

PUBLIC DISCLOSURE

October 27, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples Bank
RSSD# 968249

12701 University Avenue
Clive, Iowa 50325

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

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

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INSTITUTION'S CRA RATING

Peoples Bank is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Peoples Bank is meeting the credit needs of its assessment areas consistent with its branch locations, asset size and local economic conditions, based on an analysis of lending and community development activities. Peoples Bank's average loan-to-deposit ratio is reasonable given the bank's asset size, general market conditions, financial condition, and the assessment areas' credit needs. A majority of loans are originated in the bank's combined assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment areas. In addition, loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and to farms of different sizes. Finally, no Community Reinvestment Act (CRA) related complaints have been received by the bank or by this Reserve Bank since the previous evaluation.

Peoples Bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, donations, and community development services. The performance is appropriate, considering the bank's capacity, as well as the need and availability of community development opportunities within the bank's assessment areas.

SCOPE OF EXAMINATION

Peoples Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Intermediate Small Bank CRA Examination Procedures. The evaluation considered information about the bank such as asset size, financial condition and competition, and the economic and demographic characteristics of its assessment areas. The bank maintains three delineated assessment areas consisting of the Ames, IA Metropolitan Statistical Area (MSA) #11180, the Des Moines-West Des Moines IA Metropolitan Statistical Area (MSA) #19780, and the Iowa Non-metropolitan Statistical Area (Non-MSA) assessment.

The evaluation included a full-scope review of the bank's Des Moines-West Des Moines IA MSA which includes Dallas, Guthrie, and Polk Counties in their entirety, a full-scope review of the bank's Iowa Non-MSA assessment areas consisting of Greene County in its entirety and partial Carroll County, and a limited-scope review of the bank's Ames IA MSA, which includes Boone County in its entirety.

The bank's Des Moines-West Des Moines IA and Iowa Non-MSA assessment areas were given greater weight based on the percentage of Home Mortgage Disclosure Act (HMDA) reportable loans, the number of branches in the bank's branch network, and deposit market share.

Loan products were reviewed include HMDA-reportable loans and small farm loans.

The bank's level of community development activities in loans, investments, donations, and community development services in each assessment area was also evaluated. The bank's performance in the limited-scope assessment area was evaluated for consistency with the bank's performance in full-scope review assessment areas.

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

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit ratio from April 1, 2021, to June 30, 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, 2023, through December 31, 2024, and a statistical sample of small farm loans originated from January 1, 2024, to December 31, 2024, 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 from January 1, 2023, through December 31, 2024, and a statistical sample of small farm loans originated from January 1, 2024, to December 31, 2024, 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 Farms of Different Sizes*** – The bank's HMDA-reportable loans originated from January 1, 2023, through December 31, 2024, and a statistical sample of small farm loans originated from January 1, 2024, to December 31, 2024, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to farms of different 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.
- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments, and community development services, from July 20, 2021, to October 27, 2025, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, four community representatives in the areas of affordable housing and economic development were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the full-scope assessment areas. Two community representatives spoke to conditions in the Des Moines-West Des Moines MSA assessment area, and two community representatives spoke to the conditions in Greene and Carroll County in the Iowa Non-MSA assessment area.

DESCRIPTION OF INSTITUTION

Peoples Bank is a wholly owned subsidiary of Rigler Investment Company, a one bank holding company located in Clive, Iowa. The bank has one subsidiary, Peoples Insurance Services LLC, that operates independently from the bank. The bank operates its main office in Clive, Iowa and has seven full-service branch locations, and eight Automated Teller Machines (ATMs) throughout the regional area. Since the previous exam, the Ogden branch, located in a middle-income census tract, was converted into an administrative office due to limited customers using branch services (February of 2024) but maintains one cash only ATM onsite. The Ogden branch was the only branch in Boone County; however, in January of 2024, the bank opened a branch in the City of Boone (Boone County), which is an approximate 11-minute drive from Ogden and is also located in a middle-income census tract. Additionally, since the previous examination, the bank closed a branch and a standalone ATM in Rippey, Iowa (June of 2023), located in a moderate-income census tract in Greene County. This closing was due to a reduced number of customers using in-branch services. The bank continues to operate three branches in Greene County (Grand Junction, Jefferson, and Scranton branches) with the Grand Junction branch also being located in the same moderate-income census tract as the Rippey branch that closed, ensuring the area maintains access to Peoples Bank services. The assessment area remains unchanged since the previous exam.

According to the Uniform Bank Performance Report, Peoples Bank reported total assets of \$485.9 million as of June 30, 2025. The bank is primarily a commercial and agricultural lender; however, for this review period, the bank's primary lending volume was centered within agricultural lending and HMDA lending. The bank offers traditional, non-complex loan and deposit products and services. Loan product offerings include those through the U.S. Department of Agriculture (USDA), such as Farm Service Agency (FSA), Small Business Administration (SBA) loans, HELOCs, and Construction Loans. Further, traditional deposit products are offered and include checking and savings, certificates of deposits, and money market accounts. Services are accessible to customers online via the bank's website at www.mypeoples.bank.

As of June 30, 2025, according to the Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report, Peoples Bank ranked 11th out of 62 financial institutions operating within the combined assessment areas. The bank held \$420.7 million in deposits representing a market share of 1.19 percent. The financial institutions with the largest percentage of the deposit market share are Principal Bank and Bankers Trust Company, with 23.7 percent and 12.5 percent,

respectively. indicating a strong level of competition in the area.

Details of the bank's loan portfolio mix are presented in the following table.

Composition of Loan Portfolio as of June 30, 2025 (000's)		
Type	\$	%
Residential Real Estate	41,194	13.33
Commercial	171,637	55.55
Agriculture	92,215	29.85
Consumer	1,248	0.40
Other	2,671	0.86
Total	308,965	100
<i>Note: Percentages may not total 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 July 19, 2021.

DESCRIPTION OF ASSESSMENT AREA

Peoples Bank is an intrastate bank that operates in the state of Iowa and includes three designated assessment areas, including a portion of the Des Moines-West Des Moines, IA MSA (Dallas, Guthrie, and Polk counties in their entirety), a portion of the Ames, IA MSA (Boone County in its entirety), and IA Non-MSA (Greene County in its entirety, and two census tracts in Carroll County). The assessment area delineation is unchanged since the previous examination.

The combined assessment area includes a total of 147 census tracts, which is comprised of eight low-, 33 moderate, 70 middle-, 34 upper-, and 2 unknown-income census tracts. In 2023 and 2024, two of the 70 middle-income census tracts in the IA Non-MSA assessment area were designated as underserved due to their remote rural locations.

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

2024 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	8	5.4	6,644	4.3	1,584	23.8	30,757	19.9
Moderate	33	22.4	27,159	17.5	3,468	12.8	27,925	18.0
Middle	70	47.6	76,969	49.7	3,673	4.8	33,993	22.0
Upper	34	23.1	43,459	28.1	1,209	2.8	62,100	40.1
Unknown	2	1.4	544	0.4	0	0.0	0	0.0
Total AA	147	100.0	154,775	100.0	9,934	6.4	154,775	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	3.1	43.6	5,542	46.3	1,213	10.1
Moderate	52,823	28,749	16.9	54.4	19,148	36.2	4,926	9.3
Middle	130,409	86,775	50.9	66.5	34,214	26.2	9,420	7.2
Upper	69,093	49,152	28.8	71.1	16,943	24.5	2,998	4.3
Unknown	2,436	592	0.3	24.3	1,591	65.3	253	10.4
Total AA	266,735	170,487	100.0	63.9	77,438	29.0	18,810	7.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,152	4.3	997	4.1	145	6.8	10	3.3
Moderate	4,459	16.8	4,008	16.6	410	19.3	41	13.6
Middle	12,339	46.5	11,351	47.0	843	39.7	145	48.0
Upper	7,830	29.5	7,107	29.5	619	29.1	104	34.4
Unknown	778	2.9	667	2.8	109	5.1	2	0.7
Total AA	26,558	100.0	24,130	100.0	2,126	100.0	302	100.0
Percentage of Total Businesses:				90.9		8.0		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	10	0.8	9	0.7	1	6.3	0	0.0
Moderate	67	5.2	66	5.2	1	6.3	0	0.0
Middle	879	68.6	868	68.7	9	56.3	2	100.0
Upper	320	25.0	316	25.0	4	25.0	0	0.0
Unknown	5	0.4	4	0.3	1	6.3	0	0.0
Total AA	1,281	100.0	1,263	100.0	16	100.0	2	100.0
Percentage of Total Farms:				98.6		1.2		0.2
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Peoples Bank's performance relative to the lending test is Satisfactory. Overall, the bank is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The majority of HMDA-reportable and small farm loans were originated in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and lending activities reflect reasonable penetration among individuals of different income levels, as well as farms of different sizes. Additionally, neither Peoples Bank nor the Federal Reserve Bank of Chicago received any CRA-related complaints since the previous evaluation.

