PUBLIC DISCLOSURE

July 28, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples State Bank Certificate Number: 18569

1905 Stewart Ave Wausau, Wisconsin 54401

Federal Deposit Insurance Corporation Division of Depositor and Consumer Protection Chicago Regional Office

300 South Riverside Plaza, Suite 1700 Chicago, Illinois 60606

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated **Satisfactory**.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and the credit needs of the AAs.
- A majority of loans and other lending related activities are in the institution's AAs.
- The geographic distribution of loans reflects excellent dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank has not received any CRA-related complaints since the previous evaluation. Consequently, this factor did not affect the Lending Test rating.

The Community Development Test is rated **Satisfactory**.

• The institution's community development performance demonstrates adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

DESCRIPTION OF INSTITUTION

Peoples State Bank (Peoples) is wholly owned by PSB Holdings Inc., a one-bank holding company publicly traded under the OTC ticker PSBQ. Both the holding company and the bank are headquartered in Wausau, Wisconsin. In addition to its main office, Peoples conducts business from 11 branch offices located in north central Wisconsin, as well as the city of Milwaukee and the surrounding communities.

The FDIC rated the bank's CRA performance Satisfactory on September 28, 2022 utilizing Interagency Intermediate Small Institution Examination procedures. The bank increased its office footprint since the previous evaluation, opening two branches, each in upper-income census tracts. The Stevens Point branch opened July 12, 2023; and the Milwaukee branch opened June 24, 2024.

In addition to in-person service during lobby and drive-up hours, the bank makes many of its products and services available through the internet via its website, telephonically, and via smart phone application. ATMs are available at each branch, other than the West Allis branch, and accountholders have surcharge-free access through 55,000 Allpoint Network ATMs.

Peoples offers traditional consumer, residential, municipal, agricultural and commercial credit and deposit products. Additionally, the bank offers several different loan programs, including those developed by the Small Business Administration (SBA), United States Department of Agriculture, Wisconsin Housing and Economic Development Authority, United States Department of Veterans Affairs, Federal Housing Administration, and the Federal Home Loan Bank. These programs have third party guarantees or subsidy features that address some of the underwriting difficulties facing potential homeowners, small farms, and small businesses, enhancing the bank's ability to reach low- and moderate-income individuals, and small businesses and farms.

The bank's major portfolio holdings, as shown in the table that follows, continue to be commercial and residential loans. While assets grew from \$1.3 billion as of September 30, 2022, to \$1.5 billion as of June 30, 2025, the loan portfolio composition has remained consistent since the prior examination.

Loan Portfolio Distribution as of 3/31/2025							
Loan Category	\$(000s)	%					
Construction, Land Development, and Other Land Loans	87,150	7.9					
Secured by Farmland	11,293	1.0					
Secured by 1-4 Family Residential Properties	306,357	27.6					
Secured by Multifamily (5 or more) Residential Properties	87,431	7.9					
Secured by Nonfarm Nonresidential Properties	474,431	42.8					
Total Real Estate Loans	966,662	87.2					
Commercial and Industrial Loans	124,757	11.2					
Agricultural Production and Other Loans to Farmers	339	0.0					
Consumer Loans	4,347	0.4					
Obligations of State and Political Subdivisions in the U.S.	12,878	1.2					
Other Loans	564	0.0					
Lease Financing Receivable (net of unearned income)	0	0.0					
Less: Unearned Income	0	0.0					
Total Loans	1,109,547	100.0					

No financial, legal, or other impediments limit the bank's ability to meet the credit needs of the AAs.

DESCRIPTION OF ASSESSMENT AREAS

As depicted in the table that follows, Peoples maintains three AAs, each consisting of two counties. One of the bank's three AAs changed since the prior evaluation. Specifically, the bank expanded

the Wausau MSA AA to include Portage County after opening the Stevens Point branch in 2023. Portage and Marathon County are part of the Wausau-Stevens Point-Wisconsin Rapids Combined Statistical Area (CSA). The perimeter of the MKE MSA AA (Milwaukee-Waukesha Metropolitan Statistical Area (MSA)) and the Non MSA AA remain unchanged.

