

PUBLIC DISCLOSURE

April 28, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BANK
RSSD# 952846

409 Highway 61 South
PO Box 287
Wapello, Iowa 52653

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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BANK'S CRA RATING

BANK is rated **Satisfactory**.

BANK is meeting the credit needs of the community in its combined assessment area based on an analysis of the bank's lending activity. The average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans are originated in the assessment area. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area and loan distribution reflects reasonable penetration among borrowers of different income levels and to businesses of different revenue sizes. Neither BANK nor the Federal Reserve Bank of Chicago have received any complaints related to the Community Reinvestment Act (CRA) since the previous examination.

SCOPE OF EXAMINATION

BANK's CRA performance was evaluated using the Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). The bank's performance was evaluated under consideration of the institution and its assessment area, including the bank's asset size, financial condition, competition, and the economic and demographic characteristics of its assessment area.

The evaluation consisted of a full-scope review of the bank's Iowa Non-Metropolitan Statistical Area (Iowa Non-MSA) assessment area and a limited-scope review of the Des Moines-West Des Moines, Iowa Metropolitan Statistical Area (MSA) #19780 (Des Moines-West Des Moines MSA) assessment area. The Iowa Non-MSA assessment area includes four counties in the southeast region of Iowa including Des Moines, Henry, Lee, and Louisa counties. The Des Moines-West Des Moines MSA assessment area includes Polk and Dallas counties. The Iowa Non-MSA assessment area received a full-scope review given the large branch presence, and volume of HMDA-reportable and small business lending. The Des Moines-West Des Moines MSA assessment area received a limited scope review based primarily on the limited number of HMDA-reportable and small business loans. The limited scope review assessment area was evaluated for consistency with the bank's performance in its full-scope review assessment area, but did not impact the overall CRA rating.

A sample of lending activity for the bank's major product lines, including HMDA-reportable residential real estate mortgage loans (residential mortgage loans), originated from January 1, 2022 to December 31, 2023, and a sample of small business loans, originated from January 1, 2023 to December 31, 2023, was reviewed. While the bank is primarily a commercial lender, residential mortgage loans received greater weight in the analysis based on the number and dollar amount of loans originated by BANK during the evaluation period.

Performance within the designated assessment areas was evaluated using small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit ratio, from March 31, 2021 to March 31, 2025, was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated from January 1, 2022 to December 31, 2023, and a sample of small business loans originated from January 1, 2023 to December 31, 2023, were reviewed to determine the percentage of loans originated within the combined assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated throughout the assessment areas from January 1, 2022 to December 31, 2023, and a sample of small business loans originated throughout the assessment areas from January 1, 2023 to December 31, 2023, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank’s HMDA-reportable loans originated throughout the assessment areas from January 1, 2022 to December 31, 2023, and a sample of small business loans originated throughout the assessment areas from January 1, 2023 to December 31, 2023, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: affordable housing and economic development.

DESCRIPTION OF INSTITUTION

BANK is a wholly owned subsidiary of Morning Sun Bank Corporation, a one-bank holding company located in Morning Sun, Iowa. The bank's main office is located in Wapello, Iowa, along with three branch locations across southeast Iowa and one branch located in West Des Moines, Iowa. All branch locations operate full-service automated teller machines (ATMs), as well as one standalone cash-only ATM located in Wever, Iowa.

According to the Uniform Bank Performance Report (UBPR), BANK's total assets are approximately \$148.2 million as of December 31, 2024. The bank is primarily a commercial lender, with commercial lending comprising 63.2 percent and residential mortgage lending comprising 19.6 percent of the bank's loan portfolio, respectively. Deposit products at BANK include traditional checking, savings, money market deposit accounts, and certificates of deposits. Services are accessible to customers online via the bank's website at www.bank.bank.

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

Composition of Loan Portfolio as of December 31, 2024		
Loan Type	Dollar Volume (\$ in 000s)	% of Portfolio
Commercial	82,578	63.2
Residential Real Estate	25,557	19.6
Agriculture	8,690	6.7
Consumer	13,786	10.6
Other	0	0.0
Total	130,611	100.0
<i>Note: Percentage may not add to 100.0 percent due to rounding.</i>		

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

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on March 8, 2021.

DESCRIPTION OF ASSESSMENT AREA

BANK operates in two delineated assessment areas in the state of Iowa. The combined assessment area includes the southeast region of Iowa, including four non-metropolitan counties in southeastern Iowa (Iowa Non-MSA): Des Moines, Henry, Lee, and Louisa counties; and two of six counties in the Des Moines-West Des Moines IA, MSA #19780 (Des Moines-West Des Moines MSA): Polk and Dallas counties. Neither assessment area has changed since the previous examination. For details regarding the geographic composition of the assessment areas, please refer to the table below.

Description of BANK's Individual Assessment Areas		
Assessment Area	Counties Included	Counties Excluded (if applicable)
Iowa Non-MSA	Des Moines, Henry, Lee, and Louisa counties	N/A
Des Moines – West Des Moines, IA MSA	Polk and Dallas counties	Guthrie, Madison, Warren, and Jasper counties

The combined assessment area includes 161 census tracts, consisting of 11 low-income, 35 moderate-income, 77 middle-income, 36 upper-income, and two unknown-income census tracts. The unknown-income census tracts are comprised of the Des Moines International Airport, as well as a mall and a high school in West Des Moines, Iowa. Further, three non-metropolitan middle-income census tracts in Louisa County are designated as underserved due to their remote and rural location. Additional assessment area demographic information for the combined assessment area is provided in the following table.

