PUBLIC DISCLOSURE

August 18, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples Bank
RSSD #2939391

1120 South Rock Street
Sheridan, Arkansas 72150

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. 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 institution.**

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Peoples Bank is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the AA.
- The borrower's profile analysis reveals reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) Interagency Examination Procedures for Small Institutions were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics and credit needs. Lending performance was assessed within the bank's AA.

The bank's lending performance was evaluated using residential real estate and small business loans, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Performance for the small business category carried the most significance toward the bank's overall performance conclusions based on lending volume. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	June 30, 2021 – June 30, 2025
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	June 14, 2021 – August 17, 2025

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American

Community Survey data, and certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $246.2 million to $291.0 million as of June 30, 2025.

To augment this evaluation, one community contact interview was utilized with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Peoples Bank is an intrastate community bank headquartered in Sheridan, Arkansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Peoples Bancorp, Inc., Sheridan, Arkansas.
- The bank has total assets of $276.4 million as of June 30, 2025. That represents an increase of 50.1 percent since the last evaluation.
- In addition to its main office in Sheridan, the bank has two other offices. One is located in Little Rock and the other in Benton.
- Each location offers on-site cash-dispensing ATMs.
- As shown in the following table, the bank's primary business focus is commercial and residential real estate loans.

Composition of Loan Portfolio as of June 30, 2025		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans (%)**
Commercial Real Estate	38,224	27.0
1–4 Family Residential	32,489	23.0
Commercial and Industrial	27,643	19.5
Construction and Development	20,565	14.5
Multifamily Residential	10,067	7.1
Loans to Individuals	9,052	6.4
Farmland	2,777	2.0
Total Other Loans	653	0.5
Farm Loans	45	0.0
TOTAL	**141,515**	**100.0**
Note: Percentages may not total 100.0 percent due to rounding.		

The bank was rated Satisfactory under the CRA at its June 14, 2021 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank's Partial Little Rock metropolitan statistical area (MSA) AA consists of Grant and Saline counties in their entireties (see Appendix A for a map). The AA is located in the Little Rock-North Little Rock-Conway, Arkansas MSA (Little Rock MSA).

- Since the last evaluation, the bank opened a second branch in Saline County and expanded its AA to include all of Saline County.
- According to the June 30, 2024 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has a market share of 8.3 percent, which ranks 6th out of 15 FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are retail trade (19.3 percent), healthcare and social assistance (18.5 percent), and accommodation and food services (14.4 percent).
- One community contact interview was conducted with an individual from a local nonprofit organization.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	1	23	11	0	**35**
	0.0%	2.9%	65.7%	31.4%	0.0%	**100.0%**
Family Population	0	694	23,823	12,367	0	**36,884**
	0.0%	1.9%	64.6%	33.5%	0.0%	**100.0%**

- As shown above, 2.9 percent of the census tracts in the AA are LMI geographies, with only 1.9 percent of the family population residing in these tracts.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	131,887	141,374	7.2
Little Rock MSA	722,684	748,031	3.5
Arkansas	2,958,208	3,011,524	1.8
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The population of the AA increased at a higher rate (7.2 percent) than both the Little Rock MSA (3.5 percent) and the state of Arkansas (1.8 percent).

Median Family Income Change			
Area	**2015 Median Family Income ($)**	**2020 Median Family Income ($)**	**Percent Change (%)**
Assessment Area	69,160	78,901	14.1
Little Rock MSA	67,018	72,289	7.9
Arkansas	56,576	62,067	9.7
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- The median family income increased at a higher rate (14.1 percent) than both the Little Rock MSA (7.9 percent) and the state of Arkansas (9.7 percent).

Unemployment Rates (%)				
Area	**2021**	**2022**	**2023**	**2024**
Assessment Area	3.1	2.6	2.6	2.8
Little Rock MSA	4.1	3.0	2.9	3.2
Arkansas	4.0	3.2	3.1	3.5
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

- The unemployment rates in the AA, MSA, and state declined throughout most of the review period.

- The unemployment rates in the AA have been consistently lower than both the Little Rock MSA and the state of Arkansas throughout the review period.

Housing Cost Burden (%)						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	69.8	30.5	32.7	55.1	24.3	14.4
Little Rock MSA	75.6	39.4	41.3	56.8	29.2	16.5
Arkansas	69.8	35.3	37.3	53.0	25.2	15.3

Cost burden is housing cost that equals 30 percent or more of household income.
Source: 2017–2021 U.S. Department of Housing and Urban Development: Comprehensive Housing Affordability Strategy

- Low-income renters in the AA experience similar cost burden as those at the state level, while low-income renters in the full Little Rock MSA are more cost burdened. Moderate-income renters in the AA are less cost burdened than both the Little Rock MSA as a whole and the state of Arkansas overall.