According to 2020 U.S. Census data, the combined AAs include 471 census tracts. Of these census tracts, 17.2 percent are designated low-income, 19.1 percent are moderate-income, 36.1 percent are middle-income, 25.7 percent are upper-income, and 1.9 percent have no income designation assigned. All seven middle-income census tracts in Vilas County were designated as underserved in 2023 and 2024 by the Federal Financial Institution Examiner Council (FFIEC). The number of census tracts and their income designations in the AAs have varied since the previous evaluation due to 2020 U.S. Census data updates and nationwide MSA delineation updates effective January 1, 2024.

Description of Assessment Areas								
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches					
Wausau CSA	Marathon, Portage	47	6					
MKE MSA	Milwaukee, Waukesha	400	3					
Non MSA	Vilas, Oneida	24	3					
Source: Bank Data								

As shown in the table that follows, the lowest AA unemployment rates observed during the review period were in the Wausau CSA AA counties of Marathon and Portage. AA unemployment rates generally followed periodic statewide and national rate trajectories over the review period. The highest unemployment rates were in the Non MSA AA counties of Vilas and Oneida. Excepting the annual Vilas County unemployment rate in 2022 and 2023, each AA county unemployment rate was slightly below the national periodic unemployment rate.

Unemployment Rates								
	G 4	2022	2023	2024	June 2025			
Area	County	%	%	%	%			
W CC A	Marathon	2.4	2.5	2.6	2.8			
Wausau CSA	Portage	2.8	2.7	2.9	3.1			
MEEMEA	Milwaukee	3.5	3.5	3.7	4.1			
MKE MSA	Waukesha	2.4	2.5	2.6	3.0			
Non MSA	Vilas	3.9	3.8	3.7	3.2			
Non WSA	Oneida	3.3	3.3	3.3	2.9			
St	tate	2.8	2.8	3.0	3.2			
Nationa	l Average	3.6	3.6	4.1	4.4			
Source: U.S. Bureau of I	Labor Statistics and Wisconsi	n Department of Workfo	orce Development	•	•			

Please refer to the individual AA sections for additional details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated September 28, 2022, to the current evaluation date. Examiners used the Interagency Intermediate Small Institution Examination procedures to assess Peoples' CRA performance.

Examiners conducted a full-scope review of each AA, giving greater weight to the activities in the Wausau CSA AA. This AA includes a majority of home mortgage and small business lending activity, as well as 6 of the 12 branch offices.

Activities Reviewed

Based on Call Report data and as reflected in the loan distribution table presented previously, home mortgage and small business loan categories represent the bank's primary overall lending focus and were again selected for review to analyze CRA performance. Agricultural and other consumer loans were not reviewed because these credits do not represent material loan portfolio holdings.

For the Lending Test, examiners reviewed and analyzed all home mortgage loans originated in 2022, 2023, and 2024. All data is presented in the AA concentration table. Given the overall consistent performance during the review period, this Performance Evaluation presents only the 2023 and 2024 home mortgage data in the geographic distribution and borrower profile sections. Specifically, examiners reviewed 462 home mortgage loans totaling \$137.6 million in 2022, 449 home mortgage loans totaling \$113.3 million in 2023, and 344 home mortgage loans totaling \$99.6 million in 2024.

Additionally, examiners analyzed and presented all small business loans originated in 2023 and 2024. This includes 507 small business loans totaling \$131.3 million originated or renewed in 2023, and 550 small business loans totaling \$154.8 million originated or renewed in 2024.

Examiners placed equal weight on home mortgage and small business lending activities based on the number and dollar volume of these loans. Examiners considered corresponding aggregate loan data subject to Home Mortgage Disclosure Act (HMDA) reporting requirements as a standard of comparison for the bank's home mortgage lending. Further, D&B data provided the standard of comparison for the bank's small business lending activity.

In the MKE MSA AA, a significant number of the bank's home mortgage loans are secured by investment properties, including investor loans and multifamily housing units. To arrive at a more accurate analysis of the bank's geographic distribution performance, examiners separately analyzed loans secured by investment properties and owner-occupied properties. Examiners placed more weight on home mortgage loans secured by investment properties given more loan volume than home mortgage loans secured by owner-occupied properties during the evaluation period in this AA.