Loan-to-Deposit Ratio

Peoples Bank had a reasonable loan-to-deposit ratio given the bank's size, financial condition, the credit needs of its assessment area(s), and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments. As of June 30, 2025, the loan-to-deposit ratio averaged 72.5 percent over a 17-quarter period. The loan-to-deposit ratio has decreased since the previous evaluation, during which time the bank had an average loan-to-deposit ratio of 87.2 percent over a 16-quarter period ending March 31, 2021. This decline in the loan-to-deposit ratio was driven by a higher interest rate environment which resulted in lower demand from consumers. 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 as of June 30, 2025	
Comparative Data	17 Quarter Average (%)
Peoples Bank	72.5
Peer Avg – Local	86.9
Competitors	
Midwest Heritage Bank	93.0
City State Bank	77.9
Home State Bank	88.6
Rolling Hills Bank & Trust	84.3
Liberty National Bank	90.9

Assessment Area Concentration

Peoples Bank made a majority of its loans and, as appropriate, other lending related activities in the bank's assessment area. Of the 241 loans originated during the evaluation period, the bank originated 80.3 percent of HMDA-reportable loans, and 84.9 percent of small farm loans inside the assessment area by count. When evaluating loans by dollar amount, the bank originated 67.0 percent of HMDA-reportable loans and 66.3 percent of small farm loans inside the assessment area. For comparison, at the previous evaluation, 87.2 percent of HMDA-reportable loans and 74.0 percent of small farm loans were originated inside the assessment area by count. Although the bank's overall combined assessment area concentration has decreased since the previous examination, the bank is still originating a majority of their loans within the assessment area.

The following table presents Peoples Bank's lending inside and outside its combined assessment area for HMDA-reportable loans and a sample of small farm loans.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Improvement	19	95.0	1,278	99.2	1	5.0	10	0.8
Home Purchase – Conventional	44	77.2	7,190	48.1	13	22.8	7,768	51.9
Multi-Family Housing	12	70.6	20,290	72.3	5	29.4	7,766	27.7
Refinancing	76	80.9	13,681	71.7	18	19.1	5,397	28.3
Total HMDA Related	151	80.3	42,439	67.0	37	19.7	20,941	33.0
Small Farm	45	84.9	3,963	66.3	8	15.1	2,011	33.7
Total Small Farm Related	45	84.9	3,963	66.3	8	15.1	2,011	33.7
TOTAL LOANS	196	81.3	46,402	66.9	45	18.7	22,952	33.1

Geographic and Borrower Distribution

The geographic distribution of HMDA-reportable and small farm loans reflects reasonable dispersion throughout the assessment areas, including low- and moderate- income geographies. In addition, Peoples Bank's distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and farms of different sizes is reasonable given the demographics of the bank's assessment areas. 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

Neither Peoples Bank nor this Reserve Bank has received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory. The bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments and donations, and community development services, as appropriate, considering the bank's capacity and the availability of such opportunities for community development in the assessment areas.

Lending, Investment, and Services Activities

During the evaluation period, Peoples Bank originated 19 qualified community development loans, totaling \$15.2 million throughout the combined assessment area and the broader statewide regional area, with the majority having a community development purpose of affordable housing. This represents a 94.9 percent increase in originations by dollar amount when compared to the previous examination, during which time the bank originated 28 qualified community development loans for approximately \$7.8 million.

Peoples Bank made three new qualified investments during the evaluation period totaling \$3.1 million for the purposes of affordable housing and revitalization and stabilization efforts. Additionally, the bank maintained three qualified investments from the previous evaluation for the purpose of revitalization and stabilization efforts, totaling \$710,000. The total amount of qualified investments in the combined assessment area during the evaluation period was \$3.8 million, which reflects a 216.7 percent increase by dollar volume from the prior evaluation in which the bank had approximately \$1.2 million in qualified investments.

Peoples Bank made 181 qualified donations for community development purposes that totaled \$107,788. The majority were to organizations with a focus on economic development efforts supporting small businesses and community services targeted to low- or moderate-income individuals. This represents a 65.8 percent increase by dollar amount when compared to the previous examination, during which time the bank made 200 donations totaling \$65,000.

During the evaluation period, bank staff provided 279 hours of qualified community development services throughout the combined assessment area and broader statewide regional area. Of the total number of service hours, the majority of hours were towards efforts focusing on community services targeted towards low- and moderate-income individuals (143.5 hours) and local economic development efforts support small businesses (103 hours). This represents a significant decrease of 74.0 percent when compared to the previous examination, during which time the bank staff provided 1074 hours of qualified community development services.

Further details on community development activities are discussed in each of the full-scope assessment area sections. Additionally, the following table summarizes Peoples Bank's community development performance for its lending, investment, donation, and service activities by

assessment area.

Qualified Community Development Activities July 20, 2021, to October 27, 2025								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
Full Scope								
Des Moines – West Des Moines IA MSA	17	15,147,767	2	2,626,332	62	43,444	17	35
Iowa Non-MSA - Greene County, Carroll County (partial)	1	5,123	4	1,185,000	101	39,755	85	124
Limited Scope								
Ames, IA MSA	0	0	0	0	17	4,590	73	114
Other								
Broader Statewide or Regional Area	1	10,000	0	0	1	20,000	3	6
Combined Assessment Area								
Total Qualified	19	15,162,890	6	3,811,332	181	107,788	178	279

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.

DES MOINES-WEST DES MOINES, IA MSA #19780 – FULL REVIEW

SCOPE OF EXAMINATION

Full-scope examination procedures were used to evaluate the bank’s performance in the Des Moines-West Des Moines, IA MSA assessment area. There are no deviations from the scope discussed in the “Scope of Examination” section of this performance evaluation.

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

Peoples Bank’s Des Moines-West Des Moines, IA MSA assessment area is comprised of Dallas, Polk, and Guthrie Counties in their entireties. The excluded portions of the MSA consists of the entireties of Jasper, Madison, and Warren Counties. Located within the assessment area is the main office, three branch offices, and three ATMs (one full-service and two cash-only ATMs). Although the assessment area has not changed since the previous evaluation, the composition and total number of census tracts increased from 116 to 134 tracts, a result of the income designation changes from the 2020 Decennial Census and the American Community Survey for the period of 2016-2020. The assessment area is composed of eight low-, 31 moderate-, 60 middle-, 33 upper-, and 2 unknown-income census tracts.

The Census Tract Designation Changes table below shows changes in the income designation of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	9	8	-1
Moderate	30	31	+1
Middle	47	60	+13
Upper	29	33	+4
Unknown	1	2	+1
Total	116	134	+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			

As of June 30, 2025, according to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Peoples Bank ranked 20th out of 51 FDIC-insured financial institutions operating in the assessment area, with 0.67 percent of the market share. The bank held \$218.1 million in deposits inside the market. The financial institutions with the largest percentage of the deposit market share in the assessment area are Principal Bank and Banker's Trust Company at 25.6 percent and 13.5 percent, respectively, which indicates a strong level of competition in the assessment area. In 2024, Peoples Bank ranked 64 among 384 HMDA-reporters, originating 42 HMDA-reportable loans in the assessment area. By comparison, the first ranked institution, Greenstate Credit Union, originated 2,126 HMDA-reportable loans, and the second ranked institution, Veridian Credit Union, originated 1,998 HMDA-reportable loans, indicating strong competition within the assessment area.