- A higher percentage of low-income homeowners are cost burdened in the AA than in the state, while a lower percentage of moderate-income homeowners are cost burdened in the AA than in the state.

- The community contact stated that barriers to homeownership in the area include a lack of down payment funds/assistance and a shortage of housing stock, with the latter beginning to improve with recent construction and development of homes and apartment units.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on location, asset size, and product offerings.

Comparative LTD Ratios [June 30, 2021 – June 30, 2025]			
Institution	Location	Asset Size $ (000s)	LTD Ratio (%) 17-Quarter Average
Peoples Bank	Sheridan, Arkansas	276,418	54.9
Similarly Situated Institutions			
Regional Banks	Little Rock, Arkansas	290,989	43.3
	Fordyce, Arkansas	256,136	63.0
	Morrilton, Arkansas	246,243	56.8

The bank's LTD ratio is reasonable. As shown in the preceding table, the bank's LTD ratio outpaced one of its regional peers and trailed two others. The bank's quarterly LTD ratio over the review was relatively stable, with a low of 49.3 percent in the second quarter of 2022 and a high of 59.7 percent in the fourth quarter of 2023. The peer institutions also displayed generally stable ratios.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	$ (000s)	$ %	#	# %	$ (000s)	$ %
Small Business	60	73.2	6,259	59.8	22	26.8	4,214	40.2
1–4 Family Residential Real Estate	36	64.3	7,013	69.2	20	35.7	3,127	30.8
TOTAL LOANS	96	69.6	13,272	64.4	42	30.4	7,342	35.6
Note: Percentages may not total 100.0 percent due to rounding.								

A majority of the bank's loans, by number and dollar, are originated inside the AA. As shown in the table above, 69.6 percent of the total loans were made inside the AA, which accounts for 64.4 percent of the dollar volume of the loans.

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

<u>Small Business Lending</u>

The borrower distribution of small business lending is reasonable. As displayed in the following table, the bank's lending to small businesses (63.3 percent) exceeds aggregate lending levels (56.4 percent) and trails the demographic comparator (93.6 percent).

Distribution of 2023 Small Business Lending by Revenue Size of Businesses
Assessment Area: Partial Little Rock MSA

Business Revenue and Loan Size		Count: Bank #	Count: Bank %	Count: Aggregate %	Dollars: Bank $ (000s)	Dollars: Bank $ %	Dollars: Aggregate $ %	Total Businesses %
Business Revenue	$1 Million or Less	38	63.3	56.4	3,726	59.5	46.4	93.6
	Over $1 Million/ Unknown	22	36.7	43.6	2,532	40.5	53.6	6.4
	TOTAL	**60**	**100.0**	**100.0**	**6,258**	**100.0**	**100.0**	**100.0**
Loan Size	$100,000 or Less	36	60.0	95.1	1,716	27.4	47.8	
	$100,001–$250,000	19	31.7	2.8	3,010	48.1	15.4	
	$250,001–$1 Million	5	8.3	2.1	1,532	24.5	36.8	
	Over $1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	**60**	**100.0**	**100.0**	**6,258**	**100.0**	**100.0**	
Loan Size – Revenue $1 Million or Less	$100,000 or Less	26	68.4		1,140	30.6		
	$100,001–$250,000	8	21.1		1,304	35.0		
	$250,001–$1 Million	4	10.5		1,282	34.4		
	Over $1 Million	0	0.0		0	0.0		
	TOTAL	**38**	**100.0**		**3,726**	**100.0**		

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.

<u>Residential Real Estate Lending</u>

The bank's residential real estate loan distribution is reasonable. The bank's overall lending to LMI individuals (19.4 percent) is in line with the aggregate (19.9 percent). The bank's performance lending to low-income borrowers (11.1 percent) is reasonable, exceeding the aggregate lending level (4.6 percent) while being below the demographic comparator (16.4 percent). Lending to moderate-income borrowers (8.3 percent) is poor, as bank lending trails both the aggregate (15.3 percent) and the demographic comparator (16.9 percent).

Distribution of 2023 Residential Real Estate Lending by Borrower Income Level Assessment Area: Partial Little Rock MSA							
Borrower Income Level	Bank and Aggregate Loans						Families by Family Income
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	$ (000s)	$ %	$ %	%
Low	4	11.1	4.6	282	4.0	2.2	16.4
Moderate	3	8.3	15.3	242	3.5	10.3	16.9
Middle	6	16.7	20.1	535	7.6	17.3	21.4
Upper	22	61.1	33.5	5,879	83.8	41.2	45.2
Unknown	1	2.8	26.5	75	1.1	29.0	0.0
TOTAL	**36**	**100.0**	**100.0**	**7,013**	**100.0**	**100.0**	**100.0**

Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

<u>Small Business Lending</u>

The geographic distribution of small business lending is reasonable. While the bank does not have any low-income census tracts in its AA, its lending performance to small businesses in the moderate-income census tracts (3.3 percent) was in line with the aggregate and the demographic comparator.