For the Community Development Test, examiners reviewed bank data regarding community

development activities since the last evaluation dated September 28, 2022, including prior period investments held as of the current evaluation date, July 28, 2025.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Peoples' satisfactory performance under the Lending Test is supported by excellent performance under the geographic distribution criterion and reasonable performance under the borrower profile, AA concentration, and LTD ratio criteria.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and AA credit needs. Peoples' LTD ratio averaged 90.6 percent over the previous 11 quarters. The LTD ratio generally followed an upward trend during the review period, rising from 81.2 percent on September 30, 2022, to a high of 96.2 percent on March 31, 2025. This ratio is reasonably comparable to that of similarly situated institutions whose average LTD ratios ranged from 66.7 percent to 109.1 percent over the same period. Examiners selected comparable financial institutions based on geographic location, loan portfolio composition, and asset size.

Loan-to-Deposit Ratio Comparison							
Bank	Total Assets as of 3/31/2025 (\$000s)	Average Net LTD Ratio (%)					
Peoples State Bank (18569)	1,459,363	90.6					
Similarly Situated Bank #1	678,620	91.56					
Similarly Situated Bank #2	613,585	68.6					
Similarly Situated Bank #3	1,993,556	83.66					
Similarly Situated Bank #4	665,042	66.7					
Similarly Situated Bank #5	2,188,804	109.1					
Source: Reports of Condition and Income 9/30/20.	22 - 3/31/2025						

Assessment Area Concentration

As shown in the table that follows, a majority of the bank's loans and other lending related activities are in the institution's AAs.

_	ľ	Number (of Loans			Dollar A	Dollar Amount of Loans \$(000)				
Loan	Insi	nside Outs		side	Total #	Inside		Outside		Total	
Category	#	%	#	%		\$	%	\$	%	\$(000)	
Home Mortgage											
2022	368	79.7	94	20.3	462	98,000	71.2	39,560	28.8	137,560	
2023	354	78.8	95	21.2	449	67,446	59.5	45,953	40.5	113,399	
2024	265	77.0	79	23.0	344	61,720	61.9	37,930	38.1	99,650	
Subtotal	987	78.6	268	21.4	1,255	227,166	64.8	123,443	35.2	350,609	
Small Business											
2023	414	81.7	93	18.3	507	104,687	79.7	26,675	20.3	131,362	
2024	434	78.9	116	21.1	550	117,530	75.9	37,301	24.1	154,831	
Subtotal	848	80.2	209	19.8	1,057	222,217	77.6	63,976	22.4	286,193	

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the AAs. The bank exceeded D&B demographic and HMDA aggregate benchmarks for all products reviewed except small business loans in the Non-MSA AA.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Performance is consistent within all three AAs.

Response to Complaints

The bank received no CRA-related complaints since the prior evaluation. This criterion did not impact the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

Community Development Loans

Peoples originated 106 community development loans totaling approximately \$89.6 million in the combined AAs. Additionally, examiners qualified 13 regional or statewide community development loans totaling approximately \$10.1 million. Examiners considered the loans made in

the broader statewide and regional area, as Peoples is meeting the community development needs within its AAs.

While there are 26 fewer community development loans in this AA since the prior evaluation, this level of community development lending represents a \$44.1 million increase in the dollar volume. These community development loans represent approximately 6.6 percent of total assets and 9.0 percent of net loans. This activity is comparable to four recently evaluated Wisconsin banks with similar a similar evaluation period length. These institutions have made community development loans that represent 3.8 to 8.0 percent of total assets and 4.7 to 11.6 percent of net loans.

Community development lending activity during the review period is presented in the following tables, by year and by AA.

Community Development Lending by Year											
Activity		Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
Year	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
2023	4	1,209	8	2,162	22	42,597	9	5,816	43	51,784	
2024	7	2,703	6	3,695	25	21,918	9	6,649	47	34,965	
YTD 2025	8	2,353	3	470	8	7,211	10	2,803	29	12,837	
Total	19	6,265	17	6,327	55	71,726	28	15,268	119	99,586	
Source: Bank Date	a										

	Community Development Lending by Assessment Area										
Rated Area		Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
Wausau CSA	1	140	5	813	27	45,633	2	312	35	46,898	
MKE MSA	14	3,926	9	5,386	15	13,527	10	4,839	48	27,678	
Non MSA	0	0	3	128	5	4,809	15	10,017	23	14,954	
Regional	4	2,199	0	0	8	7,757	1	100	13	10,056	
Total	19	6,265	17	6,327	55	71,726	28	15,268	119	99,586	
Source: Bank Date	ı										

