totaling \$600,696 in Iowa. No SBA program loans were originated in Minnesota.
- USDA Rural Housing Loans – Loans are available for first-time homeowners with little or no down payment. Loans may exceed the home value to include 100 percent of purchase as well as closing costs. Loans have a 30-year fixed rate with a USDA guaranty. Loans are sold to the secondary market with First Citizens Bank retaining servicing for the customers. In 2023 and 2024, the bank originated 12 loans totaling \$1.5 million in Iowa. In 2023, the bank originated one loan totaling \$244,420 in Minnesota. No USDA Rural Housing Loans were originated in Minnesota in 2024.
- Veterans Administration Home Loans – First Citizens Bank is an approved lender with the Veterans Administration. These loans are processed through First Citizens Bank’s Home Loan Center then sold into the secondary market. Loan Servicing is retained by the bank.

The bank originated one loan totaling \$102,150 in Iowa. No loans were originated in Minnesota.

First Citizens Bank has also originated a diverse number of portfolio loans where standard loan programs could not meet the community’s needs that involve borrowers who may have had low credit scores, irregular income, seasonal income, and non-conforming properties:

- HELOC – 96 loans totaling \$4.1 million
- Home Equity – 240 loans totaling \$11.5 million
- First Lien – 319 loans totaling \$53.5 million
- Construction – 48 loans totaling \$17.3 million

Although First Citizens Bank does not have a specific home improvement loan program, as of 2023 it offers below market interest rates to help meet the needs of individual homeowners seeking to rehabilitate or upgrade their properties. Community representatives in both assessment areas indicated a need for home rehabilitation loans for the aging properties in their respective area. The bank’s initiative to make such loans more accessible reflects responsiveness to the community’s need.

### Community Development Lending

First Citizens Bank makes a relatively high level community development loans. The bank originated 14 community development loans, totaling \$50.2 million during this evaluation period. This is a significant increase in dollar amount from the previous evaluation, when the institution made nine community development loans totaling \$6.2 million. Additional details of the bank’s community development lending can be found within the individual assessment area analyses.

Community Development Loans November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA Iowa	3	6,860	5	5,775	0	0	3	37,000	11	49,635
Non-MSA Minnesota	2	532	0	0	0	0	1	75	3	607
Total	5	7,392	5	5,775	0	0	4	37,075	14	50,243

## INVESTMENT TEST

First Citizens Bank’s performance relative to the Investment Test is Low Satisfactory. First Citizens Bank made an adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position. During the evaluation period, the bank made \$8.5 million in current and prior period investments, a slight decrease from the previous evaluation’s \$8.6 million. The investment dollars were primarily concentrated in the Non-MSA Iowa assessment area. Included in the total investment amount is the bank’s affiliated foundation’s investment portfolio, which equals approximately \$1.8 million in the assessment areas; the foundation’s investment portfolio is the source of bank donations, and the investment portfolio’s value is distributed among the bank’s individual assessment areas based on the proportion of donation dollars in each assessment area. Three investments in the broader statewide or regional area totaling \$1.7 million were considered as enhancements to the institution’s performance. Additional information on these enhancements can be found in the Non-MSA Iowa assessment area analysis.

While First Citizens Bank makes rare use of innovative and/or complex investments to support community initiatives, the institution demonstrates good responsiveness to credit and community development needs. Investments for affordable housing projects were made in both assessment areas. These investments are particularly responsive, as community representatives in both assessment areas stated that affordable housing is a major need in their respective areas. One investment supporting a minority- and women-owned financial institution (MWLI) is notable and responsive to critical CRA-related needs.

Community Development Investments November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Non-MSA Iowa	2	2,125	3	2,062	0	0	4	1,330	9	5,517
Non-MSA Minnesota	1	775	2	259	0	0	0	0	3	1,034
Broader Statewide or Regional - Iowa	0	0	1	561	0	0	2	1,095	3	1,656
Outside AA – MWLI	0	0	1	249	0	0	0	0	1	249
Total	3	2,900	7	3,131	0	0	6	2,425	16	8,456

Responsiveness to the credit and community development needs of its assessment areas are further demonstrated through the breadth of community organizations to which it has made grants and donations including those involved in affordable housing, community services, economic development, and revitalization/stabilization. In total, grants and donations were made to 75 unique organizations totaling \$775,150, which is an increase from the previous evaluation when the institution made grants and donations to 53 unique organizations totaling \$347,650.

Community Development Donations November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Non-MSA Iowa	2	10,000	85	346,000	10	168,950	34	157,200	131	682,150
Non-MSA Minnesota	0	0	14	70,500	0	0	0	0	14	70,500
Broader Statewide or Regional	2	2,500	3	20,000	0	0	0	0	5	22,500
Total	4	12,500	102	436,500	10	168,950	34	157,200	150	775,150

## SERVICE TEST

First Citizens Bank’s performance relative to the Service Test is High Satisfactory. The bank’s service delivery systems are accessible to geographies and individuals of different income levels in its assessment areas. The bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and to low- and moderate-income individuals. Services and business hours do not vary in a way that inconveniences the needs of its assessment areas, particularly in moderate-income geographies and to low- and moderate-income individuals. Further, the bank provides an adequate level of community development services.

## Retail Services

First Citizens Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its assessment areas. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies or to low- or moderate-income individuals. Its services (including business hours) do not vary in a way that inconveniences its assessment areas, particularly moderate-income geographies or low- or moderate-income individuals.

For a substantial majority of the review period, the bank operated from seven locations, including the main office, and seven automated teller machines (ATMs) in the Non-MSA Iowa assessment area. As previously mentioned, on November 21, 2025, the bank closed one branch with a cash-only ATM located in a middle-income census tract in Kanawha (Hancock County), Iowa. However, because it was open for a majority of the evaluation period, it will be considered as part of the bank’s operations during this evaluation and is included in the total number of branches and ATMs. Additionally, the stand-alone cash-only ATM located in a moderate-income census tract in Cerro Gordo County was closed on April 8, 2024. As it was closed for a majority of the evaluation period, it is not considered in this evaluation or reflected in the number of ATMs. While this closure occurred in a moderate-income tract, it does not adversely affect moderate-income geographies or low- or moderate-income consumers as the institution operates a full-service branch with an ATM in the same tract. In the Non-MSA Minnesota assessment area, the bank

operates one branch with one full-service ATM in Mora, Minnesota. Both the Mora, Minnesota branch and one branch in Iowa are located in moderate-income census tracts, representing 25.0 percent of total branches in the assessment areas.

Bank locations are open Monday through Friday with opening hours between 8:00 a.m. and 9:00 a.m. and closing hours between 3:00 p.m. and 5:00 p.m., varying by location. The branches located in moderate-income tracts are open Monday through Thursday from 9:00 a.m. to 4:00 p.m. and with extended hours on Friday from 9:00 a.m. to 5:00 p.m. The bank branch in Kanawha had lobby hours by appointment only Monday through Friday and no Saturday drive through availability. All other locations offer drive-up services Monday through Saturday. Products and services are consistent among all branches. Additionally, First Citizens Bank offers services through its website (<https://myfcb.bank>) including online banking and the ability to open deposit accounts and apply for consumer and residential loan products. Additionally, the bank’s mobile application allows consumers to manage accounts, remote deposit capture, and pay bills.

### Community Development Services

First Citizens Bank provides an adequate level of community development services. Bank personnel provided 674 community development service hours during the evaluation period, which is a 23.0 percent increase from the previous evaluation when bank personnel provided 548 hours of community service. Services were mostly devoted to organizations providing community services, representing 61.4 percent of the total service hours. As the Non-MSA Iowa assessment area contains many underserved tracts, dedicating service hours to organizations that provide essential community services is particularly responsive to the needs of the community. A significant majority of service hours took the form of leadership roles on boards and committees. Service hours were dispersed throughout the assessment areas with 555 hours, or 82.3 percent, occurring in the Iowa Non-MSA and 119 hours, or 17.7 percent, occurring in the Non-MSA Minnesota. The bank’s level of service hours in each respective assessment area is largely correlated to the number of branches the bank operates in those assessment areas.

Community Development Services November 14, 2023, through January 26, 2026					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Non-MSA Iowa	67	295	118	75	555
Non-MSA Minnesota	0	119	0	0	119
Total	67	414	118	75	674

## **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.

## IOWA

### **CRA RATING FOR IOWA: Satisfactory**

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** High Satisfactory

#### **Lending Test:**

- The geographic distribution of loans reflects good penetration throughout the assessment area;
- The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and business and farms of different sizes;
- The bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses and farms;
- The bank made a relatively high level of community development loans; and
- Extensive use of innovative and/or flexible lending practices in serving assessment area credit needs of low-or moderate-income individuals or moderate-income geographies .

#### **Investment Test:**

- An adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, although rarely in a leadership position;
- The bank made rare use of innovative and/or complex investments to support community development initiatives; and
- The bank exhibits good responsiveness to credit and community development.

#### **Service Test:**

- The bank service delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area;
- To the extent changes have been made, its record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and to low- and moderate-income individuals;
- The bank's services and business hours do not vary in a way that inconveniences the needs of its assessment area. Particularly to moderate-income geographies and/or low- and moderate-income individuals; and
- The bank provides an adequate level of community development services.

## SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate First Citizens Bank’s performance in the Non-MSA Iowa assessment area. The performance criteria and review periods are consistent with the scope described in the overall scope of the Performance Evaluation. The state of Iowa is comprised of only one assessment area, the Non-MSA Iowa. Therefore, the state lending, investment, and service conclusions are described in the assessment area analysis below.

## DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-METROPOLITAN IOWA

First Citizens Bank’s Non-MSA Iowa assessment area is comprised of the following contiguous counties: Cerro Gordo, Chickasaw, Floyd, Franklin, Hancock, Howard, Mitchell, Worth, and Wright counties in their entirety, and two contiguous census tracts (701.00 and 703.00) in Butler County. Changes to the assessment area since the previous evaluation dated November 13, 2023, are limited to the closure of physical operations and the designation of additional underserved, middle-income geographies. The bank’s main office and one branch, each with a full-service ATM, are located in Mason City, (Cerro Gordo County) Iowa. The bank also has single branch locations in Charles City (Floyd County), Clarion (Wright County), New Hampton (Chickasaw County), and Osage (Mitchell County), Iowa with an ATM at each branch. The ATM at the Clarion branch is cash-only, while the remainder are full-service. On November 21, 2025, the bank closed one branch with a cash-only ATM located in a middle-income census tract in Kanawha (Hancock County) Iowa. However, because it was open for a majority of the evaluation period, it will be considered as part of the bank’s operations during this evaluation. Additionally, the stand-alone cash-only ATM located in a moderate-income census tract in Cerro Gordo County was closed on April 8, 2024. As it was closed for a majority of the evaluation period, it is not considered in this evaluation. The following table shows the distribution of branches and ATMs within this assessment area by tract income level.