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

2024 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	6.0	6,644	4.6	1,584	23.8	28,718	20.0
Moderate	31	23.1	26,189	18.2	3,408	13.0	25,751	17.9
Middle	60	44.8	67,516	47.0	3,226	4.8	31,117	21.6
Upper	33	24.6	42,842	29.8	1,209	2.8	58,149	40.5
Unknown	2	1.5	544	0.4	0	0.0	0	0.0
Total AA	134	100.0	143,735	100.0	9,427	6.6	143,735	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	3.3	43.6	5,542	46.3	1,213	10.1
Moderate	50,963	27,528	17.5	54.0	18,712	36.7	4,723	9.3
Middle	114,124	75,641	48.1	66.3	30,916	27.1	7,567	6.6
Upper	68,209	48,361	30.7	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	247,706	157,341	100.0	63.5	73,645	29.7	16,720	6.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,152	4.7	997	4.5	145	7.3	10	3.8
Moderate	4,305	17.6	3,876	17.4	396	19.9	33	12.4
Middle	10,531	43.0	9,691	43.6	722	36.3	118	44.4
Upper	7,718	31.5	6,998	31.5	617	31.0	103	38.7
Unknown	778	3.2	667	3.0	109	5.5	2	0.8
Total AA	24,484	100.0	22,229	100.0	1,989	100.0	266	100.0
Percentage of Total Businesses:				90.8		8.1		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	10	1.3	9	1.2	1	8.3	0	0.0
Moderate	37	4.9	36	4.9	1	8.3	0	0.0
Middle	431	57.4	424	57.5	6	50.0	1	100.0
Upper	268	35.7	265	35.9	3	25.0	0	0.0
Unknown	5	0.7	4	0.5	1	8.3	0	0.0
Total AA	751	100.0	738	100.0	12	100.0	1	100.0
Percentage of Total Farms:				98.3		1.6		0.1
Source: 2024 FFIEC Census Data 2024 Data & Business Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The table below presents population changes in the assessment area (Dallas, Guthrie, and Polk Counties), the Des Moines-West Des Moines, IA MSA, and the state of Iowa from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area's population is 602,702. The assessment area experienced an increase in population of 12.0 percent between 2015 and 2020, which is in alignment with population trends in the entirety of the MSA; however, it greatly exceeds the state of Iowa's population growth, with a 3.1 percent increase during the same period. Dallas County experienced the largest population change in the assessment area with a 33.1 percent increase; Polk County experienced an 8.8 percent increase; and Guthrie County experienced a 1.1 percent decrease in population. A community representative stated that the availability of land for new development in the assessment area has been a contributing factor to population growth, particularly in Dallas County.

Population Change			
Area	2015 Population	2020 Population	Percent Change
Assessment Area	538,001	602,702	12.0%
Dallas County, IA	74,892	99,678	33.1%
Guthrie County, IA	10,740	10,623	-1.1%
Polk County, IA	452,369	492,401	8.8%
Des Moines-West Des Moines, IA MSA	637,913	709,466	11.2%
State of Iowa	3,093,526	3,190,369	3.1%
Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			

Income Characteristics

According to the U.S. Census Bureau, the Des Moines-West Des Moines, IA assessment area is comprised of 143,735 families, of which 20.0 percent are designated as low-income, 17.9 percent are moderate-income, 21.6 percent are middle-income, and 40.5 percent are upper-income. Additionally, 6.6 percent of families residing within the assessment area live below the poverty line, which is below the state of Iowa's poverty rate of 7.1 percent. According to the 2016-2020 ACS, the median family income (MFI) for the Des Moines-West Des Moines, IA assessment area (Dallas, Guthrie, and Polk Counties) is \$89,032, and increased by 6.8 percent from 2015 to 2020, compared to the Des Moines-West Des Moines, IA MSA and the state of Iowa, which increased by 8.3 percent and 7.4 percent, respectively, over the same time period. A community representative attributed the smaller increase in MFI in Polk County to the area being a more established community where older parts of the city are more affordable, and the cost of living is lower compared to Dallas County. Another community representative attributed the increase in Dallas

County to the growth in the area, which requires higher income to afford homes.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	83,345	89,032	6.8
Dallas County, IA	100,985	114,777	13.7
Guthrie County, IA	66,654	78,171	17.3
Polk County, IA	81,217	86,525	6.5
Des Moines-West Des Moines, IA MSA	82,657	89,538	8.3
State of Iowa	73,712	79,186	7.4
<p><i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey</i> <i>2016 - 2020 U.S. Census Bureau American Community Survey</i> <i>Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i></p>			

Housing Characteristics

The bank's Des Moines-West Des Moines, IA assessment area includes 247,706 total housing units. The majority of these housing units are owner-occupied at 63.5 percent, whereas rental units account for 29.7 percent of total units, and 6.7 percent are reported vacant.

Households are considered housing burdened when their gross monthly housing cost in relation to gross monthly income is 30.0 percent or above. As shown in the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and as owners. When comparing the assessment area to the entire MSA, the figures for Polk County and Dallas County are comparable to those of the MSA for both renters and owners. However, low-income renters found significantly more affordability in Guthrie County, where 43.5 percent of low-income renters experience rental cost burden compared to that of Dallas County (77.1) and Polk County (78.5). When comparing the overall assessment area to the state of Iowa, the figures for the state are comparable with 37.9 percent of renters, and 14.9 percent of owners being burdened by housing cost.

Community representatives indicated that affordable housing is a need in the area, particularly in Dallas County, as service workers cannot afford to live in the county and have to commute from surrounding counties. One community representative stated that the provision of rental assistance is the biggest need. Another community representative stated that housing costs continue to rise, and that people are continuing to move into the assessment area, contributing to the increase in cost of rentals and homes for purchase.

Housing Cost Burden						
Area	Cost Burden – Renters (%)			Cost Burden – Owners (%)		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	77.8	25.8	38.1	63.3	29.4	15.7
Dallas County, IA	77.1	23.6	31.7	51.6	30.8	12.5
Guthrie County, IA	43.5	17.1	28.5	51.0	20.9	16.0
Polk County, IA	78.5	26.4	39.3	65.4	29.5	16.3
Des Moines-West Des Moines, IA MSA	76.7	25.3	38.1	63.1	29.3	15.7
State of Iowa	71.9	21.4	37.9	58.7	23.5	14.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

Employment Characteristics

The following table reflects unemployment rates from the U.S. Bureau of Labor Statistics from 2020 to 2024 in the assessment area, the Des Moines-West Des Moines, IA MSA, and the state of Iowa. After increasing during the COVID-19 pandemic, the unemployment rate decreased closer to historic rates. In 2024, the unemployment rate was comparable to the MSA and the state of Iowa, with all three areas having an unemployment rate of 3.0 percent. One community representative stated that unemployment in the assessment area has historically been low, and that after the pandemic, there was growth in new businesses.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	5.4	3.8	2.7	2.7	3.0
Dallas County, IA	3.2	2.5	2.0	2.2	2.6
Guthrie County, IA	4.7	3.7	2.8	2.8	2.9
Polk County, IA	5.9	4.1	2.8	2.9	3.1
Des Moines-West Des Moines, IA MSA	5.3	3.8	2.7	2.7	3.0
State of Iowa	5.2	3.9	2.8	2.9	3.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of finance and insurance, healthcare, and government. One community representative noted that skilled construction laborers are in high demand and that every industry is experiencing labor challenges. Another representative noted that there is a major shortage of service workers.

Community Representatives

Two community representatives were contacted during the evaluation to gain perspective on the assessment area's economic conditions, affordable housing options, and relevant credit needs. Overall, the representatives explained that housing availability in the area is limited. There is a higher cost of living in Dallas County due to new property developments in the area. The representatives did note that employment opportunities in construction and service work are in high demand. Community banks in the area were mentioned as being very involved in meeting the area's credit needs and local banking efforts have raised funding for revitalization, but the area could benefit from home improvement assistance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DES MOINES-WEST DES MOINES, IA MSA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and sample of small farm loans reflects a reasonable dispersion of loans among the different census tract income levels within the assessment area, with no conspicuous gaps in lending identified.

For HMDA-reportable lending, there was limited to no volume of home improvement and multi-family loans. Consequently, these products carried no weight and are not discussed, as a meaningful analysis could not be conducted.

HMDA-Reportable Loans

In 2024, the bank's total HMDA-reportable lending in low-income census tracts was 7.1 percent by number of loans, which was above the aggregate lenders rate of 3.1 percent and the percentage of owner-occupied units at 3.3 percent. The bank's HMDA-reportable lending in moderate-income census tracts was 16.7 percent by number of loans, which was slightly above the aggregate lenders rate at 15.7 percent, but slightly below demographics at 17.5 percent. The bank's HMDA-reportable lending in middle-income census tracts was 47.6 percent by number of loans, which was slightly above the aggregate lenders rate at 43.2 percent, but slightly below demographics at 48.1 percent.

The bank's HMDA-reportable lending in upper-income census tracts was 28.6 percent by number of loans, which was slightly below the aggregate lenders rate and the demographics at 37.7 percent and 30.7 percent, respectively. The lending performance in 2024 was consistent with the lending performance in 2023.