Notable statewide and regional community development lending activities include:

- Over \$2,000,000 in loans were used to purchase multifamily housing in Wisconsin. Unit rental rates advertised were below HUD's fair market rents for the area for all or a majority of each project.
- More than \$5,000,000 in SBA 504 loans for economic development in Langlade and Brown Counties.
- A \$100,000 participation loan arranged by a Community Development Financial Institution (CDFI) to expand a confectionary business in a low-income tract in Dane County Wisconsin. The loan will help expand the business and create permanent jobs for low- or moderate-income individuals.

Qualified Investments

Qualified investments represent approximately 0.7 percent of total assets, 3.7 percent of total securities, and 7.5 percent of total equity capital. The dollar volume of the bank's community investments more than doubled from \$4.6 million at the last evaluation to \$9.8 million at the current evaluation. This level of investment activity is generally comparable to four similarly situated Wisconsin institutions recently evaluated. These institutions made qualified investments that represent 0.4 to 2.0 percent of total assets, 4.9 to 10.0 percent of total securities, and 4.7 to 19.8 percent of total equity capital. Qualified investment activity during the review period is presented in the following tables, by year and by AA.

			Qual	ified Invest	tments	by Year					
Activity Year	Affordable Housing			Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
Prior Period	3	4,261	-	-	1	950	-	-	4	5,211	
2023	2	2,555	-	-	-	-	-	-	2	2,555	
2024	2	2,000	-	-	-	-	-	-	2	2,000	
YTD 2025	-	-	-	-	-	-	-	-	-	-	
Subtotal	7	8,816	-	-	1	950	-	-	8	9,766	
Qualified Grants & Donations	6	4	26	42	1	3	1	2	34	51	
Total	13	8,820	26	42	2	953	1	2	42	9,817	
Source: Bank Data		•	-	•		•	-	-		•	

Qualified Investments by Assessment Area											
Dated Asses	Affordable Housing			Community Services		Economic Development		Revitalize or Stabilize		Totals	
Rated Area	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
Wausau CSA	4	1,002	10	13	-	-	-	-	14	1,015	
MKE MSA	1	1,500	10	23	2	953	1	2	14	2,478	
Non MSA	4	1,002	4	3	-	-	-	-	8	1,005	
Regional	4	5,316	2	3	-	-	-	-	6	5,319	
Total	13	8,820	26	42	2	953	1	2	42	9,817	
Source: Bank Data											

Statewide or regional investments included four affordable housing securities exceeding \$5,000,000 for three Wisconsin and one Illinois housing project.

Community Development Services

Peoples' employees, management and directorate contributed 749 hours of community services within the bank's AAs, the majority of which (62.2 percent) was in the Wausau CSA AA. Approximately 9.1 percent benefited the Non-MSA AA, 12.0 percent benefitted the MKE MSA AA, and 16.7 percent benefitted the statewide or regional area. Community development service hours during the review period are presented below, by year and AA.

Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals	
	#	#	#	#	#	
2023	41	177	32	2	252	
2024	97	205	6	24	332	
YTD 2025	11	148	-	6	165	
Total	149	530	38	32	749	

Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals	
	#	#	#	#	#	
Wausau CSA	108	358	-	-	466	
MKE MSA	8	80	2	-	90	
Non MSA	13	16	7	32	68	
Regional	20	76	29	-	125	
Total	149	530	38	32	749	

In total 62 services have been provided to 36 different organizations. This is an increase from 25 organizations at the last examination. Peoples' community development service activity is comparable to that of the four similarly situated Wisconsin banks where the number of services ranged from 21 to 115.

Notable community services in the broader statewide or regional area include:

- 16 hours serving on a committee for an organization that has a mission of ensuring low- and moderate-income individuals receive dental services.
- 28.5 hours serving on the investment committee for a non-profit on the perimeter of a moderate-income tract with a mission to assist small businesses in gaining access to capital in order to grow their businesses, create jobs, and stabilize needy communities.
- 16.5 hours teaching students about the complex world of business problem solving, the importance of earning money, working, following directions, and cultivating job-related

skills in schools where the majority of students were eligible to receive free or reduced cost lunches.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

WAUSAU CSA AA– Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WAUSAU CSA AA

The Wausau CSA AA consists of all 47 census tracts in Marathon and Portage Counties. Sources of data used in this section include 2020 U.S. Census data, 2023-24 HMDA aggregate data, 2023-24 D&B data, the FFIEC, the U.S. Bureau of Labor Statistics, and the Wisconsin Department of Workforce Development.