Distribution of Branches and ATMs by Tract Income Level						
Tract Income Level	# of Branches	% of Branches	# of Full-Service ATMs	# of Limited-Service	% of all ATMs	% of Tracts
Low	0	0.0	0	0	0.0	0.0
Moderate	1	14.3	1	0	14.3	9.1
Middle	6	85.7	4	2	57.1	81.8
Upper	0	0.0	0	0	0.0	9.1
Total	7	100.0	5	2	100.0	100.0

At the previous evaluation, the included tracts in Butler County were the only underserved middle-income tracts in the assessment area. As of 2025, several other tracts are now also classified as underserved, including five tracts in Wright County, four tracts each in Chickasaw, Floyd, and Hancock counties, and three underserved tracts each in Howard and Mitchell counties. Further,

there are now two underserved tracts in Franklin County.

The June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report ranks First Citizens Bank first out of 33 FDIC-insured institutions operating in the bank's assessment area with 21.7 percent of the market's deposits, which is substantially more than CUSB Bank and Clear Lake Bank and Trust Company, who are second and third in market share at 8.5 percent and 8.1 percent, respectively. For reference, the 33 total FDIC-insured depository institutions operating in the assessment area maintain a total of 86 branch offices; First Citizens Bank's seven branch office locations represent 8.1 percent of all branch locations. From a 2024 lending perspective, which is the most recent data available for all institutions, First Citizens Bank ranks first among 65 CRA loan reporters in the assessment area with 1,103 originations. This is substantially more than John Deere Financial and American Express, who rank second and third with 325 and 304 originations, respectively.

Additional demographic information for is provided in the following table.

2024 IA Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,697	17.7
Moderate	4	9.1	4,173	11.0	629	15.1	7,729	20.4
Middle	36	81.8	30,278	79.8	1,923	6.4	8,718	23.0
Upper	4	9.1	3,475	9.2	128	3.7	14,782	39.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>44</b>	<b>100.0</b>	<b>37,926</b>	<b>100.0</b>	<b>2,680</b>	<b>7.1</b>	<b>37,926</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,252	4,325	9.7	52.4	2,983	36.1	944	11.4
Middle	53,006	36,229	81.4	68.3	11,024	20.8	5,753	10.9
Upper	6,711	3,976	8.9	59.2	1,425	21.2	1,310	19.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>67,969</b>	<b>44,530</b>	<b>100.0</b>	<b>65.5</b>	<b>15,432</b>	<b>22.7</b>	<b>8,007</b>	<b>11.8</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	921	13.2	808	12.8	97	18.7	16	11.9
Middle	5,368	77.1	4,864	77.1	396	76.3	108	80.6
Upper	671	9.6	635	10.1	26	5.0	10	7.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>6,960</b>	<b>100.0</b>	<b>6,307</b>	<b>100.0</b>	<b>519</b>	<b>100.0</b>	<b>134</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.6</b>	<b>7.5</b>	<b>1.9</b>		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	34	2.0	34	2.0	0	0.0	0	0.0
Middle	1,552	89.3	1,543	89.3	8	88.9	1	100.0
Upper	152	8.7	151	8.7	1	11.1	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,738</b>	<b>100.0</b>	<b>1,728</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.4</b>	<b>0.5</b>	<b>0.1</b>		
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

## Population Characteristics

The following table presents the population trends for the individual counties that make up the assessment area, Non-MSA Iowa, and the state of Iowa from 2015-2020. According to the U.S. Census Bureau demographic data, the assessment area’s population in 2020 is 137,579. All counties that make up the assessment area and Non-MSA Iowa experienced stagnant population growth or decline during this period. In contrast, the state of Iowa experienced 3.1 percent growth during the same period. Butler and Franklin counties experienced considerable population declines between 2015 and 2020 at 4.2 percent and 4.5 percent, respectively. One community representative attributed migration from the area to the lack of amenities and public services offered in rural areas, noting that it is exacerbated in Butler and Franklin counties due to their lack of population hubs. The representative stated that young families desire proximity to recreational opportunities and are leaving the area as a result.

Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Butler County, IA	14,966	14,334	-4.2
Cerro Gordo County, IA	43,481	43,127	-0.8
Chickasaw County, IA	12,244	12,012	-1.9
Floyd County, IA	16,050	15,627	-2.6
Franklin County, IA	10,489	10,019	-4.5
Hancock County, IA	11,092	10,795	-2.7
Howard County, IA	9,494	9,469	-0.3
Mitchell County, IA	10,762	10,565	-1.8
Worth County, IA	7,563	7,443	-1.6
Wright County, IA	12,936	12,943	0.1
Non-MSA Iowa	1,250,756	1,232,642	-1.4
Iowa	3,093,526	3,190,369	3.1

*Source: 2011-2015 U.S. Census Bureau American Community Survey  
2020 U.S. Census Bureau Decennial Census*

## Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 37,926 families. By income category, 17.7 percent are designated as low-income and 20.4 percent are moderate-income. Families living below the poverty line represent 7.1 percent of total families residing within the assessment area, which is comparable to Non-MSA Iowa at 7.7 percent and the state of Iowa at 7.1 percent.

The following table compares the median family income (MFI) for the counties that make up the assessment area, Non-MSA Iowa, and the state of Iowa. According to the U.S. Census Bureau,

Chickasaw, Floyd, and Worth counties had MFI increases greater than 10.0 percent between 2015 and 2020. However, MFI in Butler, Franklin, Howard, and Wright counties decreased during that same period. Of all counties making up the assessment area and Non-MSA Iowa, Worth County has the highest MFI at \$76,059, which is slightly below the state of Iowa at \$79,186. A community representative attributed the increase in MFI in Floyd County to the presence and expansion of large manufacturers including Caterpillar (heavy equipment manufacturing) and Columbus Industries (filter manufacturing). The representative attributed Worth County’s high MFI to a casino in the area that provides high paying wages relative to the area’s other job opportunities.

Median Family Income Change (MFI)			
Area	2015 MFI (\$)	2020 MFI (\$)	Percent Change (%)
Butler County, IA	69,608	68,904	-1.0
Cerro Gordo County, IA	69,278	73,237	5.7
Chickasaw County, IA	67,163	75,797	12.9
Floyd County, IA	61,189	74,894	22.4
Franklin County, IA	64,064	61,971	-3.3
Hancock County, IA	70,365	72,182	2.6
Howard County, IA	66,835	66,267	-0.9
Mitchell County, IA	70,010	73,550	5.1
Worth County, IA	66,937	76,059	13.6
Wright County, IA	64,749	64,072	-1.0
Non-MSA Iowa	67,391	71,763	6.5
Iowa	73,712	79,186	7.4

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey  
2016 - 2020 U.S. Census Bureau American Community Survey  
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

### Housing Characteristics

According to the U.S. Census Bureau, there is a total of 67,969 housing units in the assessment area. Most housing units are owner-occupied at 65.5 percent, while 22.7 percent are rental units, and 11.8 percent are vacant.

The following table presents the recent housing cost burden within the counties that make up the assessment area, Non-MSA Iowa, and the state of Iowa. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. On average, renters experience housing cost burden at a higher rate than owners across the included geographies. This disparity is most pronounced when comparing low-income renters and low-income homeowners in Franklin County, where the share of cost-burdened households is 41.0 percent higher among low-income

renters than low-income homeowners. Similarly, moderate-income renters and owners are significantly less likely to experience housing cost burden than low-income renters and owners – although the disparity is typically larger between low-income renters and moderate-income renters than owners. One community representative noted that single-family construction prices are very high in the area, resulting in market rate housing exceeding the price range of most low- and moderate-income buyers. However, the representative noted that the City of Mason City, located in Cerro Gordo County, is working with a developer to build more townhomes, which are typically more affordable for low- and moderate-income buyers. Additionally, the representative noted that several hundred multi-family rental units have been built in the area recently, providing some affordable housing options for LMI families.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Butler County, IA	59.7	19.0	32.2	54.5	22.8	13.6
Cerro Gordo County, IA	65.7	16.0	29.8	57.5	21.4	14.4
Chickasaw County, IA	56.9	0.0	18.4	55.0	12.7	14.5
Floyd County, IA	59.6	3.3	29.1	34.1	17.8	10.7
Franklin County, IA	64.6	0.0	25.9	23.6	10.2	7.8
Hancock County, IA	73.0	10.6	32.7	60.2	15.7	11.7
Howard County, IA	66.2	5.1	28.1	52.2	14.2	11.7
Mitchell County, IA	59.3	23.7	26.4	53.6	23.0	15.0
Worth County, IA	50.7	14.3	20.9	58.4	7.7	11.9
Wright County, IA	66.4	17.0	31.2	38.9	14.1	11.1
Non-MSA Iowa	65.8	16.7	33.2	54.8	18.9	14.2
Iowa	71.9	21.4	37.9	58.7	23.5	14.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

A characteristic not reflected in the above table is the age of housing stock in the assessment area. The median age of housing stock in the assessment area is 61 years. Both representatives noted that a significant portion of housing stock needs rehabilitation.