Home Purchase

In 2024, the bank originated no home purchase loans in low-income census tracts, which was slightly below the aggregate rate and demographics of 3.1 percent and 3.3 percent, respectively. The bank originated 12.5 percent of home purchase loans in moderate-income census tracts, which was slightly below the aggregate rate and demographics of 15.5 percent and 17.5 percent, respectively. The bank originated 62.5 percent of home purchase loans in middle-income census tracts, which was above the aggregate rate and demographic rate of 42.3 percent and 48.1 percent, respectively. The bank originated 25.0 percent of home purchase loans in upper-income census tracts, which was below the aggregate rate and demographics of 38.8 percent and 30.7 percent, respectively. Finally, the bank did not originate home purchase loans in census tracts of unknown income, while the aggregate rate and demographics were at 0.4 percent for both. The lending performance in 2024 was consistent with the lending performance in 2023.

Refinance

In 2024, the bank originated 7.7 percent of its refinance loans in low-income census tracts, which was above the aggregate rate and demographics of 3.0 percent and 3.3 percent, respectively. The bank originated 15.4 percent of its refinance loans in moderate-income census tracts, which was slightly below the aggregate rate and market rate of 17.7 percent and 17.5 percent, respectively. The bank originated 42.3 percent of its refinance loans in middle-income census tracts, which was comparable to the aggregate rate of 42.5 percent, and slightly below the demographics of 48.1 percent. The bank originated 34.6 percent of its refinance loans in upper-income census tracts, which was slightly below the aggregate rate of 36.6 percent, but slightly above the demographics of 30.7 percent. Finally, the bank did not originate home-purchase loans in census tracts of unknown-income, which was below the aggregate rate and demographic at 0.2 percent and 0.4 percent, respectively. The bank originated a larger portion of its refinance loans in low to moderate-income census tracts in 2023 than in 2024. In 2023, the bank originated 36.3 percent of its refinance loans in low- and moderate-income tracts, compared to 23.1 percent in 2024. However, in both 2023 and 2024 the bank exceeded both the aggregate and demographic rates for lending in low- and moderate-income census tracts.

The following table presents the geographic distribution of HMDA-reportable lending in 2023 and 2024.

Distribution of 2023 and 2024 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 %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	­%	­%	\$(000)	­%	­%	#	­%	­%	\$(000)	­%	­%	
Home Purchase Loans													
Low	2	15.4	3.5	338	11.6	1.9	0	0.0	3.1	0	0.0	1.6	3.3
Moderate	1	7.7	16.4	77	2.6	10.5	1	12.5	15.5	174	10.5	10.1	17.5
Middle	5	38.5	43.6	362	12.4	41.1	5	62.5	42.3	1,028	62.3	39.9	48.1
Upper	5	38.5	36.1	2,132	73.3	46.3	2	25.0	38.8	448	27.2	48.2	30.7
Unknown	0	0.0	0.4	0	0.0	0.3	0	0.0	0.4	0	0.0	0.2	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	13	100.0	100.0	2,908	100.0	100.0	8	100.0	100.0	1,650	100.0	100.0	100.0
Refinance Loans													
Low	3	13.6	4.3	221	7.3	2.7	2	7.7	3.0	345	4.3	1.5	3.3
Moderate	5	22.7	17.7	419	13.9	11.4	4	15.4	17.7	351	4.4	10.7	17.5
Middle	9	40.9	46.9	1,629	53.9	44.1	11	42.3	42.5	3,200	40.1	37.7	48.1
Upper	5	22.7	30.7	755	25.0	41.5	9	34.6	36.6	4,087	51.2	49.9	30.7
Unknown	0	0.0	0.4	0	0.0	0.3	0	0.0	0.2	0	0.0	0.2	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	22	100.0	100.0	3,023	100.0	100.0	26	100.0	100.0	7,983	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	2.6	0	0.0	2.1	0	0.0	3.0	0	0.0	2.1	3.3
Moderate	0	0.0	13.0	0	0.0	9.9	0	0.0	15.8	0	0.0	12.1	17.5
Middle	3	75.0	48.0	205	67.2	44.5	2	100.0	47.7	149	100.0	44.9	48.1
Upper	1	25.0	36.1	100	32.8	43.2	0	0.0	33.2	0	0.0	40.6	30.7
Unknown	0	0.0	0.3	0	0.0	0.3	0	0.0	0.3	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	4	100.0	100.0	305	100.0	100.0	2	100.0	100.0	149	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	9.1	0	0.0	9.5	1	16.7	7.5	300	2.7	0.7	6.0
Moderate	2	40.0	34.3	2,991	32.5	21.6	2	33.3	19.9	1,425	13.0	13.1	20.5
Middle	3	60.0	34.3	6,204	67.5	54.5	2	33.3	29.5	9,153	83.3	31.6	41.3
Upper	0	0.0	22.4	0	0.0	14.4	1	16.7	41.1	115	1.0	48.8	28.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	2.1	0	0.0	5.8	3.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	9,195	100.0	100.0	6	100.0	100.0	10,993	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	5	11.4	3.4	559	3.6	2.7	3	7.1	3.1	645	3.1	1.6	3.3
Moderate	8	18.2	15.9	3,487	22.6	11.6	7	16.7	15.7	1,950	9.4	10.4	17.5
Middle	20	45.5	44.7	8,399	54.4	42.8	20	47.6	43.2	13,530	65.1	39.1	48.1
Upper	11	25.0	35.6	2,987	19.4	42.7	12	28.6	37.7	4,650	22.4	48.2	30.7
Unknown	0	0.0	0.4	0	0.0	0.3	0	0.0	0.3	0	0.0	0.7	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	44	100.0	100.0	15,431	100.0	100.0	42	100.0	100.0	20,775	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Small Farm Loans

Small farm lending reflects reasonable dispersion throughout the Des Moines-West Des Moines assessment area. The bank originated all of its small farm loans by volume and dollar amount in

the middle- and upper-income census tracts in the assessment area. This aligns with the 93.1 percent of small farms located in these census tracts. The bank's lending in these tracts also aligns with the aggregate small farm lending in the middle- and upper-income census tracts in the assessment area at 95.4 percent. The bank has limited opportunity for small farm lending in the low- and moderate- income census tracts as only 6.2 percent of small farms are located in the low to moderate-income census tracts in the assessment area.

Distribution of 2024 Small Farm Lending By Income Level of Geography Assessment Area: Des Moines-West Des Moines, IA MSA 19780							
Geographic Income Level	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	1.0	0	0.0	0.2	1.3
Moderate	0	0.0	3.1	0	0.0	3.7	4.9
Middle	16	88.9	56.2	1,292	83.8	46.7	57.4
Upper	2	11.1	39.2	250	16.2	47.3	35.7
Unknown	0	0.0	0.3	0	0.0	2.1	0.7
Tract-Unk	0	0.0	0.3	0	0.0	0.0	
Total	18	100.0	100.0	1,542	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

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

Peoples Bank demonstrates a reasonable distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and to farms of different sizes, given the demographics of the bank's assessment area.

For HMDA-reportable lending, there was a limited volume of home improvement loans. Consequently, this product carried no weight and is not discussed, as a meaningful analysis could not be conducted.

HMDA-Reportable Lending

In 2024, the bank's percentage of HMDA-reportable loans originated to low-income borrowers was 13.9 percent by number of loans, which was above the 10.7 percent by aggregate lenders, but below the percentage of low-income families located in the assessment area at 20.0 percent. The bank originated 5.6 percent of HMDA-reportable loans to moderate-income borrowers, which was significantly below the percentage by aggregate lenders of 22.3 percent and the demographics at

17.9 percent. The bank originated 13.9 percent of HMDA-reportable loans to middle-income borrowers, which was below the percentage by aggregate lenders and demographics at 22.0 percent and 21.6 percent, respectively. The bank originated 44.4 percent of HMDA-reportable loans to upper-income borrowers, which was significantly above the percentage by aggregate lenders of 28.8 percent, and slightly above demographics at 40.5 percent. Finally, the bank originated 22.2 percent of its HMDA-reportable loans to borrowers of unknown income, slightly above the percentage by aggregate lenders at 16.3 percent. The bank's overall performance in 2023 was consistent with its performance in 2024.

Home Purchase

In 2024, the bank originated 12.5 percent of its home purchase loans to low-income borrowers, which is above the percentage of 10.8 by aggregate lenders, but below the percentage of low-income families in the assessment area of 20.0 percent, respectively. The bank originated no home purchases loans to moderate-income borrowers, which is below the aggregate lenders and demographics of 23.3 percent and 17.9 percent, respectively. The bank originated 25.0 percent of loans to middle-income borrowers, which is slightly above the aggregate and demographic of 21.9 percent and 21.6 percent. The bank originated 37.5 percent of home purchase loans to upper-income borrowers, which is above the aggregate of 25.2 percent, and slightly below the demographics of 40.5 percent. Finally, the bank originated 25.0 percent of home purchase loans to borrowers of unknown income, which is above the aggregate of 18.8 percent. In 2023 the bank originated a larger portion of its home purchase loans to borrowers of low- and moderate-income levels than in 2024. In 2023 the bank originated 23.1 percent of its loans to low to moderate-income individuals compared to 12.5 percent in 2024.