2023 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	11	6.8	8,981	5.3	2,230	24.8	33,980	20.1
Moderate	35	21.7	29,788	17.7	4,037	13.6	30,495	18.1
Middle	77	47.8	84,141	49.9	4,519	5.4	36,924	21.9
Upper	36	22.4	45,226	26.8	1,235	2.7	67,281	39.9
Unknown	2	1.2	544	0.3	0	0.0	0	0.0
Total AA	161	100.0	168,680	100.0	12,021	7.1	168,680	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	17,056	7,348	4.0	43.1	7,687	45.1	2,021	11.8
Moderate	57,888	31,432	17.0	54.3	20,857	36.0	5,599	9.7
Middle	140,872	94,455	51.1	67.1	37,039	26.3	9,378	6.7
Upper	71,953	51,083	27.6	71.0	17,546	24.4	3,324	4.6
Unknown	2,436	592	0.3	24.3	1,591	65.3	253	10.4
Total AA	290,205	184,910	100.0	63.7	84,720	29.2	20,575	7.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,606	5.2	1,394	5.0	200	7.6	12	3.5
Moderate	4,984	16.1	4,468	16.0	476	18.1	40	11.8
Middle	14,374	46.5	13,179	47.2	1,038	39.4	157	46.2
Upper	9,133	29.6	8,200	29.4	804	30.5	129	37.9
Unknown	795	2.6	678	2.4	115	4.4	2	0.6
Total AA	30,892	100.0	27,919	100.0	2,633	100.0	340	100.0
Percentage of Total Businesses:				90.4		8.5		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	14	1.1	13	1.1	1	6.3	0	0.0
Moderate	48	3.8	47	3.8	1	6.3	0	0.0
Middle	840	67.1	829	67.3	8	50.0	3	100.0
Upper	344	27.5	340	27.6	4	25.0	0	0.0
Unknown	5	0.4	3	0.2	2	12.5	0	0.0
Total AA	1,251	100.0	1,232	100.0	16	100.0	3	100.0
Percentage of Total Farms:				98.5		1.3		0.2
Source: 2023 FFIEC Census Data 2023 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

BANK's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and combined assessment area credit needs. As of March 31, 2025, the LTD ratio averages 97.7 percent over a 17-quarter period, which is above the competitor's average of 73.2 percent over the same period. During the previous exam, the bank's LTD ratio was 103.9 percent.

The bank's current LTD ratio is greater than all but one of its local peers. The following table compares the bank's loan-to-deposit ratio to its local competitors of similar size and complexity.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	17 – Quarter Average
BANK	97.7
Peer Average – Local	73.2
Competitors	
State Saving Bank	107.6
Connection Bank	95.2
Mediapolis Savings Bank	80.5
Fidelity Bank	77.4
Charter Bank	68.7
Farmers Savings Bank	66.2
Iowa State Bank	65.3
Danville State Savings Bank	60.1
Community B&TC	57.2
Farmers & Merchants Bank & Trust	53.7

Assessment Area Concentration

BANK originated a majority of its loans in the assessment area by number. Of the 261 loans originated during the evaluation period, 64.4 percent of the total loan by number, and 49.1 percent by dollar amount were inside the assessment area. As a mortgage correspondent, BANK provides loan origination and other services to other community banks. Lending concentration outside of the combined assessment area can be partially attributed to this correspondent relationship. This includes 64.7 percent of HMDA-reportable loans, and 62.8 percent of small businesses loans by number. The bank's lending within its combined assessment area is higher for this review period than the previous evaluation period, by number, where the bank originated 63.5 percent by number. Overall, lending inside the combined assessment area indicates appropriate responsiveness to assessment area credit needs.

The following table summarizes the bank's lending inside and outside its combined assessment area for HMDA-reportable loans from January 1, 2022, to December 31, 2023, and a sample of small

business loans from January 1, 2023, to December 31, 2023.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase – Conventional	76	58.5	14,460	51.4	41.5	41.5	13,645	48.6
Multi-Family Housing	2	50.0	2,165	34.9	2	50.0	4,047	65.1
Refinancing	63	75.0	6,580	60.0	21	25.0	4,391	40.0
Total HMDA-related	141	64.7	21,205	51.2	77	35.3	22,083	48.8
Small Business	27	62.8	4,396	40.3	16	37.2	6,500	59.7
Total Loans	168	64.4	27,601	49.1	93	35.6	28,583	50.9

Geographic and Borrower Distribution

The geographic distribution of HMDA-reportable and small business loans reflects a reasonable dispersion throughout the individual assessment areas, including in low- and moderate-income census tracts. The distribution of loans to individuals of different income levels, including low-and moderate-income individuals, and to businesses of different revenue sizes is reasonable. More weight was given to HMDA-reportable lending, based on the lending volume of each product for this evaluation period. Additional information regarding the bank's geographic and borrower distribution of lending activity is found within the individual assessment area discussions in this evaluation.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

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 NON-MSA – FULL REVIEW

SCOPE OF EXAMINATION

The assessment area was evaluated using full-scope examination procedures. The scope for this assessment area is consistent with the procedures discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS

BANK’s assessment area is comprised of four contiguous counties located in the southeast corner of Iowa (Iowa Non-MSA). The assessment area remains unchanged from the previous evaluation. The counties that make up this assessment area include Des Moines, Henry, Lee, and Louisa counties. The largest cities include Burlington and Fort Madison. The bank operates four branches, including the main office, located in Wapello, Iowa; and four full-service ATMs, as well as one standalone cash-only ATM. Two branches, each, are located in Des Moines and Louisa counties, respectively.

In total, the assessment area consists of 30 census tracts, including three low-income, four moderate-income, 20 middle-income, and three upper-income census tracts. There are three middle-income census tracts, making up the entirety of Louisa County, which have remained middle-income and underserved for multiple performance evaluations. Two branches and the main office are located in middle-income census tracts, while the remaining branch and standalone ATM are in upper-income census tracts.

According to the June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, BANK ranks 12th of the 16 FDIC-insured financial institutions operating within the assessment area. The bank holds \$84.0 million in deposits in the assessment area, representing 2.4 percent of the total deposit market share. The financial institutions with the largest percentage share of the deposit market included Two Rivers Bank & Trust (25.2 percent), Pilot Grove Savings Bank (20.5 percent), and Connection Bank (12.0 percent).