### Employment Conditions

The following table presents unemployment data between 2020 and 2024 in the counties that comprise the assessment area, Non-MSA Iowa, and the state of Iowa. Unemployment rates were at a high in 2020 due to the widespread economic downturn caused by the COVID-19 pandemic. Since then, unemployment rates have stabilized. Over the past five years (2020-2024), Floyd County has generally maintained a slightly higher unemployment rate than other geographies

included in the table below, with peak unemployment at 6.2 percent in 2020. A community representative attributed higher unemployment rates in Floyd County to layoffs at Winnebago Industries, a large employer in the area.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Butler County, IA	4.8	3.6	3.1	3.3	3.3
Cerro Gordo County, IA	5.2	4.0	2.9	3.1	2.9
Chickasaw County, IA	4.2	3.0	2.4	2.3	2.6
Floyd County, IA	6.2	4.2	3.2	3.4	3.5
Franklin County, IA	4.3	3.9	3.0	3.2	3.1
Hancock County, IA	4.5	3.4	2.3	2.7	2.3
Howard County, IA	4.4	3.6	3.3	3.3	3.2
Mitchell County, IA	3.5	2.8	2.2	2.3	2.3
Worth County, IA	4.8	3.6	2.5	2.6	2.5
Wright County, IA	4.2	4.2	2.9	2.8	2.4
Non-MSA Iowa	4.9	3.8	3.0	3.0	3.0
Iowa	5.2	3.9	2.8	2.9	3.0

*Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics*

### Industry Characteristics

According to the U.S. Bureau of Labor Statistics, manufacturing companies are the largest private sector employers in the assessment area accounting for 27.0 percent of the private sector workforce. Retail trade positions are the next largest group at 13.3 percent, with healthcare and social assistance positions following at 10.0 percent. Accommodation and food services, wholesale trade (intermediate step in the distribution of merchandise), and construction were approximately equivalent in their share of the work force at roughly 6.0 percent each. When factoring in government employment, the public sector would be the second largest employer in the assessment area. A community representative noted that there is a shortage of skilled workers in the area, leaving hospitals and manufacturers understaffed. Additionally, there is a shortage of qualified government workers, including police officers.

### Community Representatives

Two community representatives, with a focus on affordable housing and economic development, were contacted to increase understanding of the credit needs and market conditions of the assessment area. One community representative attributed population stagnation/decline to a lack of amenities and services offered in the rural communities that make up the assessment area. Both representatives noted a lack of affordable childcare in the area, with some parents dropping out of the labor force in order to care for their children. However, one contact noted that this is less of an issue in Mason City (Cerro Gordo County), Iowa, as the city’s chamber offers a supplemental wage

program which raises the wages of childcare workers in the area, in turn increasing the pool of childcare workers and available seats for children. One community representative noted a large number of rental units in need of rehabilitation and identified an opportunity for financial institutions to provide capital for programs that restore these units. The other community representative noted a large number of owner-occupied housing in need of significant repair, identifying an opportunity for financial institutions in the area to create home improvement loan programs targeted toward low- and moderate-income borrowers.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN IOWA**

### **LENDING TEST**

First Citizens Bank's performance relative to the Lending Test is High Satisfactory.

For the geographic and borrower distribution analysis, small business and small farm lending received greater weight than residential real estate lending when determining ratings given First Citizens Bank's lending activity in 2023 and 2024. In addition, when determining performance, the comparison to aggregate lender figures were weighted more heavily than the assessment area demographics (i.e., families by family income or total businesses/farms) as it is a better measure of loan demand.

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses and farms and made a relatively high level of community development loans. Further, the bank makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs.

### **Geographic Distribution of Loans**

First Citizens Bank's geographic distribution of loans reflects good penetration throughout the assessment area. The bank's assessment area includes four moderate-, 36 middle, and four upper-income census tracts. There are no low- or unknown-income tracts in the assessment area.

An analysis of the dispersion of lending was completed as part of the evaluation. Overall, First Citizens Bank made loans in 43 of the 44 census tracts. Based upon this analysis, there were no conspicuous, unexplained lending gaps in the assessment area.

A detailed discussion of residential real estate loans, small business loans, and small farm loans is provided below.

Residential Real Estate Loans

In 2024, the geographic distribution of residential real estate loans reflects good penetration throughout the assessment area.

First Citizens Bank originated 12.2 percent of its residential real estate loans in the moderate-income census tracts, which is comparable to the percentage of owner-occupied units at 9.7 percent. The bank originated 78.6 percent of its residential real estate loans in middle-income census tracts, which is slightly below the percentage of owner-occupied units at 81.4 percent. In upper-income tracts, the bank originated 9.2 percent of residential real estate loans, which is comparable to owner-occupied units in upper-income census tracts at 8.9 percent.

The following table presents First Citizens Bank’s geographic distribution of residential real estate loans in the Non-MSA Iowa assessment area in 2024.

Distribution of 2024 Residential Lending By Income Level of Geography					
Assessment Area: IA Non MSA					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	12	12.2	1,053	10.3	9.7
Middle	77	78.6	8,092	79.2	81.4
Upper	9	9.2	1,072	10.5	8.9
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>98</b>	<b>100.0</b>	<b>10,216</b>	<b>100.0</b>	<b>100.0</b>

Source: 2024 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area.

In 2023, First Citizens Bank originated 5.8 percent of its small business loans in moderate-income census tracts, which is slightly below the aggregate at 8.6 percent and below the percentage of total businesses in moderate-income tracts at 13.2 percent. The bank originated 89.1 percent of its small business loans in middle-income census tracts, which is above aggregate lenders at 84.2 percent and significantly above the percentage of total businesses in middle-income tracts at 77.1 percent. In upper-income tracts, the bank originated 5.1 percent of small business loans, which is comparable to aggregate lenders at 6.9 percent and below the total number of businesses in upper-

income tracts at 9.6 percent.

Small business lending performance in 2024 was comparable to the bank’s 2023 performance. The bank originated 4.1 percent of its small business loans in moderate-income census tracts, which is below the aggregate at 8.7 percent and the percentage of total businesses in moderate-income tracts at 13.2 percent. The bank originated 90.5 percent of its small business loans by number in middle-income census tracts, which is above aggregate lenders at 83.2 percent and significantly above the percentage of total businesses in middle-income tracts at 77.1 percent. In upper-income tracts, the bank originated 5.3 percent of small business loans, which is comparable to aggregate lenders and below the total number of businesses in upper-income tracts at 7.7 percent and 9.6 percent, respectively.

The following table presents First Citizens Bank’s geographic distribution of small business loans in the Non-MSA Iowa assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography													
Assessment Area: IA Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	36	5.8	8.6	3,467	5.0	6.3	24	4.1	8.7	2,890	4.6	7.6	13.2
<b>Middle</b>	554	89.1	84.2	60,431	87.7	88.0	526	90.5	83.2	54,976	87.2	85.8	77.1
<b>Upper</b>	32	5.1	6.9	5,001	7.3	5.6	31	5.3	7.7	5,162	8.2	6.5	9.6
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.3	0	0.0	0.0	0	0.0	0.4	0	0.0	0.1	
<b>Total</b>	622	100.0	100.0	68,899	100.0	100.0	581	100.0	100.0	63,028	100.0	100.0	100.0

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Small Farm Loans

The geographic distribution of small farm loans reflects good penetration throughout the assessment area.

In 2023, First Citizens Bank originated 2.4 percent of its small farm loans in moderate-income census tracts, which is comparable to both aggregate lenders and the percentage of total farms at 1.3 percent and 2.0 percent, respectively. In middle-income census tracts, the bank originated 85.3 percent of small farm loans, which is below aggregate at 91.2 percent and slightly below the total percentage of farms in middle-income census tracts at 89.3 percent. Further, the bank originated

12.4 percent of small farm loans in upper-income census tracts, which is above aggregate lenders and the percentage of total farms at 7.4 percent and 8.7 percent, respectively.

Small business lending performance in 2024 was comparable to the bank’s 2023 performance. First Citizens Bank originated 2.7 percent of its small farm loans in moderate-income census tracts, which is comparable to both aggregate lenders and the percentage of total farms at 1.8 percent and 2.0 percent, respectively. In middle-income census tracts, the bank originated 83.9 percent of small farm loans, which is below aggregate at 89.8 percent and the total percentage of farms in middle-income census tracts at 89.3 percent. Further, the bank originated 13.4 percent of small farm loans in upper-income census tracts, which is above aggregate lenders and the percentage of total farms at 8.4 percent and 8.7 percent, respectively.

The following table presents First Citizens Bank’s geographic distribution of small farm loans in the Non-MSA Iowa assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Farm Lending By Income Level of Geography													
Assessment Area: IA Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	12	2.4	1.3	1,075	1.5	0.9	14	2.7	1.8	1,417	2.0	1.3	2.0
Middle	434	85.3	91.2	61,767	85.8	91.8	438	83.9	89.8	60,462	85.1	90.6	89.3
Upper	63	12.4	7.4	9,122	12.7	7.3	70	13.4	8.4	9,196	12.9	8.1	8.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	509	100.0	100.0	71,964	100.0	100.0	522	100.0	100.0	71,075	100.0	100.0	100.0

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

### Lending to Borrowers of Different Income Levels and Lending to Businesses and Farms of Different Sizes

First Citizens Bank’s lending activities reflect good penetration among individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

First Citizens Bank exhibits a good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

First Citizens Bank makes extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or moderate-income geographies. Examples of products offered by First Citizens Bank include Freddie Mac Home Possible, Iowa Finance Authority Home Loans, and USDA Rural Housing Loans, which are all designed to assist low- and moderate-income borrowers to become homeowners. The bank has established a portfolio mortgage program to enable borrowers to obtain loans who may not qualify under standard mortgage underwriting guidelines. The bank also participates in a variety of Small Business Administration Loan Programs for the purpose of facilitating small business financing. Further, First Citizens Bank participates in the Farm Service Agency Guaranteed Farm Loan Program and is an approved lender with the Veterans Administration program.

A detailed discussion of residential real estate lending, small business lending, and small farm lending is provided below.

### Residential Real Estate Lending

In 2024, the distribution of residential real estate loans reflects good penetration among individuals of different income levels.

First Citizens Bank originated 11.2 percent of its residential loans to low-income borrowers, which is below the percentage of families by family income at 17.7 percent. To moderate-income borrowers, the bank originated 16.3 percent of its residential real estate loans, which is slightly below the percentage of families by family income at 20.4 percent. The bank originated 27.6 percent of its residential real estate loans to middle-income borrowers, which is above the percentage of families by family income at 23.0 percent, and 43.9 percent of its residential real estate loans to upper-income borrowers, which is slightly above the percentage of families by family income at 39.0 percent. One percent of First Citizens Bank's residential real estate loans were made to borrowers of unknown income.

The following table presents First Citizens Bank's borrower distribution of residential real estate loans in the Non-MSA Iowa assessment area in 2024.

Distribution of 2024 Residential Lending By Borrower Income Level					
Assessment Area: IA Non MSA					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	%	
Low	11	11.2	587	5.7	17.7
Moderate	16	16.3	1,023	10.0	20.4
Middle	27	27.6	3,335	32.6	23.0
Upper	43	43.9	5,221	51.1	39.0
Unknown	1	1.0	50	0.5	0.0
<b>Total</b>	<b>98</b>	<b>100.0</b>	<b>10,216</b>	<b>100.0</b>	<b>100.0</b>

Source: 2024 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Small Business Loans

The distribution of small business loans reflects adequate penetration among businesses of different sizes.