Refinance Loans

In 2024, the bank originated 15.4 percent of its refinance loans by number to low-income borrowers, which was above the aggregate of 10.6 percent, and below the percentage of low-income families in the assessment area, at 20.0 percent. The bank originated 7.7 percent of its refinance loans to moderate-income borrowers, which is below the aggregate and demographics at 19.6 percent and 17.9 percent, respectively. The bank originated 11.5 percent of its refinance loans to middle-income borrowers, which was below the aggregate and demographics at 18.0 percent and 21.6 percent, respectively. The bank originated 50.0 percent of its refinance loans to upper-income borrowers, which was significantly above the aggregate of 30.1 percent, and slightly above the demographics at 40.5 percent. Finally, the bank originated 15.4 percent of its refinance loans to borrowers of unknown income, which is slightly below the aggregate of 21.7 percent.

In 2023, the bank originated 4.5 percent of its refinance loans by number to low-income borrowers, which was below the aggregate of 12.3 percent, and significantly below the percentage of low-income families in the assessment area, at 20.0 percent. The bank originated 9.1 percent of refinance loans to moderate-income borrowers, which was below the aggregate of 20.3 percent,

and the demographics at 17.9 percent. The bank originated 4.5 percent of its refinance loans to middle-income borrowers, which was significantly below the aggregate and demographics at 20.6 percent, and 21.6 percent, respectively. The bank originated 45.5 percent of its refinance loans to upper-income borrowers, which was significantly above the aggregate of 29.9 percent, and slightly above the demographics at 40.5 percent. Finally, the bank originated 36.4 percent of its refinance loans to borrowers of unknown income, which is significantly above the aggregate of 16.9 percent.

The following table presents the borrower distribution of HMDA-reportable lending in 2023 and 2024.

Distribution of 2023 and 2024 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 %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	№%	№%	\$(000)	№%	№%	#	№%	№%	\$(000)	№%	№%	
Home Purchase Loans													
Low	1	7.7	10.2	170	5.8	5.1	1	12.5	10.8	38	2.3	5.6	20.0
Moderate	2	15.4	22.1	320	11.0	16.7	0	0.0	23.3	0	0.0	17.6	17.9
Middle	1	7.7	21.5	49	1.7	21.3	2	25.0	21.9	417	25.3	21.5	21.6
Upper	6	46.2	25.6	2,127	73.1	35.9	3	37.5	25.2	815	49.4	35.2	40.5
Unknown	3	23.1	20.6	243	8.4	20.9	2	25.0	18.8	380	23.0	20.1	0.0
Total	13	100.0	100.0	2,908	100.0	100.0	8	100.0	100.0	1,650	100.0	100.0	100.0
Refinance Loans													
Low	1	4.5	12.3	118	3.9	6.2	4	15.4	10.6	358	4.5	5.3	20.0
Moderate	2	9.1	20.3	182	6.0	14.1	2	7.7	19.6	326	4.1	13.3	17.9
Middle	1	4.5	20.6	212	7.0	17.2	3	11.5	18.0	851	10.7	14.1	21.6
Upper	10	45.5	29.9	1,822	60.3	42.9	13	50.0	30.1	6,016	75.4	39.8	40.5
Unknown	8	36.4	16.9	689	22.8	19.7	4	15.4	21.7	432	5.4	27.5	0.0
Total	22	100.0	100.0	3,023	100.0	100.0	26	100.0	100.0	7,983	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	7.6	0	0.0	4.3	0	0.0	10.0	0	0.0	6.3	20.0
Moderate	0	0.0	19.2	0	0.0	13.1	0	0.0	21.0	0	0.0	15.3	17.9
Middle	1	25.0	25.3	50	16.4	21.5	0	0.0	26.0	0	0.0	20.8	21.6
Upper	2	50.0	45.3	145	47.5	57.4	0	0.0	39.7	0	0.0	52.2	40.5
Unknown	1	25.0	2.5	110	36.1	3.6	2	100.0	3.4	149	100.0	5.3	0.0
Total	4	100.0	100.0	305	100.0	100.0	2	100.0	100.0	149	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	5.1	10.1	288	4.6	5.2	5	13.9	10.7	396	4.0	5.5	20.0
Moderate	4	10.3	21.2	502	8.1	16.2	2	5.6	22.3	326	3.3	16.7	17.9
Middle	3	7.7	22.2	311	5.0	20.9	5	13.9	22.0	1,268	13.0	20.2	21.6
Upper	18	46.2	29.8	4,094	65.6	38.1	16	44.4	28.8	6,831	69.8	37.3	40.5
Unknown	12	30.8	16.7	1,042	16.7	19.6	8	22.2	16.3	961	9.8	20.4	0.0
Total	39	100.0	100.0	6,236	100.0	100.0	36	100.0	100.0	9,782	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Farm Lending

The bank's lending to farms with annual revenues of \$1.0 million or less (100.0 percent) is above the percentage of small farms operating in the assessment area (98.3 percent). Of the loans originated to small farms with gross annual revenues of \$1.0 million or less, 77.8 percent were originated in amounts of \$100,000 or less, which are considered most beneficial to small farms, indicating the bank's willingness to meet the credit needs of small farms.

The following table presents the borrower distribution of small farm lending in 2024.

Distribution of 2024 Small Farm Lending By Revenue Size of Farms							
Assessment Area: Des Moines-West Des Moines, IA MSA 19780							
	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
By Revenue							
\$1 Million or Less	18	100.0	53.8	1,542	100.0	69.5	98.3
Over \$1 Million	0	0.0		0	0.0		1.6
Revenue Unknown	0	0.0		0	0.0		0.1
Total	18	100.0		1,542	100.0		100.0
By Loan Size							
\$100,000 or Less	14	77.8	81.0	622	40.3	27.1	
\$100,001 - \$250,000	3	16.7	11.8	520	33.7	32.0	
\$250,001 - \$500,000	1	5.6	7.2	400	25.9	40.9	
Total	18	100.0	100.0	1,542	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	14	77.8		622	40.3		
\$100,001 - \$250,000	3	16.7		520	33.7		
\$250,001 - \$500,000	1	5.6		400	25.9		
Total	18	100.0		1,542	100.0		
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

COMMUNITY DEVELOPMENT TEST

Lending, Investment, and Services Activities

Peoples Bank demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments and donations, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Lending

During the evaluation period, the bank originated 17 community development loans totaling approximately \$15.1 million, which is an increase of 30.7 percent since the previous evaluation by volume. Of the qualified community development loans, 16 were to purchase, refinance, and renovate housing for low- and moderate-income individuals, which community representatives stated is a need in the areas. As such, these activities were seen as particularly responsive. The remaining qualified community development loan was focused on economic development in the area, specifically supporting small businesses that creates permanent job growth for low- and moderate-income individuals.

Investments

During the evaluation period, Peoples Bank made two qualified investments for \$2.6 million within the assessment area, which is a 300.6 percent increase since the previous evaluation by dollar amount. The recipient organizations focus primarily on affordable housing for low- and moderate-income individuals. The bank made 62 community donations totaling \$43,444, which is a 6.5 percent decrease since the previous evaluation by dollar amount. These donations benefited organizations that focused on economic development activities that benefited small businesses, revitalization and stabilization of low- and moderate-income geographies, and community services targeted towards low- and moderate-income individuals.

Services

During the evaluation period, bank staff provided 17 community development services totaling 35 hours to different organizations, representing a 95.1 percent decrease since the previous evaluation by number of hours. The organizations had a primary focus on community development services and economic development. The majority of service hours involved bank leadership providing finance expertise by serving on committees and/or holding a leadership position for community organizations within the assessment area.

The following table presents Peoples Bank's community development activities within the Des Moines-West Des Moines, IA MSA assessment area during the evaluation period.

Summary of CD Activities in Des Moines-West Des Moines, IA MSA 19780 July 20, 2021, to October 27, 2025										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	16	15,047,767	1	100,000	0	0	0	0	17	15,147,767
Investments	2	2,626,332	0	0	0	0	0	0	2	2,626,332
Donations	0	0	23	12,626	7	6,700	32	24,118	62	43,444
Services	3	5	0	0	0	0	14	30	17	35

IOWA NON-MSA– FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank’s performance in the Iowa Non-MSA assessment area. There are no deviations from the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN IOWA NON-MSA

Peoples Bank’s Iowa Non-MSA assessment area consists of the entirety of Greene County, and partial Carroll County. Located within the assessment area are three branch offices, and three ATMs (one full-service and two cash-only ATMs). Since the previous evaluation, the bank closed one branch and cash-only ATM within the assessment area, which was located in a moderate-income census tract. This closing was due to a reduced number of customers using in-branch services. Although the assessment area has not changed since the previous evaluation, the number of LMI census tracts increased from zero to one, a result of the income designation changes from the 2020 Decennial Census and the American Community Survey for the period of 2016-2020. The assessment area is composed of one moderate- and five middle-income census tracts, of which two are designated as underserved due to their remote rural location.