In 2023, BANK ranked (tied) sixth among 127 HMDA-reporters, originating 52 HMDA-reportable loans in the assessment area. By comparison, the first ranked institution, Two Rivers Bank and Trust, originated 212 HMDA-reportable loans, and the second ranked institution, Iowa Bankers Mortgage Corp., originated 95 HMDA-reportable loans.

Additional assessment area demographic information is provided in the following table.

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	3	10.0	2,337	8.3	646	27.6	6,009	21.4
Moderate	4	13.3	3,599	12.8	629	17.5	5,405	19.3
Middle	20	66.7	19,733	70.3	1,458	7.4	6,593	23.5
Upper	3	10.0	2,384	8.5	26	1.1	10,046	35.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	30	100.0	28,053	100.0	2,759	9.8	28,053	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	5,082	2,129	6.8	41.9	2,145	42.2	808	15.9
Moderate	6,925	3,904	12.5	56.4	2,145	31.0	876	12.6
Middle	32,575	22,453	71.9	68.9	6,962	21.4	3,160	9.7
Upper	3,744	2,722	8.7	72.7	662	17.7	360	9.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	48,326	31,208	100.0	64.6	11,914	24.7	5,204	10.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	465	10.2	414	10.0	50	13.9	1	1.5
Moderate	674	14.8	600	14.5	67	18.6	7	10.8
Middle	3,028	66.5	2,760	66.8	214	59.4	54	83.1
Upper	387	8.5	355	8.6	29	8.1	3	4.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,554	100.0	4,129	100.0	360	100.0	65	100.0
Percentage of Total Businesses:				90.7		7.9		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3	0.5	3	0.5	0	0.0	0	0.0
Moderate	8	1.3	8	1.3	0	0.0	0	0.0
Middle	537	88.5	531	88.4	4	100.0	2	100.0
Upper	59	9.7	59	9.8	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	607	100.0	601	100.0	4	100.0	2	100.0
Percentage of Total Farms:				99.0		0.7		0.3
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.								

2022 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	3	10.0	2,337	8.3	646	27.6	6,009	21.4
Moderate	4	13.3	3,599	12.8	629	17.5	5,405	19.3
Middle	20	66.7	19,733	70.3	1,458	7.4	6,593	23.5
Upper	3	10.0	2,384	8.5	26	1.1	10,046	35.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	30	100.0	28,053	100.0	2,759	9.8	28,053	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	5,082	2,129	6.8	41.9	2,145	42.2	808	15.9
Moderate	6,925	3,904	12.5	56.4	2,145	31.0	876	12.6
Middle	32,575	22,453	71.9	68.9	6,962	21.4	3,160	9.7
Upper	3,744	2,722	8.7	72.7	662	17.7	360	9.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	48,326	31,208	100.0	64.6	11,914	24.7	5,204	10.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	462	10.2	412	10.0	49	13.2	1	1.5
Moderate	677	14.9	599	14.6	71	19.1	7	10.8
Middle	3,030	66.6	2,752	66.9	224	60.4	54	83.1
Upper	379	8.3	349	8.5	27	7.3	3	4.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,548	100.0	4,112	100.0	371	100.0	65	100.0
Percentage of Total Businesses:				90.4		8.2		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	0.3	2	0.3	0	0.0	0	0.0
Moderate	7	1.2	7	1.2	0	0.0	0	0.0
Middle	533	89.0	527	88.9	4	100.0	2	100.0
Upper	57	9.5	57	9.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	599	100.0	593	100.0	4	100.0	2	100.0
Percentage of Total Farms:				99.0		0.7		0.3
Source: 2022 FFIEC Census Data 2022 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

According to the 2020 Census Bureau data, the assessment area's population is 103,784. The population in the assessment area decreased 2.9 percent between 2015 and 2020, in contrast to the state of Iowa, which saw an increase of 3.1 percent. A community representative stated the population increase in Henry County, which is comparable to the state's numbers, is likely due to the quality of the school district, and increased job opportunities. The representative stated that the decrease in population in the other counties is likely due to multiple local factories and a hospital reducing staff and/or relocating out of the area entirely, as well as the lack of affordable housing. The table below shows the population trends for the assessment area, the individual counties that comprise the assessment area, the counties that comprise the non-metropolitan portion of the state of Iowa (Iowa Non-MSA), and the state of Iowa from 2015 to 2020.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	106,928	103,784	-2.9
Des Moines County	40,208	38,910	-3.2
Henry County	20,080	20,482	2.0
Lee County	35,369	33,555	-5.1
Louisa County	11,271	10,837	-3.9
Iowa Non-MSA	1,250,756	1,232,642	-1.4
State of Iowa	3,093,526	3,190,369	3.1
Source: 2011-2015 — U.S. Census Bureau: Decennial Census 2020 — U.S. Census Bureau: Decennial Census			

Income Characteristics

According to the U.S. Census Bureau data, the assessment area is comprised of 28,053 families, of which 21.4 percent were designated as low-income, and 19.3 percent were designated as moderate-income. Notably, of the families residing within the assessment area, 9.8 percent live below the poverty line, which is higher than the state of Iowa's poverty rate at 7.1 percent and the Iowa Non-MSA poverty rate at 7.7 percent.

As shown below, the 2020 median family income for the assessment area is \$66,748, which is below the state of Iowa (\$79,186). However, median family income has increased 8.2 percent since 2015, which is slightly higher than for the state of Iowa (7.4 percent). According to community representatives, the median family income in Louisa County has likely increased due to manufacturing plants paying higher wages, while limited access to goods and services in Lee County has likely impacted the county's ability to attract higher income earners.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percentage Change (%)
Assessment Area	61,693	66,748	8.2
Des Moines County	60,416	67,693	12.0
Henry County	65,921	69,772	5.8
Lee County	60,850	64,578	6.1
Louisa County	65,629	74,684	13.8
Iowa Non-MSA	67,391	71,763	6.5
State of Iowa	73,712	79,186	7.4
Source: 2011 – 2015 and 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 are a total of 48,326 housing units within the assessment area. The majority of housing units are owner-occupied at 64.6 percent, followed by rental units which comprise 24.7 percent of the total housing units. Vacant units comprise a significant portion, 10.8 percent, of the housing units in the assessment area, which is above the vacancy rate for the state of Iowa at 9.5 percent, but below the Iowa Non-MSA at 12.4 percent.