In 2023, First Citizens Bank originated 34.2 percent of small business loans to businesses with revenues of \$1 million or less, which is below aggregate lenders at 41.4 percent and significantly below the percentage of total businesses with revenues of \$1 million or less within the assessment area at 90.6 percent. However, of the loans made to businesses with revenues of \$1 million or less, 85.9 percent were for \$100,000 or less, which are considered most beneficial to small business credit needs.

Small business lending performance in 2024 was comparable to the bank’s 2023 performance. The bank originated 38.6 percent of small business loans to businesses with revenues of \$1 million or less, which is below aggregate lenders at 45.2 percent and significantly below the percentage of total businesses with revenues of \$1 million or less in the assessment area at 90.6 percent. However, of the loans made to businesses with revenues of \$1 million or less, 85.7 percent were for \$100,000 or less, which are considered most beneficial to small business credit needs.

The following table presents First Citizens Bank’s borrower distribution of small businesses loans in the Non-MSA Iowa assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													
Assessment Area: IA Non MSA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	213	34.2	41.4	12,656	18.4	24.3	224	38.6	45.2	12,992	20.6	29.5	90.6
Over \$1 Million	308	49.5		49,121	71.3		284	48.9		43,016	68.2		7.5
Revenue Unknown	101	16.2		7,122	10.3		73	12.6		7,020	11.1		1.9
<b>Total</b>	<b>622</b>	<b>100.0</b>		<b>68,899</b>	<b>100.0</b>		<b>581</b>	<b>100.0</b>		<b>63,028</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	415	66.7	87.5	17,732	25.7	38.9	372	64.0	85.8	16,172	25.7	35.9	
\$100,001 - \$250,000	144	23.2	7.9	22,181	32.2	21.8	153	26.3	9.4	21,964	34.8	24.7	
\$250,001 - \$1 Million	63	10.1	4.6	28,986	42.1	39.2	56	9.6	4.8	24,892	39.5	39.4	
<b>Total</b>	<b>622</b>	<b>100.0</b>	<b>100.0</b>	<b>68,899</b>	<b>100.0</b>	<b>100.0</b>	<b>581</b>	<b>100.0</b>	<b>100.0</b>	<b>63,028</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	183	85.9		5,677	44.9		192	85.7		6,161	47.4		
\$100,001 - \$250,000	20	9.4		3,322	26.2		25	11.2		4,068	31.3		
\$250,001 - \$1 Million	10	4.7		3,657	28.9		7	3.1		2,763	21.3		
<b>Total</b>	<b>213</b>	<b>100.0</b>		<b>12,656</b>	<b>100.0</b>		<b>224</b>	<b>100.0</b>		<b>12,992</b>	<b>100.0</b>		

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

### Small Farm Loans

The distribution of small farm loans reflects good penetration among farms of different sizes.

In 2023, First Citizens Bank originated 78.4 percent of small farm loans to farms with revenues of \$1 million or less, which is significantly above aggregate lenders at 59.7 percent and significantly below the percentage of total farms with revenues of \$1 million or less at 99.4 percent. Of the loans made to farms with revenues of \$1 million or less, 56.6 percent were for \$100,000 or less, which are considered most beneficial to small farm credit needs.

Small farm lending performance in 2024 was comparable to the bank’s 2023 performance. The bank originated 68.4 percent of small farm loans to farms with revenues of \$1 million or less, which is significantly above aggregate lenders at 55.5 percent and significantly below the percentage of total farms with revenues of \$1 million or less at 99.4 percent. Of the loans made to farms with revenues of \$1 million or less, 60.5 percent were for \$100,000 or less, which are considered most beneficial to small farm credit needs.

The following table presents First Citizens Bank’s borrower distribution of small farm loans in the Non-MSA Iowa assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Farm Lending By Revenue Size of Farms													
Assessment Area: IA Non MSA													
	Bank And Aggregate Loans By Year												Total Farms %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	#%	\$(000)	%	%	#	%	#%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	399	78.4	59.7	53,830	74.8	74.4	357	68.4	55.5	44,512	62.6	61.6	99.4
Over \$1 Million	57	11.2		12,695	17.6		121	23.2		23,116	32.5		0.5
Revenue Unknown	53	10.4		5,439	7.6		44	8.4		3,447	4.8		0.1
<b>Total</b>	<b>509</b>	<b>100.0</b>		<b>71,964</b>	<b>100.0</b>		<b>522</b>	<b>100.0</b>		<b>71,075</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	280	55.0	71.9	13,507	18.8	23.5	294	56.3	70.3	12,552	17.7	22.9	
\$100,001 - \$250,000	137	26.9	17.8	24,809	34.5	34.8	139	26.6	19.8	25,001	35.2	37.7	
\$250,001 - \$500,000	92	18.1	10.3	33,648	46.8	41.7	89	17.0	9.9	33,522	47.2	39.4	
<b>Total</b>	<b>509</b>	<b>100.0</b>	<b>100.0</b>	<b>71,964</b>	<b>100.0</b>	<b>100.0</b>	<b>522</b>	<b>100.0</b>	<b>100.0</b>	<b>71,075</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	226	56.6		10,945	20.3		216	60.5		9,415	21.2		
\$100,001 - \$250,000	108	27.1		19,303	35.9		87	24.4		15,210	34.2		
\$250,001 - \$500,000	65	16.3		23,582	43.8		54	15.1		19,887	44.7		
<b>Total</b>	<b>399</b>	<b>100.0</b>		<b>53,830</b>	<b>100.0</b>		<b>357</b>	<b>100.0</b>		<b>44,512</b>	<b>100.0</b>		
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

### Community Development Lending

First Citizens Bank makes a relatively high level community development loans. Within the assessment area the bank originated 11 community development loans totaling \$49.6 million, which is a significant increase of 1,807.7 percent from the bank’s performance in the previous evaluation where \$2.6 million dollars in community development loans were made. Qualified loans were primarily made to projects that focus on revitalizing and stabilizing underserved middle-income census tracts within the assessment area. These loans are particularly responsive to the needs of the community. Qualified loans were also made to organizations that focus on community services and affordable housing. As both community contacts noted a lack of affordable housing in the area, those loans are also particularly responsive.

The following table summarizes First Citizens Bank’s community development lending

performance.

Community Development Loans November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA Iowa	3	6,860	5	5,775	0	0	3	37,000	11	49,635

## INVESTMENT TEST

First Citizens Bank’s performance relative to the Investment Test is Low Satisfactory.

First Citizens Bank made an adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, although rarely in a leadership position. Total dollars invested within the assessment area, as shown in the following table, is roughly \$5.5 million. The nine investments include four current period investments totaling \$3.3 million and five prior period investments totaling \$2.2 million, which is an increase of 103.7 percent from the previous evaluation when the bank made \$2.7 million in current and prior period investments. Additionally, three prior period investments totaling \$1.7 million were made in the broader statewide or regional area that did not benefit the assessment area. These investments are considered as an enhancement to the bank’s community development investment performance in the state of Iowa.

First Citizens Bank makes rare use of innovative and/or complex investments to support community initiatives; however, the institution demonstrates good responsiveness to credit and community development needs. The majority of investments by number were to revitalize or stabilize middle-income underserved census tracts within the assessment area and broader statewide/regional area. These investments were made for the purpose of expanding and enhancing utility infrastructure, public school building construction and rehabilitation, and the purchase of emergency communication equipment. Two investments that make up the majority of the total investments in the assessment area by dollar were made for affordable housing projects. These investments are particularly responsive, as both community representatives noted the availability of affordable housing as a major issue in the area.

The following table summarizes First Citizens Bank’s community development investment performance.

Community Development Investments November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Non-MSA Iowa	2	2,125	3	2,062	0	0	4	1,330	9	5,517
Broader Statewide or Regional - Iowa	0	0	1	561	0	0	2	1,095	3	1,656
Total	2	2,125	4	2,623	0	0	6	2,425	12	7,173

The bank distributed a total of \$682,150 in qualified grants and donations in the current evaluation period. This is an increase of 153.0 percent since the previous evaluation when the bank made \$269,650 in grants and donations. A significant majority of grants and contributions were distributed among organizations providing community services, such as food banks and homeless shelters.

The following table summarizes First Citizens Bank’s community development donation performance.

Community Development Donations November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Non-MSA Iowa	2	10,000	85	346,000	10	168,950	34	157,200	131	682,150

**SERVICE TEST**

First Citizens Bank’s performance relative to the Service Test is High Satisfactory.

First Citizens Bank’s delivery systems are accessible to geographies and individuals of different income levels in its Non-MSA Iowa assessment area; the bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems; services do not vary in a way that inconveniences its assessment area; and the bank provides an adequate level of community development services.

**Retail Services**

First Citizens Bank’s retail delivery services are accessible to geographies and individuals of different income levels. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies or to low- or moderate-income individuals. Its services, including business hours, do not vary in a way that inconveniences its assessment area, particularly

moderate-income geographies or low- or moderate-income individuals.

For a substantial majority of the review period, the bank operated from seven locations and seven automated teller machines (ATMs), two of which are cash-only. As previously mentioned, the bank closed one branch with a cash-only ATM located in a middle-income census tract in Kanawha (Hancock County) Iowa on November 21, 2025. However, because it was open for a majority of the evaluation period, it will be considered as part of the bank's operations during this evaluation and is included in the total number of branches and ATMs. The branch closure was due to the increased use of digital banking and declining population in the community that utilized the branch. Additionally, the stand-alone cash-only ATM located in a moderate-income census tract in Cerro Gordo County was closed on April 8, 2024. As it was closed for a majority of the evaluation period, it is not considered in this evaluation or reflected in the number of ATMs. While this closure occurred in a moderate-income tract, it does not adversely affect low- or moderate-income consumers or moderate-income geographies as the institution operates a full-service branch with an ATM in the same tract. There is currently one branch in a moderate-income census tract or 14.3 percent of total branches in the assessment area and six branches in middle-income census tracts or 85.7 percent.