Tract Designation Change Data

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

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

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	0	1	+1
Middle	6	5	-1
Upper	0	0	0
Unknown	0	0	0
Total	6	6	0
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			

As of June 30, 2025, according to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Peoples Bank ranked sixth out of 14 FDIC-insured financial institutions operating in the assessment area, with 8.0 percent of the market share. The bank held \$155.3 million in deposits inside the market. By comparison, the first ranked institution, Home State Bank, and the second ranked institution, Availa Bank, held 18.5 percent and 14.5 percent of the deposit market share, respectively, which indicates a moderate level of competition in the area. In 2024, Peoples Bank ranked second among 66 HMDA-reporters, originating 19 HMDA-reportable loans in the assessment area. By comparison, the first ranked HMDA-reporter, Home State Bank, and the third ranked HMDA-reporter, Iowa Bankers Mortgage Corporation, originated 34 and 11 HMDA-reportable loans, respectively.

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

2024 IA Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	728	18.4
Moderate	1	16.7	454	11.5	60	13.2	722	18.2
Middle	5	83.3	3,510	88.5	208	5.9	913	23.0
Upper	0	0.0	0	0.0	0	0.0	1,601	40.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	3,964	100.0	268	6.8	3,964	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	841	513	10.9	61.0	187	22.2	141	16.8
Middle	6,171	4,189	89.1	67.9	1,249	20.2	733	11.9
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	7,012	4,702	100.0	67.1	1,436	20.5	874	12.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	81	9.5	67	8.6	8	14.0	6	31.6
Middle	770	90.5	708	91.4	49	86.0	13	68.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	851	100.0	775	100.0	57	100.0	19	100.0
Percentage of Total Businesses:				91.1		6.7		2.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	28	9.0	28	9.1	0	0.0	0	0.0
Middle	283	91.0	281	90.9	2	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	311	100.0	309	100.0	2	100.0	0	0.0
Percentage of Total Farms:				99.4		0.6		0.0
Source: 2024 FFIEC Census Data 2024 Data & Business Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The table below presents the population trends for the assessment area and the state of Iowa from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the Iowa Non-MSA assessment area's population is 29,531. The assessment area experienced a decline in population, by 0.9 percent, which is slightly less than the population decrease with population trends in the entirety of the non-MSA. Conversely, the state of Iowa experienced a 3.1 percent increase during the same period. Greene County experienced the largest population change in the assessment area, with a 4.4 percent decrease in population, while Carroll County saw an increase of 0.6 percent. A community representative stated that fewer people are moving to Greene County when compared to Carroll County, as the City of Carroll is a business hub. Another representative stated that Greene County has an older population, and attributed the population change to younger individuals moving to cities, stating that the City of Carroll has more opportunities.

2024 IA Non-MSA Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Assessment Area	29,803	29,531	-0.9
Carroll County, IA	20,629	20,760	0.6
Greene County, IA	9,174	8,771	-4.4
Non-MSA Iowa	1,250,756	1,232,642	-1.4
Iowa	3,093,526	3,190,369	3.1
Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			

Income Characteristics

According to the U.S. Census Bureau, the Iowa Non-MSA assessment area is comprised of 3,964 families, of which 18.4 percent are designated as low-income, 18.2 percent are moderate-income, 23.0 percent are middle-income, and 40.4 percent are upper-income. Additionally, 3.8 percent of families residing within the assessment area live below the poverty line, which is below the state of Iowa's poverty rate of 7.1 percent. According to the 2016-2020 ACS, the median family income (MFI) for the assessment area (Greene County and partial Carroll County) is \$76,403, and increased by 6.5 percent from 2015 to 2020, compared to the entirety of the Iowa Non-MSA and state of Iowa, which increased by 6.5 percent and 7.4 percent, respectively. A community representative noted that the median family income in the area depends heavily on livestock and attributed the smaller increase in MFI in Greene County when compared to Carroll County, to Carroll County having more farms and therefore more livestock.

2024 IA Non-MSA Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	71,753	76,403	6.5
Carroll County, IA	73,679	80,807	9.7
Greene County, IA	64,726	68,438	5.7
Non-MSA Iowa	67,391	71,763	6.5
Iowa	73,712	79,186	7.4
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

Housing Characteristics

The bank's Iowa Non-MSA assessment area includes 7,012 total housing units. The majority of these housing units are owner-occupied at 67.1 percent, whereas rental units account for 20.5 percent of total units, and 12.5 percent are reported vacant.

Households are considered housing burdened when their gross monthly housing cost in relation to gross monthly income is 30.0 percent or above. As shown in the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and as owners. When comparing the assessment area to the entire MSA and the state of Iowa, the figures are comparable for renters and owners that meet the cost burden criteria at 36.2 percent and 11.6 percent, respectively.

Community representatives indicated that affordable housing is a need in the area. One representative noted that there is not enough affordable housing for entry-level workers. Another community representative stated that the availability of housing is tight, but there are a number of affordable housing projects under construction.

2024 IA Non-MSA Housing Cost Burden						
Area	Cost Burden – Renters (%)			Cost Burden – Owners (%)		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	67.0	18.1	36.2	50.7	14.4	11.6
Carroll County, IA	69.0	15.2	38.5	51.4	15.7	11.6
Greene County, IA	61.5	23.6	31.3	48.8	11.6	11.5
Non-MSA Iowa	65.8	16.7	33.2	54.8	18.9	14.2
Iowa	71.9	21.4	37.9	58.7	23.5	14.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

Employment Characteristics

The following table reflects unemployment rates from the U.S. Bureau of Labor Statistics from 2020 to 2024 in the Iowa Non-MSA assessment area, the entirety of the Iowa Non-MSA, and the state of Iowa. After increasing during the COVID-19 pandemic, the assessment area's unemployment rate decreased to 2.3 percent in 2024, which is slightly below the entirety of the Iowa Non-MSA and the state of Iowa at 3.0 percent. Community representatives highlighted manufacturing companies as large employers, with one representative naming specific manufacturing companies that have had strong representation in terms of business and employment, which can be attributed to the lower unemployment rate in the area. Additionally, one community representative stated there have not been major employer closings or relocations. Some small businesses in Greene County closed due to business owners retiring, which can be attributed to the slightly higher unemployment rate in Greene County when compared to Carroll County.

2024 IA Non-MSA Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	4.1	3.0	2.1	2.3	2.3
Carroll County, IA	3.8	2.8	2.0	2.3	2.1
Greene County, IA	4.8	3.6	2.4	2.5	2.7
Non-MSA Iowa	4.9	3.8	3.0	3.0	3.0
Iowa	5.2	3.9	2.8	2.9	3.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, retail trade, and government. One community representative noted that welders are in high demand, and that there have been initiatives with community colleges to provide welder training.

Community Representatives

Two community representatives were contacted during the evaluation to gain perspective on the assessment area's economic conditions, affordable housing options, and relevant credit needs. Overall, housing availability and affordability is limited, and employment opportunities in welding are in high demand. Both community representatives expressed favorable views of community banks in the area, stating that community banks in the area are very involved in meeting the area's credit needs. One community representative pointed to affordable housing initiatives being supported by local financial institutions, stating they particularly serve rural communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA NON-MSA

Lending Test

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and sample of small farm loans reflects a reasonable dispersion of loans among the different census tract income levels within the assessment area, with no conspicuous gaps in lending identified.

HMDA-Reportable Loans

In 2023, the bank's HMDA-reportable lending in the moderate-income census tract was 6.7 percent by number of loans, which was below the percentage by aggregate lenders and the percentage of owner-occupied units in moderate income census tracts, at 11.4 percent and 10.9 percent, respectively. The bank's HMDA-reportable lending in middle-income census tracts was 93.3 percent, which was slightly above the percentage by aggregate lenders and demographics at 88.6 percent and 89.1 percent, respectively.