A method to understand poverty and housing outcomes is calculating housing cost burden, which is presented in the table below. The housing cost burden is the ratio of a household's gross monthly housing costs to the household's gross monthly income. According to the U.S. Department of Housing and Urban Development, a household is considered housing cost burdened if a household's housing cost is above 30.0 percent of its income. Within the bank's assessment area, a significant percentage of low-income renters and owners are considered housing cost burdened, with 76.1 percent and 59.4 percent of low-income individuals paying more than 30.0 percent of their household income for housing, respectively. Comparatively, fewer moderate-income renters and owners are housing cost burdened in the assessment area, with 21.3 percent and 16.6 percent experiencing housing cost burden, respectively. Community representatives believe there is strong demand for affordable housing, but rising construction costs, aging housing stock that requires rehabilitation, and limited affordable housing options make it difficult for low- and moderate-income individuals to rent or own without significant housing cost burden.

Housing Cost Burden						
Area	Cost Burden (%) – Renters			Cost Burden (%) – Owner		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All renters
Assessment Area	76.1	21.3	42.6	59.4	16.6	14.2
Des Moines County	82.7	27.4	50.3	56.4	15.3	11.6
Henry County	66.9	8.8	31.0	57.3	20.7	14.6
Lee County	71.1	24.8	41.5	63.2	17.0	17.2
Louisa County	67.4	12.0	25.6	56.1	13.7	13.5
Iowa Non-MSA	65.8	16.7	33.2	54.8	18.9	14.2
Iowa	71.9	21.4	58.7	58.7	23.5	14.9
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy						

Employment Characteristics

Unemployment trends across all regions evaluated remained stable until 2020, when overall rates increased due to the COVID-19 pandemic. Unemployment in the assessment area has steadily decreased since 2020; however, it remains higher than the state of Iowa and the area that comprises all areas of Iowa not part of an MSA (Metropolitan Statistical Area) (Iowa Non-MSA). Within the assessment area, the counties with the highest unemployment rates are Des Moines and Lee counties. Community representatives noted employment has been impacted by both layoffs and new employment opportunities in manufacturing, healthcare, and local businesses. The table below shows the unemployment trends for the assessment area, the counties that comprise the assessment area, the Iowa Non-MSA, and the state of Iowa from 2019 to 2023.

Unemployment Rates (%)					
Area	2019	2020	2021	2022	2023
Assessment Area	3.5	6.3	5.1	4.0	3.9
Des Moines County	3.8	7.3	5.7	4.3	4.2
Henry County	2.6	5.2	3.8	3.0	3.3
Lee County	3.8	6.4	5.4	4.7	4.1
Louisa County	3.0	4.8	3.9	3.2	3.2
Iowa Non-MSA	2.8	4.8	3.7	2.9	3.0
State of Iowa	2.7	5.2	3.8	2.8	2.9
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

Industry Characteristics

According to the U.S. Bureau of Labor and Statistics, the assessment area is heavily impacted by industries of retail, health care and social assistance, and manufacturing. Community representatives noted the employment base in each of the four counties in the assessment area is heavily impacted by the manufacturing industry. In Lee County, an agricultural fertilization plant, Koch Iowa Fertilizer Complex, is a major area employer. A local Tyson plant is a large employer

for individuals in Lousia County. Henry County has a large industrial area including companies such as Hearth and Home and a Walmart distribution center.

Community Representatives

Two community representatives were interviewed to gather information on local economic and demographic conditions, as well as the relevant credit needs of the area. Information on housing, employment, and economic development conditions within the assessment area were provided by the community representatives. Representatives indicated that affordable housing was a necessity for the area, as well as education for low- to moderate-income individuals to help improve financial literacy, whether that be through classes to start a new business, buy a home, or personal financial management. The community is heavily supported by multiple financial institutions in the area with small business grants, food and coat drives, and other activities to support low- and moderate-income households in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IOWA NON-MSA

LENDING TEST

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. In addition, the loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and to businesses of different revenue sizes. More weight was given to HMDA-reportable loans as previously noted.

Geographic Distribution of Loans

BANK's geographic distribution is reasonable. An analysis of the geographic distribution of HMDA-reportable and small business loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly low- and moderate-income census tracts. There were no conspicuous unexplained lending gaps. Over the two-year period, the bank originated HMDA-reportable loans in 22 of the 30 census tracts, including two low- and three moderate-income census tracts.

HMDA-Reportable Loans

The bank's geographic distribution of HMDA-reportable loans reflects reasonable dispersion throughout the assessment area. In 2023, the bank originated one loan or 1.9 percent of HMDA-reportable loans in low-income census tracts, which is below the aggregate and the percentage of owner-occupied units, at 6.9 percent and 6.8 percent, respectively. Similarly, the bank originated two loans or 3.8 percent of HMDA-reportable loans in moderate-income census tracts, which is below the aggregate lender rate and percentage of owner-occupied units, at 11.3 percent and 12.5 percent, respectively. Additionally, the bank extended 15 HMDA-reportable loans in 2022 within

the three middle-income census tracts in Louisa County that are designated as underserved due to their remote rural location. This further highlights the bank's ability to help meet the credit needs of its assessment area. Bank management indicated that, overall, there was a decrease in loan demand in 2023 as compared to 2022.