Distribution of 2023 Small Business Lending by Income Level of Geography Assessment Area: Partial Little Rock MSA							
Tract Income Levels	Count			Dollar			Total Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	3.3	3.6	112	1.8	7.3	3.4
Middle	50	83.3	59.9	5,303	84.7	51.6	61.1
Upper	8	13.3	36.1	844	13.5	41.0	35.4
Unknown	0	0.0	0.4	0	0.0	0.1	0.0
TOTAL	**60**	**100.0**	**100.0**	**6,259**	**100.0**	**100.0**	**100.0**

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.

<u>Residential Real Estate Lending</u>

The geographic distribution of 1–4 family residential real estate lending is reasonable. The AA does not contain low-income census tracts and, as a result, could not be analyzed. While the bank has not originated any loans to borrowers in moderate-income census tracts, its performance is in line with the aggregate (1.9 percent) and the demographic comparator (1.6 percent), suggesting limited lending opportunities.

- The community contact noted the AA has experienced a housing deficiency the past few years. More recently, there has been an increase in construction and development of homes and apartment units to correct some of those housing deficiencies.

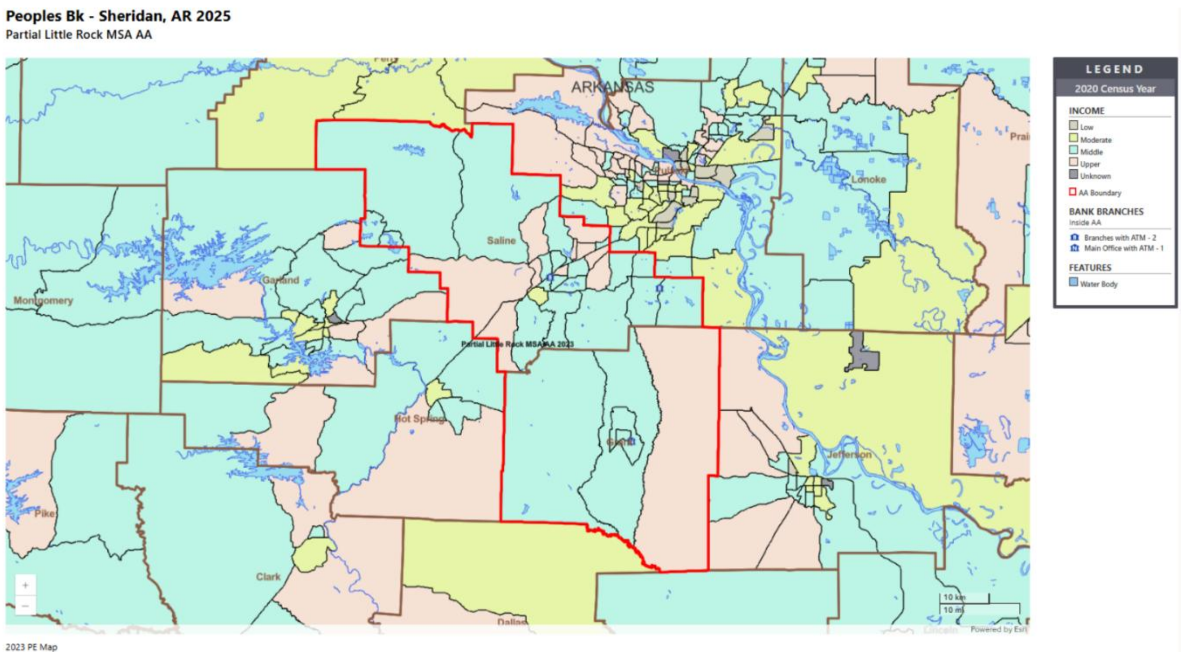
Distribution of 2023 Residential Real Estate Lending by Income Level of Geography Assessment Area: Partial Little Rock MSA							
Geographic Income Level	**Bank and Aggregate Loans**						**Owner-Occupied Units %**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**# %**	**$ (000s)**	**$ %**	**$ %**	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	1.9	0	0.0	1.1	1.6
Middle	28	77.8	65.3	4,014	57.2	63.8	63.5
Upper	8	22.2	32.8	2,999	42.8	35.1	34.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	**36**	**100.0**	**100.0**	**7,013**	**100.0**	**100.0**	**100.0**
Source: 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Partial Little Rock MSA



APPENDIX B – GLOSSARY

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

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

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

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

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

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

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

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

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

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

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

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

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

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

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