Bank locations are open Monday through Friday with opening hours between 8:00 a.m. and 9:00 a.m. and closing hours between 3:00 p.m. and 5:00 p.m., varying by location. The singular branch located in a moderate-income census tract is open Monday through Thursday from 9:00 a.m. to 4:00 p.m., with extended hours on Friday from 9:00 a.m. to 5:00 p.m. The branch in Kanawha had lobby hours by appointment only Monday through Friday and no Saturday drive through availability. All other locations offer drive-up services Monday through Saturday. Products and services are consistent among all branches. Additionally, the bank offers services through its website (<https://myfcb.bank>) and mobile banking application.

### **Community Development Services**

First Citizens Bank provides an adequate level of community development services. Employees provided 555 hours in the Non-MSA Iowa or 82.3 percent of the bank's 674 total hours of qualified community development services. The service hours took the form of leadership roles on boards and committees, as well as for financial literacy purposes. Compared to performance at the previous evaluation (482 hours), service hours in the assessment area increased by 15.1 percent.

The following table summarizes First Citizen Bank's community development service performance.

<b>Community Development Services</b> <b>November 14, 2023, through January 26, 2026</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize/ Stabilize</b>	<b>Total Hours</b>
	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	
Non-MSA Iowa	67	295	118	75	555

## MINNESOTA

### **CRA RATING FOR MINNESOTA: Satisfactory**

**The Lending Test is rated:** Low Satisfactory

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** High Satisfactory

#### **Lending Test:**

- The geographic distribution of loans reflects poor penetration throughout the assessment area;
- The distribution of borrowers reflects, given the product lines offered, excellent penetration among individuals of different income levels and business and farms of different sizes;
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses and farms;
- The bank made a low level of community development loans; and
- Limited use of innovative and/or flexible lending practices in serving assessment area credit needs of low-or moderate-income individuals or geographies.

#### **Investment Test:**

- A poor level of qualified community development investments and grants, particularly those not routinely provided by private investors, although rarely in a leadership position;
- The bank made rare use of innovative and/or complex investments to support community development initiatives; and
- The bank exhibits adequate responsiveness to credit and community development.

#### **Service Test:**

- The bank service delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment areas;
- To the extent changes have been made, its record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and to low- and moderate-income individuals;
- The bank's services and business hours do not vary in a way that inconveniences the needs of its assessment area. Particularly to moderate-income geographies and/or low- and moderate-income individuals; and
- The bank provides an adequate level of community development services.

## SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate First Citizen Bank's performance in the Non-MSA Minnesota assessment area. The performance criteria and review periods are consistent with the scope described in the overall scope of the Performance Evaluation. The state of Minnesota is comprised of only one assessment area, the Non-MSA Minnesota. Therefore, the state lending, investment, and service conclusions are described in the assessment area analysis below.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-METROPOLITAN MINNESOTA<sup>1</sup>

First Citizens Bank's Non-MSA Minnesota assessment area is comprised of the following contiguous counties: Kanabec County in its entirety, five of nine census tracts in Isanti County, and three of nine census tracts in Pine County. Isanti County is part of the Minneapolis-St. Paul-Bloomington, MN-WI MSA 33460 (Minneapolis MSA). There have been no changes to the assessment area since the previous evaluation on November 13, 2023. The bank has a single branch location with a full-service ATM located in a moderate-income census tract in Mora, Minnesota. There have been no changes to delivery systems in the assessment area since the previous evaluation. Similar to the previous evaluation, there are no distressed or underserved middle-income census tracts within the assessment area.

The June 30, 2024, FDIC Deposit Market Share report ranks First Citizens Bank first out of 12 FDIC-insured institutions operating in the bank's assessment area with 14.3 percent of the market's deposits. Northview Bank and Frandsen Bank & Trust are second and third in market share at 13.8 percent and 12.7 percent, respectively. For reference, the 12 total FDIC-insured depository institutions operating in the assessment area maintain a total of 24 branch offices; First Citizens Bank's one branch office represent 4.2 percent of all branch locations in the assessment area. From a 2024 lending perspective, which is the most recent data available for all institutions, First Citizens Bank ranks third among 50 CRA loan reporters in the assessment area with 101 originations. Leading CRA loan reporters in the market are American Express and JP Morgan Chase Bank who ranked first and second with 126 and 106 originations, respectively.

### *Tract Designation Change Data*

*The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-*

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<sup>1</sup> Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

2020.

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2021 Designations (#)</b>	<b>2022 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	0	0	0
<b>Moderate</b>	5	5	0
<b>Middle</b>	6	7	+1
<b>Upper</b>	0	0	0
<b>Total</b>	11	12	+1
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

Additional demographic information is provided in the following table.

2024 MN Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,074	25.4
Moderate	5	41.7	4,650	38.4	366	7.9	2,698	22.3
Middle	7	58.3	7,455	61.6	388	5.2	2,799	23.1
Upper	0	0.0	0	0.0	0	0.0	3,534	29.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>12</b>	<b>100.0</b>	<b>12,105</b>	<b>100.0</b>	<b>754</b>	<b>6.2</b>	<b>12,105</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,429	5,292	35.5	62.8	2,306	27.4	831	9.9
Middle	13,551	9,616	64.5	71.0	1,552	11.5	2,383	17.6
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>21,980</b>	<b>14,908</b>	<b>100.0</b>	<b>67.8</b>	<b>3,858</b>	<b>17.6</b>	<b>3,214</b>	<b>14.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	761	44.7	680	43.6	65	58.0	16	47.1
Middle	943	55.3	878	56.4	47	42.0	18	52.9
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,704</b>	<b>100.0</b>	<b>1,558</b>	<b>100.0</b>	<b>112</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.4</b>		<b>6.6</b>		<b>2.0</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	35	25.9	33	24.8	2	100.0	0	0.0
Middle	100	74.1	100	75.2	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>135</b>	<b>100.0</b>	<b>133</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.5</b>		<b>1.5</b>		<b>0.0</b>
<p>Source: 2024 FFIEC Census Data 2024 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

### Population Characteristics

The following table presents the population trends for the individual counties that make up the assessment area, the Minneapolis MSA, and the state of Minnesota from 2015-2020. According to the U.S. Census Bureau demographic data, the assessment area’s population in 2020 is 47,619. Isanti County, which is the most populated of the three counties, has experienced the largest population growth at 7.4 percent, which is comparable to the Minneapolis MSA as a whole at 7.2 percent and higher than the state of Minnesota at 5.3 percent. The other two counties, Kanabec and Pine counties, experienced stagnant population growth, at 0.2 percent and -1.2 percent, respectively. A community representative noted that these population trends are due to the proximate location of the counties in relation to the Minneapolis MSA. Isanti is part of the Minneapolis MSA, providing residents with the opportunity to commute into Minneapolis and St. Paul for work or leisure activities. The representative emphasized the remote rural nature of Kanabec and Pine counties, with residents moving into Isanti or other counties in the Minneapolis MSA for easier access to the cities.

Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Isanti County, MN	38,296	41,135	7.4
Kanabec County, MN	16,003	16,032	0.2
Pine County, MN	29,218	28,876	-1.2
Minneapolis-St. Paul-Bloomington, MN-WI MSA	3,443,769	3,690,261	7.2
Minnesota	5,419,171	5,706,494	5.3

*Source: 2011-2015 U.S. Census Bureau American Community Survey  
2020 U.S. Census Bureau Decennial Census*

### Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 12,105 families. By income category, 25.4 percent are designated as low-income, and 22.3 percent are moderate-income. Families living below the poverty line represent 6.2 percent of total families residing within the assessment area, which is comparable to Non-MSA Minnesota at 6.7 percent and the state of Minnesota at 5.6 percent.

The following table compares the MFI for the counties comprising the assessment area, the Minneapolis MSA, and the state of Minnesota. According to the U.S. Census Bureau, Pine County experienced the largest MFI increase at 17.9 percent, slightly outpacing Kanabec County at 15.3 percent. However, the Minneapolis MSA has a significantly higher MFI at \$103,977 than Pine and Kanabec counties. Of the three counties, Isanti County has the highest MFI at \$86,442, less than the state overall at \$92,692. The community representative noted that many residents in Isanti County

commute into Minneapolis and St. Paul where there is opportunity for higher wages, which results in a higher MFI for the county. According to the representative, residents of Kanabec and Pine counties don't typically commute into the cities due to their proximity and the lack of an interstate highway system connecting the counties to the metropolitan area. The representative attributed the increase in MFI in Kanabec and Pine counties to the entrance of large corporations such as fast-food retailers and convenience store chains that did not exist in the counties previously.

<b>Median Family Income Change (MFI)</b>			
<b>Area</b>	<b>2015 MFI (\$)</b>	<b>2020 MFI (\$)</b>	<b>Percent Change (%)</b>
Isanti County, MN	77,697	86,442	11.3
Kanabec County, MN	61,922	71,371	15.3
Pine County, MN	58,494	68,972	17.9
Minneapolis-St. Paul-Bloomington, MN-WI MSA	92,420	103,977	12.5
Minnesota	84,188	92,692	10.1

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey  
2016 - 2020 U.S. Census Bureau American Community Survey  
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

### Housing Characteristics

There is a total of 21,980 housing units in the assessment area. Most of the housing units are owner-occupied at 67.8 percent, while 17.6 percent are rental units, and 14.6 percent are vacant.

The following table presents the recent housing cost burden within the counties that comprise the assessment area, the Minneapolis MSA, and the state of Minnesota. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. While a significant percentage of low-income renters experience housing cost burden in Isanti County (68.9 percent), the Minneapolis MSA (75.4 percent), and the state of Minnesota (72.7 percent), these numbers drop considerably for moderate-income renters at 28.4 percent, 32.2 percent, and 30.1 percent, respectively. In contrast, while Kanabec County has the lowest percentage of low-income renters experiencing housing cost burden across the included geographies, this figure drops by only 5.0 percent for moderate-income renters. Similar trends can be seen among low- and moderate-income owners in the assessment area, although there is a much larger decrease in the percentage of burdened moderate-income owners in Kanabec County than renters. Owners in Isanti County experience housing cost burden at 20.3 percent, which is slightly lower than Pine and Kanabec counties at 21.1 percent and 22.4 percent, respectively. Fewer owners in the Minneapolis MSA and the state of Minnesota experience housing cost burden at 16.9 percent and 16.7 percent, respectively. A community representative noted that property values in Isanti County are higher than in Kanabec and Pine counties due to their proximity to the Minneapolis MSA. They also noted there is a need for affordable and workforce housing in the three counties comprising the assessment area. While the

representative noted apartment complexes are being built in Kanabec and Pine counties, it's unclear at this time whether these will be market rate or affordable housing.