The bank's lending to both low- and moderate-income census tracts was higher in 2022 compared to 2023. Notably, the bank originated four loans or 6.2 percent of HMDA-reportable loans in low-income census tracts, which is below the aggregate and slightly below the percentage of owner-occupied units, at 7.5 percent and 6.8 percent, respectively. The bank originated 10 loans or 15.4 percent of HMDA-reportable loans in moderate-income census tracts, which is above the aggregate and percentage of owner-occupied units, at 13.1 percent and 12.5 percent, respectively. The bank also extended 13 HMDA-reportable loans in 2023 within the three middle-income census tracts in Louisa County that are designated as underserved due to their remote rural location. The following table summarizes the bank's 2022 and 2023 HMDA-reportable lending, by each product, in the assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: IA Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank:		Agg	Bank:		Agg	Bank:		Agg	Bank:		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	2	5.7	8.4	175	3.0	5.3	0	0.0	7.9	0	0.0	4.8	6.8
Moderate	6	17.1	14.1	589	10.0	9.6	2	9.5	12.4	212	6.5	9.2	12.5
Middle	24	68.6	69.3	4,532	77.0	74.1	14	66.7	69.0	1,997	61.6	72.1	71.9
Upper	3	8.6	8.2	590	10.0	11.0	5	23.8	10.7	1,031	31.8	13.9	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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	35	100.0	100.0	5,886	100.0	100.0	21	100.0	100.0	3,240	100.0	100.0	100.0
Refinance Loans													
Low	2	6.7	6.2	138	4.0	3.8	1	3.2	5.1	60	2.6	1.8	6.8
Moderate	4	13.3	10.3	312	9.0	7.0	0	0.0	7.8	0	0.0	5.9	12.5
Middle	19	63.3	73.2	2,601	75.3	79.0	26	83.9	77.0	2,115	90.2	82.2	71.9
Upper	5	16.7	10.3	404	11.7	10.2	4	12.9	10.1	170	7.2	10.2	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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	30	100.0	100.0	3,455	100.0	100.0	31	100.0	100.0	2,345	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.3	0	0.0	3.5	0	0.0	6.9	0	0.0	5.1	6.8
Moderate	0	0.0	16.0	0	0.0	9.5	0	0.0	8.0	0	0.0	6.3	12.5
Middle	0	0.0	64.9	0	0.0	73.6	0	0.0	83.9	0	0.0	87.7	71.9
Upper	0	0.0	14.9	0	0.0	13.4	0	0.0	1.1	0	0.0	0.9	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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Multi-family Loans													Multi-family Units %
Low	0	0.0	11.1	0	0.0	34.8	0	0.0	0.0	0	0.0	0.0	22.8
Moderate	0	0.0	11.1	0	0.0	0.3	0	0.0	42.9	0	0.0	5.0	18.4
Middle	0	0.0	77.8	0	0.0	64.9	0	0.0	57.1	0	0.0	95.0	45.2
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	13.6
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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	4	6.2	7.5	313	3.4	7.1	1	1.9	6.9	60	1.1	4.2	6.8
Moderate	10	15.4	13.1	901	9.6	8.2	2	3.8	11.3	212	3.8	8.6	12.5
Middle	43	66.2	70.1	7,133	76.4	74.5	40	76.9	71.5	4,112	73.6	74.7	71.9
Upper	8	12.3	9.3	994	10.6	10.2	9	17.3	10.2	1,201	21.5	12.6	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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	65	100.0	100.0	9,341	100.0	100.0	52	100.0	100.0	5,585	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.													

Small Business Loans

The geographic distribution of small business loans reflects a reasonable dispersion throughout the assessment area. In 2023, the bank did not originate any small business loans to low- or moderate-income census tracts, which is below the percentage of total businesses operating in such tracts at 10.2 percent and 14.8 percent, respectively. The bank originated eight loans or 88.9 percent of its small business loans in middle-income census tracts. This is significantly above the percentage of total businesses located in middle-income census tracts at 66.5 percent. However, of these eight loans, the bank extended five small business loans within the three middle-income census tracts in Louisa County that are designated as underserved due to their remote rural location. This supports the bank's ability to help meet the credit needs of its assessment area. The bank originated one loan or 11.1 percent of its small business in upper-income census tracts, which is above the percentage of total businesses located in upper-income census tracts at 8.5 percent. Bank management indicated that there is limited opportunity within low- and moderate-income census tracts in this assessment area; however, they are making more concerted efforts to penetrate these geographies. When compared to the previous performance evaluation, the bank's overall small business lending declined from 25 loans to nine loan originations, indicating small business lending has declined. The following table presents the bank's geographic distribution of small business loans in 2023.

Distribution of 2023 Small Business Lending By Income Level of Geography					
Assessment Area: IA Non MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	\$%	
Low	0	0.0	0	0.0	10.2
Moderate	0	0.0	0	0.0	14.8
Middle	8	88.9	402	55.3	66.5
Upper	1	11.1	325	44.7	8.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	9	100.0	727	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2023 Dun & 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>					

Lending to Borrowers of Different Income Level and to Businesses of Different Sizes

BANK's distribution of lending among individuals of different income levels, including low- and moderate-income borrowers, and to businesses of different sizes is reasonable.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2023, the bank originated seven loans or 13.5 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate lender rate and percentage of low-income families located in the assessment area, at 17.6 percent and 21.4 percent, respectively. The bank originated 13 loans or 25.0 percent of its total HMDA-reportable loans to moderate-income borrowers, which is comparable to the aggregate lender rate and above the percentage of moderate-income families located in the assessment area, at 25.4 percent and 19.3 percent, respectively.

The bank's lending performance to low- and moderate-income families in 2022 was lower than its performance in 2023, when compared to both the aggregate and percentage of low- and moderate-income families located in the assessment area. The bank originated six loans or 9.2 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate and significantly below the percentage of low-income families located in the assessment area, at 14.8 percent and 21.4 percent, respectively. The bank originated seven loans or 10.8 percent of its total HMDA-reportable loans to moderate-income borrowers, which is significantly below the aggregate and below the percentage of moderate-income families located in the assessment area, at 28.6 percent and 19.3 percent, respectively.