Of the six offices in this AA, the main office and one branch are in the city of Wausau. Other branch locations include Rib Mountain, Weston, Marathon, and Stevens Point. As noted previously, the Stevens Point branch opened in 2023 and resulted in the expansion of this AA to include all of Portage County.

Economic and Demographic Data

According to 2020 U.S. Census data and 2024 D&B data, there are 47 census tracts in the Wausau CSA AA. Of these 47 tracts, none are low-income tracts, 21.3 percent are moderate-income tracts, 61.7 percent are middle-income tracts, and 17.0 percent are upper-income tracts. Of the 16,964 AA businesses, 67.0 percent have four or less employees, 90.2 percent operate from a single location, and more than 85 percent of these businesses have gross annual revenues (GARs) at or below \$1 million. The top business categories in the AA are general non-classifiable establishments at 20.4 percent, other services at 9.3 percent, retail trade at 7.5 percent, and construction at 7.2 percent. Of the 90,780 housing units in the AA, 27.7 percent are rentals, 6.5 percent are vacant, and 65.8 percent are owner-occupied. Additional select demographic characteristics of the Wausau CSA AA are presented in the following table.

Demog	raphic Inform Wa	ation of the a	Assessment A	rea		
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	47	0.0	21.3	61.7	17.0	0.0
Population by Geography	208,390	0.0	18.0	63.4	18.6	0.0
Housing Units by Geography	90,780	0.0	19.7	61.6	18.7	0.0
Owner-Occupied Units by Geography	59,725	0.0	14.8	64.5	20.7	0.0
Occupied Rental Units by Geography	25,185	0.0	30.4	55.4	14.2	0.0
Vacant Units by Geography	5,870	0.0	24.6	57.9	17.6	0.0
Businesses by Geography	16,964	0.0	20.7	58.9	20.5	0.0
Farms by Geography	840	0.0	12.0	68.8	19.2	0.0
Family Distribution by Income Level	54,506	16.6	18.5	24.0	40.9	0.0
Household Distribution by Income Level	84,910	21.4	16.9	19.4	42.3	0.0
Median Family Income - 48140 Wausau	ı, WI MSA	\$78,239	Median Hou		\$ 166,064	
Wisconsin Non-MSA Median Family Ir	*	\$71,403	Median Gross Rent			\$777
			Families Be	low Poverty	Level	5.4%

Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.

The median family incomes and corresponding borrower income segment stratification used for analysis under the borrower profile criterion for home mortgage credits is listed in the following table.

	Estimated Median Family Income Ranges Wausau CSA									
Year	Year MFI Low <50%									
	Wausau, WI									
2024	\$ 94,800	< \$47,400	\$47,400 to < \$75,840	\$75,840 to < \$113,760	>= \$113,760					
2023	\$97,800	< \$48,900	\$48,900 to < \$78,240	\$78,240 to < \$117,360	>= \$117,360					
		Non-Me	etro Median Family Income F	or WISCONSIN						
2024	\$ 86,700	< \$43,350	\$43,350 to < \$69,360	\$69,360 to < \$104,040	>= \$104,040					
2023	\$86,000	< \$43,000	\$43,000 to < \$68,800	\$68,800 to < \$103,200	>= \$103,200					
Source:	FFIEC									

The Wisconsin Realtors Association provides information on the number and median price of home sales by county. This information provides insight into the availability and affordability of housing as well as potential credit needs in each county. As illustrated in the following table, the median home prices in Marathon and Portage Counties have steadily increased since the prior performance evaluation.

Median Sales Prices								
Year	Marathon County	Portage County	State					
2023	235,000	265,450	285,000					
2024	256,000	281,000	310,000					
2025 (7 months)	255,000	314,500	325,000					
Source: Wisconsin Realtors Associ	ation							

Competition

The competition for Wausau CSA AA financial services is robust. According to the FDIC June 30, 2024 Deposit Market Share Report, 24 financial institutions maintain 68 offices in the Wausau CSA AA. One large national bank maintains approximately 27.4 percent of the \$6.7 billion deposit market. Peoples ranks second with a deposit market share of approximately 11.8 percent.