<b>Housing Cost Burden</b>						
<b>Area</b>	<b>Cost Burden (%) - Renters</b>			<b>Cost Burden (%) - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Isanti County, MN	68.9	28.4	44.0	61.2	28.1	20.3
Kanabec County, MN	43.8	38.8	30.1	67.8	33.2	22.4
Pine County, MN	59.0	39.0	39.9	58.8	27.4	21.1
Minneapolis-St. Paul-Bloomington, MN-WI MSA	75.4	32.2	42.3	63.3	31.9	16.9
Minnesota	72.7	30.1	41.5	61.2	29.0	16.7
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

A characteristic not reflected in the above table is the age of housing stock in the assessment area. The median age of housing stock in the assessment area is 43 years. A community representative noted that a significant portion of housing stock in the area needs rehabilitation.

### **Employment Conditions**

The following table presents unemployment data between 2020 and 2024 in the counties that comprise the assessment area, the Minneapolis MSA, and the state of Minnesota. Unemployment rates were high in 2020 due to the widespread economic downturn caused by the COVID-19 pandemic. Since then, unemployment rates have stabilized. Over the past five years (2020-2024), Kanabec and Pine counties have maintained a higher unemployment rate than Isanti County, the Minneapolis MSA, and the state of Minnesota, with peak unemployment at 9.1 percent and 9.6 percent, respectively, in 2020. A community representative noted that there are few employment opportunities within Kanabec and Pine counties. The representative stated that unemployment rates in the three counties typically go up during winter months due to a concentration of seasonal workers.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Isanti County, MN	6.8	4.3	3.0	3.6	4.0
Kanabec County, MN	9.1	6.2	4.9	5.6	5.7
Pine County, MN	9.6	5.9	4.6	5.4	5.5
Minneapolis-St. Paul-Bloomington, MN-WI MSA	6.4	3.6	2.3	2.6	2.9
Minnesota	6.3	3.7	2.5	2.8	3.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

### Industry Characteristics

According to the U.S. Bureau of Labor Statistics, healthcare and social assistance positions are the largest private sector employers in the assessment area, accounting for 23.4 percent of the private sector workforce. Retail trade positions are the next largest group at 20.8 percent, with accommodation and food services following at 12.8 percent of the private sector workforce. When factoring in government employment, the public sector would be the largest employer in the assessment area. A community representative noted that there is a shortage of skilled workers in the area, leaving hospitals and manufacturers understaffed. While Pine County is home to a community and technical college, the representative noted a need for additional workforce training in the area.

### Community Representatives

One community representative, with a focus on economic development, was contacted to increase understanding of the credit needs and market conditions of the assessment area. The representative emphasized the rural nature of the area, especially Kanabec and Pine counties. They noted that many residents of Isanti County commute into Minneapolis and St. Paul for more employment opportunities and higher wages. The representative stated that there is less access to the cities for residents of Kanabec and Pine counties due to the lack of an interstate highway system connecting the counties to the MSA, limiting job prospects for residents of these counties. The representative noted a lack of available childcare in the area, resulting in parents being forced out of the labor force to care for their children. The representative identified the need for home rehabilitation loans, especially for residents of Kanabec and Pine counties where there are more properties in need of repair.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS NON-METROPOLITAN MINNESOTA

### LENDING TEST

First Citizens Bank's performance relative to the lending test is Low Satisfactory.

For the geographic and borrower distribution analysis, small business and small farm lending received greater weight than residential real estate lending when determining ratings given First Citizens Bank's lending activity in 2023 and 2024. In addition, when determining performance, the comparison to aggregate lender figures were weighted more heavily than the assessment area demographics (i.e., families by family income or total businesses/farms) as it is a better measure of loan demand.

The geographic distribution of loans reflects poor penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, excellent penetration among individuals of different income levels and businesses and farms of different sizes. The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses and farms and made a low level of community development loans. Further, the bank makes limited use of innovative and/or flexible lending practices in serving assessment area credit needs.

### Geographic Distribution of Loans

First Citizens Bank's geographic distribution of loans reflects poor penetration throughout the assessment area. The bank's assessment area includes five moderate- and seven middle-income census tracts. There are no low-, upper-, or unknown-income tracts in the assessment area.

An analysis of the dispersion of lending was completed as part of the evaluation. Overall, First Citizen Bank made loans in nine of the 12 census tracts. Of the three tracts that had no loans, two were moderate-income tracts. The two moderate-income tracts with no lending activity are at the southernmost tip of the assessment area, closest to the Minneapolis MSA, where there is a significant amount of competition. Based upon this analysis, there were no conspicuous, unexplained lending gaps in the assessment area.

A detailed discussion of residential real estate loans, small business loans, and small farm loans is provided below.

### Residential Real Estate Loans

In 2024, the geographic distribution of residential real estate loans reflects adequate penetration throughout the assessment area.

First Citizen Bank originated 12.5 percent of its residential real estate loans in the moderate-income census tracts, which is significantly below the percentage of owner-occupied units at 35.5 percent. The bank originated 87.5 percent of its residential real estate loans in middle-income census tracts, which is significantly above the percentage of owner-occupied units at 64.5 percent.

The following table presents First Citizen Bank’s geographic distribution of residential real estate loans in the Non-MSA Minnesota assessment area in 2024.

Distribution of 2024 Residential Lending By Income Level of Geography					
Assessment Area: MN Non MSA					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	1	12.5	45	6.2	35.5
Middle	7	87.5	686	93.8	64.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>731</b>	<b>100.0</b>	<b>100.0</b>

Source: 2024 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area.

In 2023, First Citizen Bank originated 12.6 percent of its small business loans in moderate-income census tracts, which is significantly below both aggregate lenders at 36.8 percent and the percentage of total businesses in moderate-income tracts at 44.7 percent. The bank originated 87.4 percent of its small business loans by number in middle-income census tracts, which is significantly above aggregate lenders at 63.1 percent and the percentage of total businesses in middle-income tracts at 55.3 percent.

Small business lending performance in 2024 was comparable to the bank’s 2023 performance. The bank originated 15.8 percent of its small business loans in moderate-income census tracts, which is significantly below the aggregate at 36.2 percent and the percentage of total businesses in moderate-income tracts at 44.7 percent. The bank originated 84.2 percent of its small business loans in middle-income census tracts, which is significantly above aggregate lenders at 63.8 percent and the percentage of total businesses in middle-income tracts at 55.3 percent.

The following table presents First Citizen Bank’s geographic distribution of small business loans in the Non-MSA Minnesota assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography													
Assessment Area: MN Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	11	12.6	36.8	300	4.8	46.0	9	15.8	36.2	274	8.6	38.9	44.7
Middle	76	87.4	63.1	5,923	95.2	53.9	48	84.2	63.8	2,902	91.4	61.1	55.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.2	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	87	100.0	100.0	6,223	100.0	100.0	57	100.0	100.0	3,176	100.0	100.0	100.0

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Small Farm Loans

The geographic distribution of small farm loans reflects poor penetration throughout the assessment area.

In 2023, First Citizen Bank originated 6.0 percent of its small farm loans in moderate-income census tracts, which is significantly below both aggregate lenders and the percentage of total farms in moderate-income census tracts at 23.2 percent and 25.9 percent, respectively. In middle-income census tracts, the bank originated 94.0 percent of small farm loans, which is significantly above both aggregate lenders at 76.0 percent and the total percentage of farms in middle-income census tracts at 74.1 percent.

Small farm lending performance in 2024 was comparable to the bank’s 2023 performance. The bank originated 2.3 percent of its small farm loans in moderate-income census tracts, which is significantly below both aggregate lenders and the percentage of total farms in moderate-income census tracts at 20.2 percent and 25.9 percent, respectively. In middle-income census tracts, the bank originated 97.7 percent of small farm loans, which is significantly above both aggregate at 79.8 percent and the total percentage of farms in middle-income census tracts at 74.1 percent.

The following table presents First Citizen Bank’s geographic distribution of small farm loans in the Non-MSA Minnesota assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Farm Lending By Income Level of Geography													
Assessment Area: MN Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	6.0	23.2	87	3.1	34.5	1	2.3	20.2	19	1.0	34.5	25.9
Middle	47	94.0	76.0	2,740	96.9	65.5	43	97.7	79.8	1,841	99.0	65.5	74.1
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.8	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	50	100.0	100.0	2,827	100.0	100.0	44	100.0	100.0	1,860	100.0	100.0	100.0

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Lending to Borrowers of Different Income Levels and Lending to Businesses and Farms of Different Sizes

First Citizens Bank’s lending activities reflect excellent penetration among individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

First Citizens Bank exhibits an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations. First Citizens Bank makes limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or moderate-income geographies. Examples of flexible products offered by the bank include the following: USDA Rural Housing Loans, which are designed to assist low- and moderate-income borrowers to become homeowners. Additionally, the bank has established a portfolio mortgage program to enable borrowers to obtain loans who may not qualify under standard mortgage underwriting guidelines. Further, the bank participates in the Farm Service Agency Guaranteed Farm Loan Program.

A detailed discussion of residential real estate lending, small business lending, and small farm lending is provided below.

Residential Real Estate Loans

In 2024, the distribution of residential real estate loans reflects adequate penetration among individuals of different income levels.

First Citizen Bank originated 12.5 percent of its residential loans by number to low-, moderate-, and middle-income borrowers, which is significantly below the percentage of families by family income at 25.4 percent, 22.3 percent, and 23.1 percent, respectively. The bank originated 50.0 percent of its residential real estate loans by number to upper-income borrowers, which is significantly above the percentage of families by family income at 29.2 percent. The bank also originated 12.5 percent of its residential real estate loans by number to borrowers of unknown income.

The following table presents First Citizen Bank’s borrower distribution of residential real estate loans in the Non-MSA Minnesota assessment area in 2024.

Distribution of 2024 Residential Lending By Borrower Income Level					
Assessment Area: MN Non MSA					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	%	
Low	1	12.5	50	6.8	25.4
Moderate	1	12.5	45	6.2	22.3
Middle	1	12.5	45	6.2	23.1
Upper	4	50.0	447	61.1	29.2
Unknown	1	12.5	144	19.7	0.0
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>731</b>	<b>100.0</b>	<b>100.0</b>

Source: 2024 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes.