The following table summarizes the bank's 2022 and 2023 HMDA-reportable lending in the assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: IA Non MSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	5	14.3	15.9	503	8.5	9.2	5	23.8	17.2	480	14.8	10.4	21.4
Moderate	4	11.4	29.5	562	9.5	24.1	3	14.3	26.0	210	6.5	20.8	19.3
Middle	10	28.6	19.4	1,865	31.7	19.8	4	19.0	17.3	825	25.5	18.7	23.5
Upper	14	40.0	19.0	2,841	48.3	30.4	9	42.9	19.7	1,725	53.2	30.8	35.8
Unknown	2	5.7	16.2	115	2.0	16.6	0	0.0	19.9	0	0.0	19.3	0.0
Total	35	100.0	100.0	5,886	100.0	100.0	21	100.0	100.0	3,240	100.0	100.0	100.0
Refinance Loans													
Low	1	3.3	15.6	36	1.0	9.9	2	6.5	17.1	182	7.8	9.6	21.4
Moderate	3	10.0	28.8	295	8.5	22.8	10	32.3	25.8	510	21.7	19.7	19.3
Middle	9	30.0	21.5	1,217	35.2	22.9	8	25.8	24.0	904	38.6	23.2	23.5
Upper	16	53.3	24.5	1,807	52.3	34.5	11	35.5	25.8	749	31.9	35.4	35.8
Unknown	1	3.3	9.6	100	2.9	10.3	0	0.0	7.4	0	0.0	12.2	0.0
Total	30	100.0	100.0	3,455	100.0	100.0	31	100.0	100.0	2,345	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	7.4	0	0.0	5.9	0	0.0	17.2	0	0.0	12.0	21.4
Moderate	0	0.0	28.7	0	0.0	21.3	0	0.0	24.1	0	0.0	15.9	19.3
Middle	0	0.0	23.4	0	0.0	19.2	0	0.0	26.4	0	0.0	35.3	23.5
Upper	0	0.0	37.2	0	0.0	49.6	0	0.0	29.9	0	0.0	32.7	35.8
Unknown	0	0.0	3.2	0	0.0	4.1	0	0.0	2.3	0	0.0	4.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	6	9.2	14.8	539	5.8	9.1	7	13.5	17.6	662	11.9	10.5	21.4
Moderate	7	10.8	28.6	857	9.2	23.2	13	25.0	25.4	720	12.9	20.6	19.3
Middle	19	29.2	20.1	3,082	33.0	20.4	12	23.1	20.1	1,729	31.0	19.9	23.5
Upper	30	48.2	22.3	4,648	49.8	32.0	20	38.5	21.6	2,474	44.3	31.2	35.8
Unknown	3	4.6	14.2	215	2.3	15.2	0	0.0	15.3	0	0.0	17.7	0.0
Total	65	100.0	100.0	9,341	100.0	100.0	52	100.0	100.0	5,585	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.													

Small Business Loans

The bank's distribution of small business loans reflects reasonable lending among businesses of different revenue sizes. In 2023, the bank originated six or 66.7 percent of small business loans to businesses with gross revenues of \$1 million or less, which was significantly below the percentage of total businesses in the assessment area at 90.7 percent. However, of those six loans, five loans or 83.3 percent were in amounts of \$100,000 or less. Loans in these amounts are indicative of the

bank's willingness to meet lending needs of small businesses and further supports the bank's reasonable distribution of lending to small businesses. The table below presents the borrower distribution of small business loans in 2023 compared to demographic data.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses					
Assessment Area: IA Non MSA					
	Bank Loans				Total Businesses %
	#	%	\$(000)	%	
By Revenue					
\$1 Million or Less	6	66.7	556	76.5	90.7
Over \$1 Million	1	11.1	75	10.3	7.9
Revenue Unknown	2	22.2	96	13.2	1.4
Total	9	100.0	727	100.0	100.0
By Loan Size					
\$100,000 or Less	8	88.9	402	55.3	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	1	11.1	325	44.7	
Total	9	100.0	727	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	5	83.3	231	41.5	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	1	16.7	325	58.5	
Total	6	100.0	556	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.					

DES MOINES–WEST DES MOINES, MSA – LIMITED REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN DES MOINES-WEST DES MOINES, IA MSA¹

BANK’s assessment area in the Des Moines-West Des Moines MSA consists of Dallas and Polk counties in their entirety. The bank operates one branch with a full-service ATM in a middle-income census tract in West Des Moines, Iowa (Dallas County). The city of Des Moines is the largest city in the assessment area and state of Iowa.

The Des Moines-West Des Moines MSA assessment area includes 131 census tracts, including eight low-income, 31 moderate-income, 57 middle-income, 33 upper-income, and two unknown-income census tracts. The two unknown-income census tracts are in Polk County, including one which is comprised entirely by the Des Moines International Airport and the other containing a high school, retail mall, and other businesses. The assessment area is geographically unchanged since the previous exam; however, due to population growth, and updates from the 2020 Decennial Census and the 2016-2020 American Community Survey, the composition and number of census tracts in the assessment area has changed. This is further reflected in the table below.

According to the June 30, 2024, FDIC Deposit Market Share Report, BANK ranks 39th out of the 48 FDIC-insured financial institutions operating within the assessment area. The bank held \$26.3 million in deposits representing 0.1 percent of the total deposit market share. The financial institutions with the largest percentage share of the deposit market Principal Bank (24.8 percent), U.S. Bank, National Association (13.5 percent), and Bankers Trust Company (12.7 percent).

In 2023, BANK ranked (tied) 81st among 360 HMDA-reporters, originating 17 HMDA-reportable loans in the assessment area. By comparison, the first ranked institution, GreenState Credit Union, originated 2,129 HMDA-reportable loans, and the second ranked institution, Veridian Credit Union, originated 1,418 HMDA-reportable loans. BANK’s minimal lending is largely attributed to its overall limited branching presence (one location) within the assessment area.