There is considerable competition for home mortgage loans. Based on 2024 HMDA market share data, 223 lenders originated 4,372 loans in the AA. Peoples ranks sixth, maintaining 3.8 percent of the home mortgage market share. The top lenders include three credit unions and two national banks.

Credit and Community Development Needs and Opportunities

According to economic and demographic data and discussions with management, affordable housing and business lending are primary credit needs for the AA. Given the prevailing tariff environment there are domestic manufacturing or onshoring opportunities for nimble manufacturing businesses and focused start-ups and likely more established manufacturing companies with excess capacity.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WAUSAU CSA AA

LENDING TEST

Peoples' performance is reasonable under the Lending Test. Excellent performance under the geographic distribution and reasonable performance under the borrower profile criterion supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgages and small business loans reflects excellent dispersion throughout the AA.

Home Mortgage

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. As noted in the table that follows, the bank's performance exceeded aggregate data for the moderateincome tracts of the AA in 2023 and 2024 by over 6.0 and 3.9 percentage points, reflecting strong performance.

Geographic Distribution of Home Mortgage Loans Wausau CSA									
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%			
Moderate						•			
2023	14.8	16.8	38	23.0	7,896	24.5			
2024	14.8	17.5	24	21.4	2,866	13.8			
Middle									
2023	64.5	65.8	113	68.5	20,210	62.6			
2024	64.5	64.5	80	71.4	16,045	77.2			
Upper									
2023	20.7	17.4	14	8.5	4,166	12.9			
2024	20.7	18.0	8	7.1	1,864	9.0			
Total						•			
2023	100.0	100.0	165	100.0	32,272	100.0			
2024	100.0	100.0	112	100.0	20,775	100.0			

Source: 2020 Census; Imported Bank Data; 2023, 2024 HMDA Aggregate Data

Due to rounding, totals may not equal 100.0%.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. As shown in the following table the bank's performance for originations in the moderate-income tracts slightly exceeded the D&B benchmark in 2023 and 2024, reflecting reasonable performance.

Geographic Distribution of Small Business Loans Wausau CSA								
Tract Income Level	% of Businesses	#	%	\$(000s)	%			
Moderate	1		1	<u> </u>				
2023	19.9	37	20.3	7,968	19.2			
2024	20.7	49	24.8	13,426	26.4			
Middle	<u>.</u>		<u>.</u>					
2023	59.5	111	61.0	25,546	61.7			
2024	58.9	120	60.6	29,796	58.6			
Upper	<u>.</u>		<u> </u>					
2023	20.6	34	18.7	7,895	19.1			
2024	20.5	29	14.7	7,653	15.0			
Total			<u> </u>					
2023	100.0	182	100.0	41,409	100.0			
2024	100.0	198	100.0	50,875	100.0			

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Home Mortgage

The distribution of home mortgage borrowers reflects reasonable penetration throughout the AA. As noted in the table that follows, the bank's performance was generally in line with the aggregate benchmark in 2023 and 2024 for both the low- and moderate-income borrower segments.

In both 2023 and 2024, the bank's lending penetration to low-income borrowers trailed the percentage of low-income families in the AA. The disparity in the bank's performance compared to demographic data can be largely attributed to the 5.4 percent of families that live below the poverty level in the AA. Due to their limited financial resources, families with income levels below the poverty level generally do not have the capacity to support a home mortgage loan, limiting the demand and opportunity for lending to low-income borrowers. Therefore, the evaluation places heavier consideration on the bank's performance compared to aggregate data. While the bank's 2023 lending penetration to low-income borrowers exceeded aggregate data by 1.9 percent, the 2024 performance trailed aggregate by 2.7 percent.