In 2023, First Citizen Bank originated 73.6 percent of small business loans to businesses with revenues of \$1 million or less, which is significantly above aggregate lenders at 52.6 percent and significantly below the percentage of total businesses with revenues of \$1 million or less at 91.4 percent. Of the loans made to businesses with revenues of \$1 million or less, 96.9 percent were for \$100,000 or less, which are considered most beneficial to small business credit needs.

Small business lending in 2024 exceeded 2023 performance. The bank originated 91.2 percent of small business loans to businesses with revenues of \$1 million or less, which is significantly above

aggregate lenders at 52.4 percent and consistent with the percentage of total businesses with revenues of \$1 million or less at 91.4 percent. Of the loans made to businesses with revenues of \$1 million or less, 90.4 percent were for \$100,000 or less, which are considered most beneficial to small business credit needs.

The following table presents First Citizen Bank’s borrower distribution of small businesses loans in the Non-MSA Minnesota assessment area in 2023 and 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													Total Businesses %
Assessment Area: MN Non MSA													
Bank And Aggregate Loans By Year													
2023						2024							
Bank		Agg		Bank		Agg		Bank		Agg			
#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%		
By Revenue													
\$1 Million or Less	64	73.6	52.6	2,151	34.6	29.7	52	91.2	52.4	2,676	84.3	36.5	91.4
Over \$1 Million	22	25.3		4,053	65.1		5	8.8		500	15.7		6.6
Revenue Unknown	1	1.1		19	0.3		0	0.0		0	0.0		2.0
<b>Total</b>	<b>87</b>	<b>100.0</b>		<b>6,223</b>	<b>100.0</b>		<b>57</b>	<b>100.0</b>		<b>3,176</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	77	88.5	90.6	2,406	38.7	33.4	51	89.5	90.4	1,722	54.2	33.5	
\$100,001 - \$250,000	5	5.7	5.1	751	12.1	18.7	3	5.3	5.6	373	11.7	22.2	
\$250,001 - \$1 Million	5	5.7	4.2	3,066	49.3	47.9	3	5.3	4.0	1,081	34.0	44.2	
<b>Total</b>	<b>87</b>	<b>100.0</b>	<b>100.0</b>	<b>6,223</b>	<b>100.0</b>	<b>100.0</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	<b>3,176</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	62	96.9		1,749	81.3		47	90.4		1,522	56.9		
\$100,001 - \$250,000	1	1.6		102	4.7		3	5.8		373	13.9		
\$250,001 - \$1 Million	1	1.6		300	13.9		2	3.8		781	29.2		
<b>Total</b>	<b>64</b>	<b>100.0</b>		<b>2,151</b>	<b>100.0</b>		<b>52</b>	<b>100.0</b>		<b>2,676</b>	<b>100.0</b>		
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

### Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes.

In 2023, First Citizen Bank originated 90.0 percent of small farm loans to farms with revenues of \$1 million or less, which is significantly above aggregate lenders at 72.8 percent and below the percentage of total farms with revenues of \$1 million or less at 98.5 percent. Of the loans made to farms with revenues of \$1 million or less, 84.4 percent were for \$100,000 or less, which are

considered most beneficial to small farm credit needs.

Small farm lending in 2024 was comparable to the bank’s 2023 performance. The bank originated 95.5 percent of small farm loans to farms with revenues of \$1 million or less, which is significantly above aggregate lenders at 79.8 percent and comparable to the percentage of total farms with revenues of \$1 million or less at 98.5 percent. Of the loans made to farms with revenues of \$1 million or less, 90.5 percent were for \$100,000 or less, which are considered most beneficial to small farm credit needs.

The following table presents First Citizen Bank’s borrower distribution of small farm loans in the Non-MSA Minnesota assessment area in 2023 and 2024.

<b>Distribution of 2023 and 2024 Small Farm Lending By Revenue Size of Farms</b>													
<b>Assessment Area: MN Non MSA</b>													
	<b>Bank And Aggregate Loans By Year</b>												<b>Total Farms %</b>
	<b>2023</b>						<b>2024</b>						
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	
<b>By Revenue</b>													
<b>\$1 Million or Less</b>	45	90.0	72.8	2,210	78.2	78.4	42	95.5	79.8	1,712	92.0	88.3	98.5
<b>Over \$1 Million</b>	5	10.0		617	21.8		2	4.5		148	8.0		1.5
<b>Revenue Unknown</b>	0	0.0		0	0.0		0	0.0		0	0.0		0.0
<b>Total</b>	50	100.0		2,827	100.0		44	100.0		1,860	100.0		100.0
<b>By Loan Size</b>													
<b>\$100,000 or Less</b>	40	80.0	81.6	1,264	44.7	39.7	39	88.6	84.0	1,138	61.2	40.7	
<b>\$100,001 - \$250,000</b>	10	20.0	12.8	1,563	55.3	29.4	5	11.4	10.9	722	38.8	26.9	
<b>\$250,001 - \$500,000</b>	0	0.0	5.6	0	0.0	30.9	0	0.0	5.0	0	0.0	32.4	
<b>Total</b>	50	100.0	100.0	2,827	100.0	100.0	44	100.0	100.0	1,860	100.0	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
<b>\$100,000 or Less</b>	38	84.4		1,107	50.1		38	90.5		1,106	64.6		
<b>\$100,001 - \$250,000</b>	7	15.6		1,103	49.9		4	9.5		606	35.4		
<b>\$250,001 - \$500,000</b>	0	0.0		0	0.0		0	0.0		0	0.0		
<b>Total</b>	45	100.0		2,210	100.0		42	100.0		1,712	100.0		

Source: 2024 FFIEC Census Data  
2024 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

### Community Development Lending

First Citizens Bank makes a low level community development loans. Within the assessment area,

the bank originated three community development loans for \$607,400. This is a significant decrease (76.6 percent) by dollar amount from the previous evaluation, where the bank originated two community development loans for \$2.6 million. However, the bank made a majority of its qualified loans to affordable housing projects. These are particularly responsive to community needs, as community representatives noted the lack of affordable housing in the area.

The following table summarizes First Citizens Bank’s community development lending performance.

Community Development Loans November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA Minnesota	2	532	0	0	0	0	1	75	3	607

## INVESTMENT TEST

First Citizens Bank’s performance relative to the investment test is Low Satisfactory.

First Citizens Bank made a poor level of qualified community development investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position; and made rare use of innovative and/or complex investments to support community initiatives. The bank made three current period investments in the assessment area totaling approximately \$1.0 million, which is a decrease from the previous evaluation when the bank made roughly \$2.5 million in current and prior period investments in the assessment area. However, the majority of investment dollars were made for affordable housing projects during this evaluation period. As the community representative noted, there is a lack of affordable housing in the assessment area, making these investments particularly responsive. The bank demonstrates adequate responsiveness to credit and community development needs.

The following table summarizes First Citizens Bank’s community development investment performance.

Community Development Investments November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Non-MSA Minnesota	1	775	2	259	0	0	0	0	3	1,034

The bank distributed a total of \$70,500 in qualified grants and donations in the current evaluation

period, which is an increase of 139.0 percent since the previous evaluation when the bank made \$29,500 in qualified grants and donations. All the grants were distributed to organizations providing community services, such as food pantries.

The following table summarizes First Citizens Bank’s community development donation performance.

Community Development Donations November 14, 2023, through January 26, 2026										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Non-MSA Minnesota	0	0	14	70,500	0	0	0	0	14	70,500

## SERVICE TEST

First Citizens Bank’s performance relative to the service test is High Satisfactory.

First Citizens Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its Non-MSA Minnesota assessment area; the bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems; services do not vary in a way that inconveniences its assessment area; and the bank provides an adequate level of community development services.

### Retail Services

First Citizens Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its Non-MSA Minnesota assessment area. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies or to low- or moderate-income individuals. Its services, including business hours, do not vary in a way that inconveniences its assessment area, particularly in moderate-income geographies or low- or moderate-income individuals.

First Citizens Bank has not closed or opened branch locations in Minnesota since the previous evaluation. In the Non-MSA Minnesota assessment area the bank operates one branch location with a full-service ATM, located in a moderate-income census tract. The lobby is open Monday through Friday from 9:00 a.m. to 4:00 p.m. with extended hours to 5:00 p.m. on Friday. Drive-up service hours are broader – Monday through Friday 7:30 a.m. to 5:00 p.m. and Saturday 8:00 a.m. to 12:00 p.m. Products and services are consistent with all other branches. Additionally, the bank offers services through its website (<https://myfcb.bank>) and mobile banking application.

### Community Development Services

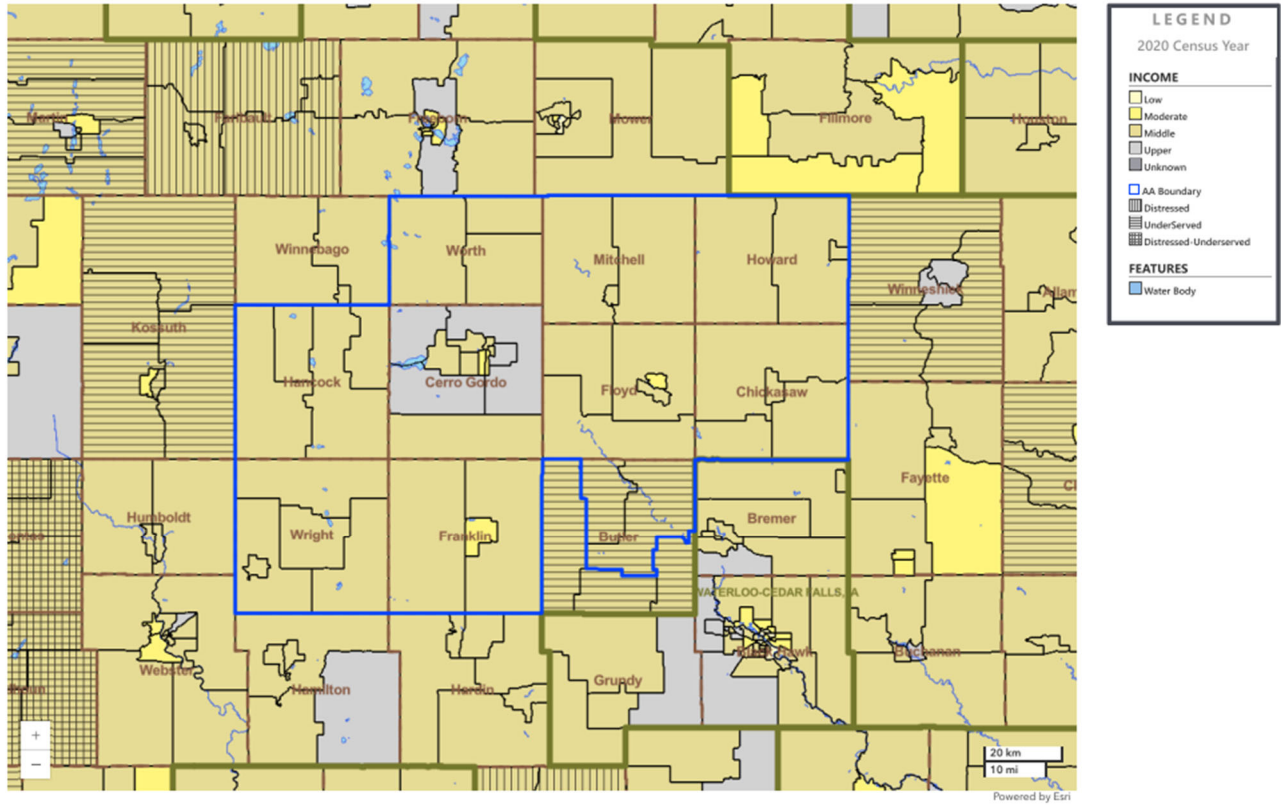
First Citizens Bank provides an adequate level of community development services. Employees provided 119 hours in the Non-MSA Minnesota or 17.7 percent, of the bank’s 674 total hours of qualified community development services. All service hours were for community service organizations; the majority of the hours were in leadership positions serving as a board member. Compared to performance at the previous evaluation (66 hours), the bank’s performance in the assessment area increased by 80.3 percent.