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

¹ 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.

2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	9	8	-1
Moderate	29	31	+2
Middle	45	57	+12
Upper	29	33	+4
Unknown	1	2	+1
Total	113	131	+18
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			

Additional assessment area demographic information is provided in the following table.

2023 Des Moines-West Des Moines, IA MSA 19780 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	8	6.1	6,644	4.7	1,584	23.8	27,971	19.9
Moderate	31	23.7	26,189	18.6	3,408	13.0	25,090	17.8
Middle	57	43.5	64,408	45.8	3,061	4.8	30,331	21.6
Upper	33	25.2	42,842	30.5	1,209	2.8	57,235	40.7
Unknown	2	1.5	544	0.4	0	0.0	0	0.0
Total AA	131	100.0	140,627	100.0	9,262	6.6	140,627	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	11,974	5,219	3.4	43.6	5,542	46.3	1,213	10.1
Moderate	50,963	27,528	17.9	54.0	18,712	36.7	4,723	9.3
Middle	108,297	72,002	46.8	66.5	30,077	27.8	6,218	5.7
Upper	68,209	48,361	31.5	70.9	16,884	24.8	2,964	4.3
Unknown	2,436	592	0.4	24.3	1,591	65.3	253	10.4
Total AA	241,879	153,702	100.0	63.5	72,806	30.1	15,371	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,141	4.3	980	4.1	150	6.6	11	4.0
Moderate	4,310	16.4	3,868	16.3	409	18.0	33	12.0
Middle	11,346	43.1	10,419	43.8	824	36.3	103	37.5
Upper	8,746	33.2	7,845	33.0	775	34.1	126	45.8
Unknown	795	3.0	678	2.8	115	5.1	2	0.7
Total AA	26,338	100.0	23,790	100.0	2,273	100.0	275	100.0
Percentage of Total Businesses:			90.3		8.6		1.0	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	11	1.7	10	1.6	1	8.3	0	0.0
Moderate	40	6.2	39	6.2	1	8.3	0	0.0
Middle	303	47.0	298	47.2	4	33.3	1	100.0
Upper	285	44.3	281	44.5	4	33.3	0	0.0
Unknown	5	0.8	3	0.5	2	16.7	0	0.0
Total AA	644	100.0	631	100.0	12	100.0	1	100.0
Percentage of Total Farms:			98.0		1.9		0.2	
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.								

2022 Des Moines-West Des Moines, IA MSA 19780 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	8	6.1	6,644	4.7	1,584	23.8	27,971	19.9
Moderate	31	23.7	26,189	18.6	3,408	13.0	25,090	17.8
Middle	57	43.5	64,408	45.8	3,061	4.8	30,331	21.6
Upper	33	25.2	42,842	30.5	1,209	2.8	57,235	40.7
Unknown	2	1.5	544	0.4	0	0.0	0	0.0
Total AA	131	100.0	140,627	100.0	9,262	6.6	140,627	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	11,974	5,219	3.4	43.6	5,542	46.3	1,213	10.1
Moderate	50,963	27,528	17.9	54.0	18,712	36.7	4,723	9.3
Middle	108,297	72,002	46.8	66.5	30,077	27.8	6,218	5.7
Upper	68,209	48,361	31.5	70.9	16,884	24.8	2,964	4.3
Unknown	2,436	592	0.4	24.3	1,591	65.3	253	10.4
Total AA	241,879	153,702	100.0	63.5	72,806	30.1	15,371	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,123	4.3	958	4.1	154	6.6	11	4.0
Moderate	4,271	16.3	3,821	16.2	416	17.9	34	12.2
Middle	11,261	43.0	10,315	43.8	843	36.4	103	37.1
Upper	8,724	33.3	7,807	33.1	790	34.1	127	45.7
Unknown	787	3.0	669	2.8	115	5.0	3	1.1
Total AA	26,166	100.0	23,570	100.0	2,318	100.0	278	100.0
Percentage of Total Businesses:				90.1		8.9		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	11	1.7	10	1.6	1	7.7	0	0.0
Moderate	40	6.3	38	6.1	2	15.4	0	0.0
Middle	301	47.4	296	47.7	4	30.8	1	100.0
Upper	279	43.9	275	44.3	4	30.8	0	0.0
Unknown	4	0.6	2	0.3	2	15.4	0	0.0
Total AA	635	100.0	621	100.0	13	100.0	1	100.0
Percentage of Total Farms:				97.8		2.0		0.2
Source: 2022 FFIEC Census Data 2022 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test
Des Moines–West Des Moines MSA (Polk & Dallas counties)	Consistent

The institution's lending performance in the area is consistent with the institution's lending performance overall.

LENDING TEST

Geographic Distribution of Loans

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: Des Moines-West Des Moines, IA MSA 19780													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	3.2	0	0.0	1.6	0	0.0	3.5	0	0.0	2.7	3.4
Moderate	0	0.0	16.6	0	0.0	10.1	1	5.9	16.2	1,600	24.8	11.7	17.9
Middle	3	42.9	43.8	605	32.9	37.7	7	41.2	43.8	1,625	25.2	42.1	46.8
Upper	4	57.1	36.0	1,232	67.1	50.0	9	52.9	36.1	3,217	49.9	43.2	31.5
Unknown	0	0.0	0.4	0	0.0	0.6	0	0.0	0.4	0	0.0	0.3	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	1,837	100.0	100.0	17	100.0	100.0	6,442	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.													

Distribution of 2023 Small Business Lending By Income Level of Geography					
Assessment Area: Des Moines-West Des Moines, IA MSA 19780					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	\$%	
Low	0	0.0	0	0.0	4.3
Moderate	1	5.6	593	16.2	16.4
Middle	4	22.2	1,072	29.2	43.1
Upper	13	72.2	2,004	54.6	33.2
Unknown	0	0.0	0	0.0	3.0
Tract-Unk	0	0.0	0	0.0	
Total	18	100.0	3,669	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.					

