BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

June 10, 2026

Stacy Janssen
KPMG LLP
2500 Ruan Center
666 Grand Avenue
Des Moines, Iowa 50309

Dear Ms. Janssen:

This is in response to your request on behalf of Peoples Bank, Clive, Iowa, a state member bank, for an exemption from the prohibitions of the Depository Institution Management Interlocks Act ("Interlocks Act")[1] and the Board's Regulation L[2] to permit Mr. David Rigler to become a director on the board of Peoples Bank, while at the same time serving as chief financial officer of Principal Bank, Des Moines, Iowa, a federal savings association.

The Interlocks Act, as implemented by Regulation L, prohibits a management official of a depository organization from serving at the same time as a management official of an unaffiliated depository organization if the depository organizations in question (or a depository institution affiliate thereof) have offices in the same community ("community prohibition").[3] Regulation L also prohibits a management official of a depository organization (or a depository institution affiliate thereof) from serving at the same time as a management official of an unaffiliated depository organization if each of

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[1] 12 U.S.C. § 3201 *et seq*.

[2] 12 CFR part 212.

[3] 12 U.S.C. § 3202(2); 12 CFR 212.3(a). "Community" means any city, town, or village, and contiguous or adjacent cities, towns, or villages. 12 CFR 212.2(c). "Contiguous or adjacent cities, towns, or villages" means cities, towns, or villages whose borders touch each other or whose borders are within 10 road miles of each other at their closest points. 12 CFR 212.2(d).

the depository institutions in question has offices in the same relevant metropolitan statistical area ("RMSA") and has total assets of $50 million or more ("RMSA prohibition").[4] Both Principal Bank and Peoples Bank have total assets of greater than $50 million, and both operate offices in the Des Moines, Iowa, Metropolitan Statistical Area, as well as in the community comprising the cities of Clive, Des Moines, Grimes, Johnston, Pleasant Hill, Urbandale, West Des Moines, and Windsor Heights, all in Iowa. Therefore, Mr. Rigler's proposed simultaneous service as a management official of both Peoples Bank and Principal Bank would be prohibited under both the community prohibition and the RMSA prohibition.

Peoples Bank requests a general exemption to permit Mr. Rigler to serve as a management official at Peoples Bank while also serving as a management official at Principal Bank. Under the general exemption provision of Regulation L, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act and Regulation L if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.[5]

Acting under authority delegated by the Board, the General Counsel, in consultation with the Director of the Division of Supervision and Regulation ("Director"), finds that the proposed interlock would not result in a monopoly or in a substantial lessening of competition.[6] Peoples Bank and Principal Bank each maintain a physical presence in the Des Moines, Iowa, banking market. In a hypothetical merger of Peoples Bank and Principal Bank, the competitive effects of the combination in this local retail banking market, as measured by the HHI and the combined market share in the market, would be consistent with Board precedent and within the thresholds of the 1995 Bank Merger Competitive Review guidelines.[7] In addition, the proposed interlock does

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[4] 12 U.S.C. § 3202(1); 12 CFR 212.3(b).

[5] 12 CFR 212.6(a).

[6] 12 CFR 265.6(d)(1).

[7] *See* Department of Justice, Bank Merger Competitive Review – Introduction and Overview, https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf (1995). On September 17, 2024, the United States Department of Justice ("DOJ") announced its withdrawal from the 1995 Bank Merger Guidelines and emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. *See* Press Release, Department of Justice, "Justice Department Withdraws from 1995 Bank Merger Guidelines," https://www.justice.gov/opa/pr/justice-department-withdraws-1995-bank-mergerguidelines. The 1995 Bank Merger Guidelines had been adopted together with the

not present safety and soundness concerns. Mr. Rigler has experience in financial services as a management official at Principal Bank.

Based on all the facts of record and for the reasons discussed above, acting pursuant to authority delegated by the Board, the General Counsel, in consultation with the Director, has granted an exemption to allow Mr. Rigler to serve as a management official at Peoples Bank while also serving as a management official at Principal Bank.

The Board reserves the right to revoke the exemption should the interlock result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,

(Signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

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federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals. The Board traditionally has considered a market unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. *See, e.g.*, *Chemical Banking Corporation*, 78 Federal Reserve Bulletin 74 (1992). In addition, the Board has traditionally considered a merger not to have an anticompetitive effect where the proposed merger would not increase the HHI by more than 200 points in any banking market, in the absence of other factors indicating anticompetitive effects.