In 2024, the bank's HMDA-reportable lending in the moderate-income census tract was 36.8 percent by number of loans, which was significantly above the aggregate lenders and the percentage of owner-occupied units in moderate-income census tracts, at 11.5 percent and 10.9 percent, respectively. The bank's HMDA-reportable lending in middle-income census tracts was

63.2 percent, which was significantly below the aggregate lenders and demographics at 88.5 percent and 89.1 percent, respectively.

The following table presents the geographic distribution of HMDA-reportable lending in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography												
Assessment Area: IA Non MSA												
Geographic Income Level	Bank And Aggregate Loans By Year											
	2023						2024					
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Moderate	2	6.7	11.4	128	8.2	8.3	7	36.8	11.5	718	33.6	9.9
Middle	28	93.3	88.6	1,424	91.8	91.7	12	63.2	88.5	1,422	66.4	90.1
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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	1,552	100.0	100.0	19	100.0	100.0	2,140	100.0	100.0
Source: 2024 FFIEC Census Data												
2016-2020 U.S. Census Bureau: American Community Survey												
Note: Percentages may not total 100.0 percent due to rounding.												

Small Farm Loans

The bank originated 38.5 percent of its small farm loans by volume in the moderate-income census tract, which was significantly greater than the aggregate and the percentage of farms in the assessment area located in the moderate-income census tract, at 4.1 percent and 9.0 percent, respectively. The bank originated 61.5 percent of its small farm loans in the middle-income census tract, which was significantly below the aggregate and demographics, at 95.9 percent and 91.0 percent.

Distribution of 2024 Small Farm Lending By Income Level of Geography							
Assessment Area: IA Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	5	38.5	4.1	579	65.5	3.3	9.0
Middle	8	61.5	95.9	306	34.6	96.7	91.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	13	100.0	100.0	884	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dori & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

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

Peoples Bank demonstrates a reasonable distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and to farms of different sizes, given the demographics of the bank's assessment area.

HMDA-Reportable Lending

In 2023 the bank's total HMDA-reportable loans originated to low-income borrowers was 30.0 percent by number of loans, which was above the percentage by aggregate lenders and the percentage of low-income families located in the assessment area at 17.9 percent and 18.4 percent, respectively. The bank originated 16.7 percent of HMDA-reportable loans to moderate-income borrowers, which was below the aggregate and the demographics at 25.2 percent and 18.2 percent, respectively. The bank originated 33.3 percent of HMDA-reportable loans to middle-income borrowers, which was above the aggregate at 26.9 percent, and the demographics at 23.0 percent. The bank originated 13.3 percent of HMDA-reportable loans to upper-income borrowers, which was below the aggregate at 21.8 percent, and significantly below demographics at 40.4 percent. Finally, the bank originated 6.7 percent of its HMDA-reportable loans to borrowers of unknown income, significantly below aggregate at 8.1 percent.

In 2024, the bank's total HMDA-reportable loans originated to low-income borrowers was 5.6 percent by number of loans, which was below the aggregate at 9.7 percent, and below the percentage of low-income families located in the assessment area at 18.4 percent. The bank originated 5.6 percent of HMDA-reportable loans to moderate-income borrowers, which was significantly below the aggregate of 25.2 percent, and below the demographics at 18.2 percent. The

bank originated 27.8 percent of HMDA-reportable loans to middle-income borrowers, which was comparable to the aggregate at 27.9 percent, and slightly above demographics at 23.0 percent. The bank originated 5.6 percent of HMDA-reportable loans to upper-income borrowers, which was significantly below the aggregate and demographics at 22.1 percent and 40.4 percent, respectively. Finally, the bank originated 55.6 percent of its HMDA-reportable loans to borrowers of unknown income, significantly above aggregate rate at 15.0 percent.

Distribution of 2023 and 2024 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 %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	9	30.0	17.9	299	19.3	10.7	1	5.6	9.7	51	2.5	5.3	18.4
Moderate	5	16.7	25.2	318	20.5	25.7	1	5.6	25.2	96	4.7	18.9	18.2
Middle	10	33.3	26.9	689	44.4	26.1	5	27.8	27.9	620	30.4	28.1	23.0
Upper	4	13.3	21.8	146	9.4	26.0	1	5.6	22.1	18	0.9	31.1	40.4
Unknown	2	6.7	8.1	100	6.4	11.5	10	55.6	15.0	1,253	61.5	16.6	0.0
Total	30	100.0	100.0	1,552	100.0	100.0	18	100.0	100.0	2,038	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Farm Lending

The bank's lending to farms with annual revenues of \$1.0 million or less (100.0 percent) is consistent with the percentage of small farms operating in the assessment area (99.4 percent). Of the loans originated to small farms with gross annual revenues of \$1.0 million or less, 92.3 percent were originated in amounts of \$100,000 or less, which are considered most beneficial to small farms, indicating the bank's willingness to meet the credit needs of small farms.

Distribution of 2024 Small Farm Lending By Revenue Size of Farms							
Assessment Area: IA Non MSA							
	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
By Revenue							
\$1 Million or Less	13	100.0	65.4	884	100.0	64.3	99.4
Over \$1 Million	0	0.0		0	0.0		0.6
Revenue Unknown	0	0.0		0	0.0		0.0
Total	13	100.0		884	100.0		100.0
By Loan Size							
\$100,000 or Less	12	92.3	64.2	484	54.8	20.9	
\$100,001 - \$250,000	0	0.0	20.4	0	0.0	30.6	
\$250,001 - \$500,000	1	7.7	15.4	400	45.2	48.4	
Total	13	100.0	100.0	884	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	12	92.3		484	54.8		
\$100,001 - \$250,000	0	0.0		0	0.0		
\$250,001 - \$500,000	1	7.7		400	45.2		
Total	13	100.0		884	100.0		
Source: 2024 FFIEC Census Data 2024 Dori & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

COMMUNITY DEVELOPMENT TEST

Lending, Investment, and Services Activities

Peoples Bank demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments and donations, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area

Lending

During the evaluation period, the bank originated one community development loan totaling \$5,123 to finance roof repairs for housing for low- and moderate-income individuals, improving the quality of affordable housing in the assessment area. Community representatives stated affordable housing is a need in the area. As such, this activity was seen as particularly responsive.

Investments

During the evaluation period, Peoples Bank made four qualified investments for approximately \$1.2 million within the assessment area. Of the \$1.2 million of qualified investments, \$710,000 were made in the prior review period. The recipient organizations focus primarily on revitalization and stabilization efforts for low- and moderate-income geographies. The bank gave 101 community development donations totaling \$39,755. These donations primarily benefited organizations focused on building affordable housing and economic development activities that benefited small businesses.

Services

During the evaluation period, bank staff provided 85 community development services totaling 124 hours to different organizations. The organizations had a primary focus of community development services and affordable housing. The majority of service hours involved bank leadership providing financial expertise by serving on committees and/or holding a leadership position for community organizations within the assessment area.

The following table presents Peoples Bank's community development activities within the Iowa Non-MSA assessment area during the evaluation period.

Summary of CD Activities in IA Non-MSA July 20, 2019, to October 27, 2025										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	1	5,123	0	0	0	0	0	0	1	5,123
Investments	0	0	0	0	4	1,185,000	0	0	4	1,185,000
Donations	6	17,500	51	13,050	18	7,065	26	2,140	101	39,755
Services	26	10	0	0	0	0	59	114	85	124

AMES, IA MSA #11180 – LIMITED REVIEW

SCOPE OF EXAMINATION

Limited scope examination procedures were used to evaluate the bank's performance in the Ames, IA MSA assessment area. There are no deviations from the scope discussed in the "Scope of Examination" section of this performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN AMES, IA MSA

Peoples Bank's Ames, IA MSA assessment area is comprised of the entirety of Boone County and represents a portion of the Ames, IA MSA. The excluded portions of the MSA consists of the entirety of Story County. The bank operates two branch offices and two full-service ATMs in the assessment area. There have been no changes to the assessment area since the previous evaluation.

The Census Tract Designation Changes table below shows changes in the income designation of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	1	1	0
Middle	6	5	-1
Upper	0	1	+1
Unknown	0	0	0
Total	7	7	0
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			

As of June 30, 2025, according to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Peoples Bank ranked fifth out of eight FDIC-insured financial institutions operating in the assessment area, with 6.87 percent of the market share. The bank held \$47.2

million in deposits inside the market. The banks in the assessment area with the greatest market share are Vision Bank of Iowa (28.85 percent), Boone Bank & Trust Co. (20.38 percent), and U.S. Bank, National Association (19.92 percent). In 2024, Peoples Bank ranked 18th among 118 HMDA-reporters in the assessment area, originating eight HMDA-reportable loans in the assessment area. By comparison, the first ranked HMDA-reporter, Iowa Bankers Mortgage Corporation, and the second ranked HMDA-reporter, Guild Mortgage Company, originated 75 and 43 HMDA-reportable loans, respectively.