Lending to Borrower of Different Income Levels and to Businesses of Different Sizes

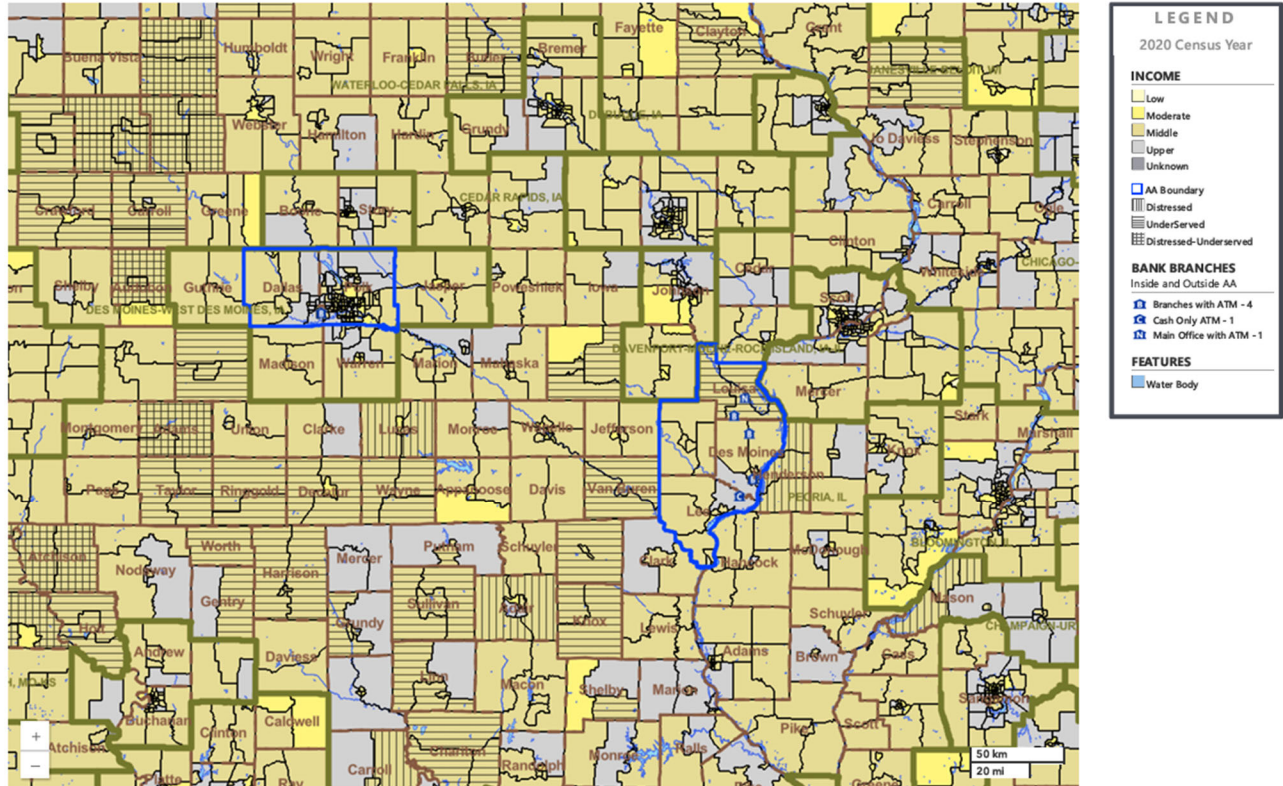
Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Des Moines-West Des Moines, IA MSA 19780													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	##	##	#	##	##	\$(000)	##	##	
Low	0	0.0	11.0	0	0.0	6.3	0	0.0	10.0	0	0.0	5.2	19.9
Moderate	2	28.6	22.2	451	24.6	17.1	1	6.7	21.2	245	5.7	16.2	17.8
Middle	1	14.3	21.4	179	9.7	20.7	3	20.0	22.2	724	16.9	20.8	21.6
Upper	3	42.9	29.9	1,015	55.3	39.0	9	60.0	29.8	2,828	66.1	38.0	40.7
Unknown	1	14.3	15.5	192	10.5	16.9	2	13.3	16.7	480	11.2	19.7	0.0
Total	7	100.0	100.0	1,837	100.0	100.0	15	100.0	100.0	4,277	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.													

Distribution of 2023 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Des Moines-West Des Moines, IA MSA 19780					
	Bank Loans				Total
	#	%	\$(000)	%	Businesses %
By Revenue					
\$1 Million or Less	14	77.8	2,823	76.9	90.3
Over \$1 Million	4	22.2	846	23.1	8.6
Revenue Unknown	0	0.0	0	0.0	1.0
Total	18	100.0	3,669	100.0	100.0
By Loan Size					
\$100,000 or Less	6	33.3	481	13.1	
\$100,001 - \$250,000	9	50.0	1,695	46.2	
\$250,001 - \$1 Million	3	16.7	1,493	40.7	
Total	18	100.0	3,669	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	5	35.7	383	13.6	
\$100,001 - \$250,000	7	50.0	1,447	51.3	
\$250,001 - \$1 Million	2	14.3	993	35.2	
Total	14	100.0	2,823	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.					

APPENDIX A – Map of Assessment Area

BANK 952846

Combined Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Loan-to-Deposit Ratio: March 31, 2021 to March 31, 2025 HMDA-Reportable Loans: January 1, 2022 to December 31, 2023 Small Business Loans: January 1, 2023 to December 31, 2023	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
BANK, Wapello, Iowa		HMDA-Reportable Loans Small Business Loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
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 (Des Moines, Henry, Lee, and Louisa counties)	Full Review	N/A	N/A
Des Moines – West Des Moines, IA MSA #19780	Limited Review	N/A	N/A

APPENDIX C – 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.²

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.

² Source: FFIEC press release dated October 19, 2011.

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 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 operated 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 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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 non metropolitan 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 loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement 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: 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 that 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 nonmetropolitan 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 of the 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).