The bank's home mortgage lending penetration to moderate-income individuals trails aggregate data in both 2023 and 2024; however, performance is reasonable. Given the rising home prices in both counties in this AA, it may also be difficult for a moderate-income borrower to have the capacity to support a home mortgage loan. The bank's performance is better than that of two similarly situated institutions. In consideration of AA demographics, rising housing costs,

aggregate data, and similarly situated institution lending activity, the bank's performance of lending to low- and moderate-income borrowers is considered reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level Wausau CSA									
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%			
Low									
2023	16.5	11.4	22	13.3	1,497	4.6			
2024	16.6	9.8	8	7.1	607	2.9			
Moderate									
2023	18.4	23.9	35	21.2	3,980	12.3			
2024	18.5	22.0	18	16.1	2,418	11.6			
Middle									
2023	23.9	25.2	44	26.7	5,506	17.1			
2024	24.0	24.4	26	23.2	4,258	20.5			
Upper									
2023	41.2	29.9	41	24.9	11,647	36.1			
2024	40.9	33.1	34	30.4	9,263	44.6			
NA									
2023	0.0	9.7	23	13.9	9,642	29.9			
2024	0.0	10.7	26	23.2	4,229	20.4			
Total									
2023	100.0	100.0	165	100.0	32,272	100.0			
2024	100.0	100.0	112	100.0	20,775	100.0			

Small Business

Due to rounding, totals may not equal 100.0%.

The distribution of small business borrowers reflects reasonable penetration among businesses with GARs of \$1 million or less, despite the bank performance being lower than demographic data. Demographic data from D&B represents the composition of businesses operating within the AA and does not represent the percentage of businesses that are seeking traditional bank financing. Many of the smallest businesses finance their needs with credit cards, affecting the demand for bank financing. These financing trends are not reflected in the D&B data.

Peoples' performance was also compared to two similarly situated institutions with similar assessment areas. In 2023, Peoples matched the performance of one similarly situated institution whose lending performance was considered reasonable. In 2024, the bank's performance was significantly better than one similarly situated institution whose performance was considered poor. Lastly, while the bank is not a small business reporter, the aggregate lender performance does serve as a metric for the level of demand for small business loans in the AA. Based on 2023 data, which is the most recent available, 60.8 percent of banks reporting CRA data originated small business loans to businesses with GARs of \$1 million or less, which is slightly less than bank performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Wausau CSA									
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%				
<= \$1,000,000			1	1					
2023	85.7	115	63.2	23,763	57.4				
2024	85.3	121	61.1	26,783	52.6				
> \$1,000,000									
2023	4.3	67	36.8	17,646	42.6				
2024	4.2	77	38.9	24,092	47.4				
Revenue Not Available									
2023	10.1	0	0.0	0	0.0				
2024	10.5	0	0.0	0	0.0				
Total									
2023	100.0	182	100.0	41,409	100.0				
2024	100.0	198	100.0	50,875	100.0				

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to the community development needs of the Wausau CSA AA through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

As shown in the following table, the bank made 35 community development loans totaling over \$46 million in this AA. The majority of community development lending activities supported economic development and financed businesses creating permanent jobs for low- and moderate-income individuals.

	Community Development Lending by Year									
Activity		ordable ousing		munity rvices	_	onomic elopment		alize or bilize	Te	otals
Year	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	0	0	4	713	11	34,745	0	0	15	35,458
2024	0	0	0	0	12	9,883	1	150	13	10,033
YTD 2025	1	140	1	100	4	1,005	1	162	7	1,407
Total	1	140	5	813	27	45,633	2	312	35	46,898
Source: Bank D	Source: Bank Data									

Notable AA community development loans include:

- 12 SBA 504 loans for economic development totaling over \$20.3 million
- 2 loans totaling \$312,000 made in moderate-income tracts intended to stabilize and retain businesses
- 5 loans totaling over \$800,000 in or adjacent to moderate-income tracts for businesses and not-for-profit organizations that provide community services including mental care, indigent legal services, emergency shelter, and other services primarily benefiting low- and moderate-income people and communities.

Qualified Investments

As noted in the following table, Peoples made one investment totaling over \$1 million for affordable housing. The \$1,000,000 affordable housing bond was for a local apartment complex where rents are 50-60 percent of median rents for the Wausau area. Additionally, the bank made 13 donations, the majority of which were for community service purposes.