The following table summarizes First Citizens Bank’s community development service performance.

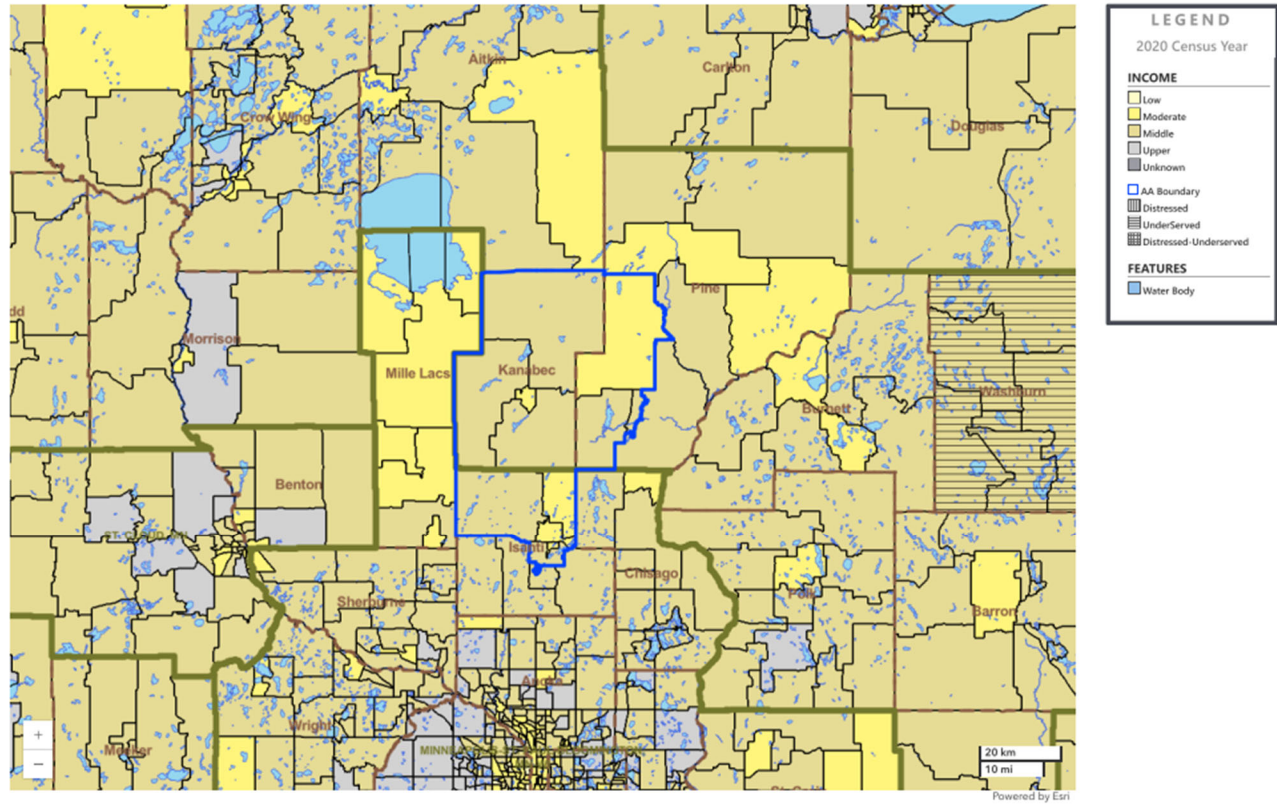
Community Development Services November 14, 2023, through January 26, 2026					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Non-MSA Minnesota	0	119	0	0	119

### APPENDIX A – Maps of Assessment Areas

#### Non-MSA Iowa



### Non-MSA Minnesota



**APPENDIX B – 2023 Assessment Area Demographics Tables**

2023 IA Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,697	17.7
Moderate	4	9.1	4,173	11.0	629	15.1	7,729	20.4
Middle	36	81.8	30,278	79.8	1,923	6.4	8,718	23.0
Upper	4	9.1	3,475	9.2	128	3.7	14,782	39.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>44</b>	<b>100.0</b>	<b>37,926</b>	<b>100.0</b>	<b>2,680</b>	<b>7.1</b>	<b>37,926</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,252	4,325	9.7	52.4	2,983	36.1	944	11.4
Middle	53,006	36,229	81.4	68.3	11,024	20.8	5,753	10.9
Upper	6,711	3,976	8.9	59.2	1,425	21.2	1,310	19.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>67,969</b>	<b>44,530</b>	<b>100.0</b>	<b>65.5</b>	<b>15,432</b>	<b>22.7</b>	<b>8,007</b>	<b>11.8</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	907	12.5	799	12.2	92	16.2	16	11.9
Middle	5,676	78.1	5,121	78.0	446	78.7	109	80.7
Upper	688	9.5	649	9.9	29	5.1	10	7.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>7,271</b>	<b>100.0</b>	<b>6,569</b>	<b>100.0</b>	<b>567</b>	<b>100.0</b>	<b>135</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.3</b>		<b>7.8</b>		<b>1.9</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	34	1.9	34	1.9	0	0.0	0	0.0
Middle	1,600	89.7	1,589	89.7	10	90.9	1	100.0
Upper	150	8.4	149	8.4	1	9.1	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,784</b>	<b>100.0</b>	<b>1,772</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.3</b>		<b>0.6</b>		<b>0.1</b>
<i>Source: 2023 FFIEC Census Data 2023 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

2023 MN Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,076	25.4
Moderate	5	41.7	4,650	38.4	366	7.9	2,698	22.3
Middle	7	58.3	7,455	61.6	388	5.2	2,800	23.1
Upper	0	0.0	0	0.0	0	0.0	3,531	29.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>12</b>	<b>100.0</b>	<b>12,105</b>	<b>100.0</b>	<b>754</b>	<b>6.2</b>	<b>12,105</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,429	5,292	35.5	62.8	2,306	27.4	831	9.9
Middle	13,551	9,616	64.5	71.0	1,552	11.5	2,383	17.6
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>21,980</b>	<b>14,908</b>	<b>100.0</b>	<b>67.8</b>	<b>3,858</b>	<b>17.6</b>	<b>3,214</b>	<b>14.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	895	45.8	800	44.7	79	61.2	16	44.4
Middle	1,059	54.2	989	55.3	50	38.8	20	55.6
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,954</b>	<b>100.0</b>	<b>1,789</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.6</b>		<b>6.6</b>		<b>1.8</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	37	25.9	35	24.8	2	100.0	0	0.0
Middle	106	74.1	106	75.2	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>143</b>	<b>100.0</b>	<b>141</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.6</b>		<b>1.4</b>		<b>0.0</b>
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**APPENDIX C – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	Residential real estate loans: January 1, 2024, through December 31, 2024 CRA-reportable loans: January 1, 2023, through December 31, 2024 Community development activities: November 14, 2023, through January 26, 2026		
<b>FINANCIAL INSTITUTION</b>			<b>PRODUCTS REVIEWED</b>
First Citizens Bank			Residential Real Estate Loans Small Business Loans Small Farm Loans
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa Non-MSA Iowa	Full scope	None	Large Bank – Non-HMDA Reporter

Minnesota Non-MSA Minnesota	Full scope	None	Large Bank – Non-HMDA Reporter
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## APPENDIX D – Glossary

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

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**American Community Survey Data (ACS):** The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.<sup>2</sup>

**Area Median Income (AMI):** AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment area:** Assessment area means a geographic area delineated in accordance with section 228.41

**Automated teller machine (ATM):** An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

**Bank:** Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

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<sup>2</sup> Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

**Branch:** Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini branch in a grocery store or a branch operating in conjunction with any other local business or nonprofit organization.

**Census tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 people, 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.

**Combined Statistical Area (CSAs):** Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

**Community Development:** The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. 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
4. Activities that revitalize or stabilize low- or moderate-income geographies.

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

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or 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 services including the needs of low- and moderate-income individuals.

**Community Development Loan:** A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
  - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
  - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

**Community Development Service:** A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

**Consumer loan:** 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 of loans: motor vehicle, credit card, other consumer secured loans, which includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loans, which includes loans for home improvement purposes not secured.

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

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to

their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

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

**Geography:** A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act:** The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

**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.

**Income Level:** Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;
- 3) Middle-income – an 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 census tract; and
  - 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

*Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).*

**Limited-purpose bank:** This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

**Limited review:** Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

**Loan location:** Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

**Loan production office (LPO):** This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area:** A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as defined by the Office of Management and Budget. A 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. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

**Nonmetropolitan area:** This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a non-metropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

**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:** This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

**Small Bank:** This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

*Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.*

**Small Business Loan:** This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm,

nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand 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.

**Wholesale Bank:** This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).