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

2024 Ames, IA MSA 11180 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,311	18.5
Moderate	1	14.3	516	7.3	0	0.0	1,452	20.5
Middle	5	71.4	5,943	84.0	239	4.0	1,963	27.7
Upper	1	14.3	617	8.7	0	0.0	2,350	33.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	7	100.0	7,076	100.0	239	3.4	7,076	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	1,019	708	8.4	69.5	249	24.4	62	6.1
Middle	10,114	6,945	82.2	68.7	2,049	20.3	1,120	11.1
Upper	884	791	9.4	89.5	59	6.7	34	3.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	12,017	8,444	100.0	70.3	2,357	19.6	1,216	10.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	73	6.0	65	5.8	6	7.5	2	11.8
Middle	1,038	84.9	952	84.5	72	90.0	14	82.4
Upper	112	9.2	109	9.7	2	2.5	1	5.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,223	100.0	1,126	100.0	80	100.0	17	100.0
Percentage of Total Businesses:				92.1		6.5		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	0.9	2	0.9	0	0.0	0	0.0
Middle	165	75.3	163	75.5	1	50.0	1	100.0
Upper	52	23.7	51	23.6	1	50.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	219	100.0	216	100.0	2	100.0	1	100.0
Percentage of Total Farms:				98.6		0.9		0.5
Source: 2024 FFIEC Census Data 2024 Data & Bridge 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 IN AMES, IA MSA

Assessment Area	Lending Test	Community Development Test
Ames, IA MSA	Consistent	Below

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

LENDING TEST

Geographic Distribution of Loans

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Ames, IA MSA 11180													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	8.4	0	0.0	7.3	0	0.0	11.7	0	0.0	9.5	8.4
Middle	8	100.0	86.8	799	100.1	85.7	8	100.0	82.6	1,743	100.0	84.0	82.2
Upper	0	0.0	4.8	0	0.0	7.0	0	0.0	5.7	0	0.0	6.5	9.4
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	8	100.0	100.0	798	100.0	100.0	8	100.0	100.0	1,743	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2024 Small Farm Lending By Income Level of Geography							
Assessment Area: Ames, IA MSA 11180							
Geographic Income Level	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.9
Middle	5	35.7	69.0	586	38.2	80.7	75.3
Upper	9	64.3	31.0	951	61.9	19.3	23.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	1,536	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dori & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

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

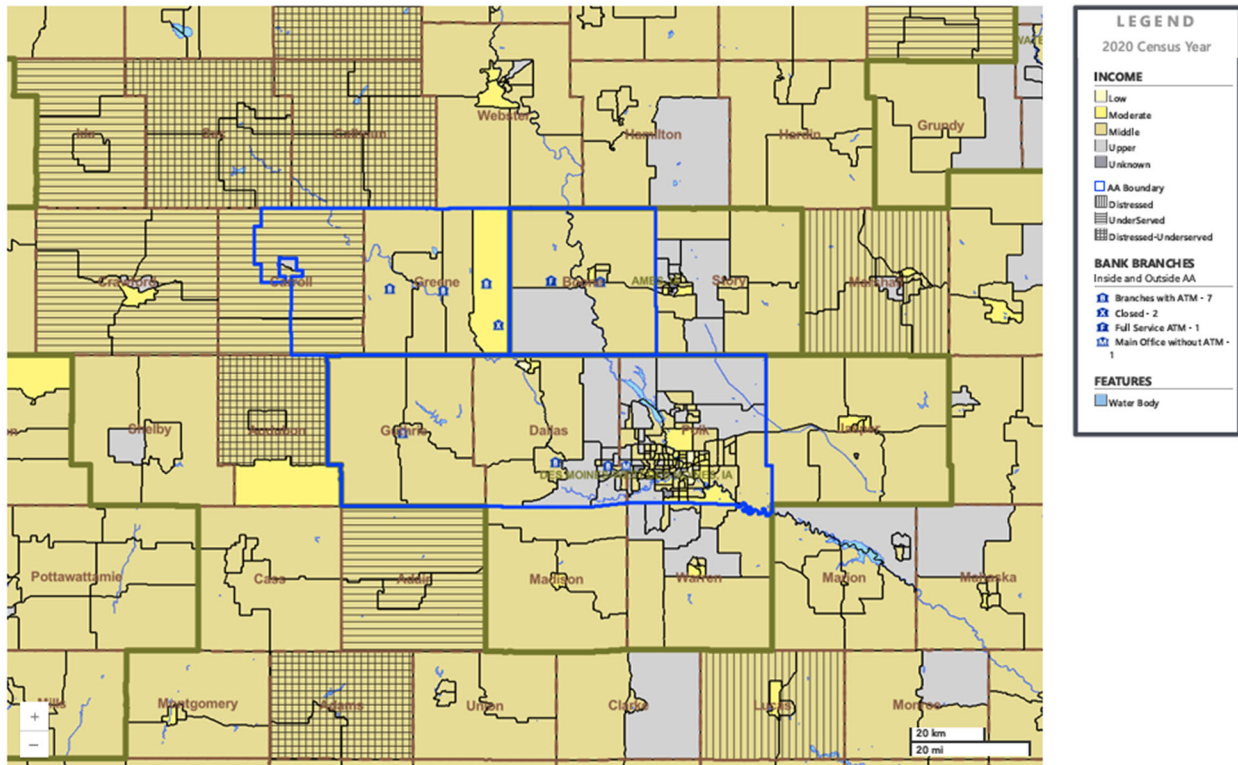
Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Ames, IA MSA 11180													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	3	37.5	22.8	144	18.0	17.1	0	0.0	16.4	0	0.0	9.5	18.5
Moderate	0	0.0	25.3	0	0.0	21.9	1	12.5	24.7	148	8.5	20.6	20.5
Middle	0	0.0	22.1	0	0.0	23.2	3	37.5	22.0	381	21.9	21.7	27.7
Upper	1	12.5	14.8	170	21.3	22.5	2	25.0	19.7	1,065	61.1	29.8	33.2
Unknown	4	50.0	14.9	485	60.8	15.2	2	25.0	17.2	149	8.5	18.5	0.0
Total	8	100.0	100.0	798	100.0	100.0	8	100.0	100.0	1,743	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2024 Small Farm Lending By Revenue Size of Farms							
Assessment Area: Ames, IA MSA 11180							
	Bank And Aggregate Loans						Total Farms %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	13	92.9	57.8	1,336	87.0	67.9	98.6
Over \$1 Million	1	7.1		200	13.0		0.9
Revenue Unknown	0	0.0		0	0.0		0.5
Total	14	100.0		1,536	100.0		100.0
By Loan Size							
\$100,000 or Less	9	64.3	69.8	160	10.4	22.2	
\$100,001 - \$250,000	3	21.4	20.7	600	39.1	38.5	
\$250,001 - \$500,000	2	14.3	9.5	776	50.5	39.3	
Total	14	100.0	100.0	1,536	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	9	69.2		160	12.0		
\$100,001 - \$250,000	2	15.4		400	29.9		
\$250,001 - \$500,000	2	15.4		776	58.1		
Total	13	100.0		1,336	100.0		
Source: 2024 FFIEC Census Data 2024 Dori & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

COMMUNITY DEVELOPMENT TEST

Summary of CD Activities in Ames, Iowa MSA										
July 20, 2021, to October 27, 2025										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	0	0	0	0	0	0	0	0
Investments	0	0	0	0	0	0	0	0	0	0
Donations	0	0	12	3,445	0	0	5	1,145	17	4,590
Services	11	11	62	103	0	0	0	0	73	114

Peoples Bank 968249
Combined Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Lending Test: HMDA-Reportable Loans: January 1, 2023, to December 31, 2024 Small Farm Loans: January 1, 2024, to December 31, 2024 Community Development Test: July 20, 2021, to October 27, 2025	
FINANCIAL INSTITUTION Peoples Bank			PRODUCTS REVIEWED HMDA-Reportable Loans Small Farm 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
Des Moines – West Des Moines, IA MSA #19780	Full-Scope Review	N/A	N/A
Iowa Non-MSA – Greene County, Carroll County (Partial)	Full-Scope Review	N/A	N/A
Ames, IA MSA #11180	Limited-Scope 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.¹

Area Median Income (AMI): AMI means –

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

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

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

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

¹ Source: FFIEC press release dated October 19, 2011.

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

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch 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 nonmetropolitan median income figure.

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

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

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

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

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

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

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

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

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

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

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

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

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

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

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

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

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

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

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

Loan production office: 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).