Qualified Investments by Year										
Activity Year		Affordable Community Housing Services		Economic Development		Revitalize or Stabilize		Totals		
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	0	0	0	0	0	0	0	0	0	0
2024	1	1,000	0	0	0	0	0	0	1	1,000
YTD 2025	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	3	2	10	13	0	0	0	0	13	15
Total	4	1,002	10	13	0	0	0	0	14	1,015
Source: Bank Data										

Community Development Services

Bank staff, management, and bank directorate provided 466 hours of community development services in the Wausau CSA AA. About a third of these volunteered hours were utilized to advance affordable housing, such as Habitat for Humanity and the remainder for community services, including financial literacy programs and organizations whose primary purpose is to assist those in need of food and basic necessities. This level of services represents a significant increase from the prior Performance Evaluation when Peoples employees provided 239 hours of community development services in this AA.

Community Development Service Hours by Year								
Activity Year	Affordable Housing	1		Revitalize or Stabilize	Totals			
-	#	#	#	#	#			
2023	36	121	0	0	157			
2024	62	104	0	0	166			
YTD 2025	10	133	0	0	143			
Total	108	358	0	0	466			
Source: Bank Data								

MKE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MKE MSA AA

The MKE MSA AA consists of all 400 census tracts in Milwaukee and Waukesha Counties. Sources of data used in this section include 2020 U.S. Census data, 2023-24 HMDA aggregate data, 2023-24 D&B data, the FFIEC, the U.S. Bureau of Labor Statistics, and the Wisconsin Department of Workforce Development.

The bank has three branches in this AA. Specifically, one in Waukesha, one in West Allis, and one branch, opened in June 2024, in the city of Milwaukee.

Economic and Demographic Data

According to 2020 U.S. Census data and 2024 D&B data, there are 586,013 housing units in the AA 133,002 businesses, and 400 census tracts in the MKE MSA AA. Of these 400 tracts, 20.3 percent are low-income tracts, 19.8 percent are moderate-income tracts, 30.3 percent are middle-income tracts, and 27.5 percent are upper-income tracts. Of the AA businesses, 62.5 percent have four or less employees, 92.1 percent operate from a single location, and more than 87 percent of these businesses have GARs at or below \$1 million. The top business categories in the AA are general non-classifiable establishments at 25.6 percent; professional, scientific, and technical service at 8.9 percent; other services at 8.4 percent; and healthcare and social assistance at 7.4 percent. Of the housing units in the AA, 39.8 percent are rentals, 7.3 percent are vacant, and 52.9 percent are owner-occupied. Additional select demographic characteristics of the Wausau CSA AA are presented in the following table.

Demog	Demographic Information of the Assessment Area MKE MSA									
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #				
Geographies (Census Tracts)	400	20.3	19.8	30.3	27.5	2.3				
Population by Geography	1,346,467	15.0	18.3	32.0	33.6	1.2				
Housing Units by Geography	586,013	14.8	18.7	33.6	31.8	1.1				
Owner-Occupied Units by Geography	310,203	6.7	14.7	35.8	42.6	0.2				
Occupied Rental Units by Geography	233,280	22.6	24.0	32.4	19.1	1.9				
Vacant Units by Geography	42,530	30.9	19.3	24.6	22.1	3.0				
Businesses by Geography	133,002	12.9	18.1	30.1	38.1	0.8				
Farms by Geography	639	4.7	6.9	23.5	65.0	0.0				
Family Distribution by Income Level	322,061	24.3	17.0	19.9	38.7	0.0				
Household Distribution by Income Level	543,483	26.5	16.0	17.3	40.2	0.0				
Median Family Income MSA -	Δ.	\$84,829	Median Ho	e	\$ 200,665					
33340 Milwaukee-waukesha, Wi MS	33340 Milwaukee-Waukesha, WI MSA			Median Gross Rent						
			Families Be	low Povert	ty Level	9.9%				

The median family incomes and corresponding borrower income segment stratification used for

Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income

classification. Due to rounding, totals may not equal 100%.

The median family incomes and corresponding borrower income segment stratification used for analysis under the borrower profile criterion for home mortgage credits is listed in the following table.

	Estimated Median Family Income Ranges MKE MSA									
Year	ar MFI Low Moderate Middle 50% to <80% 80% to <120%									
			Milwaukee-Waukesha,	WI						
2024	\$ 102,100	< \$51,050	\$51,050 to < \$81,680	\$81,680 to < \$122,520	>= \$122,520					
2023	\$ 100,600	< \$50,300	\$50,300 to < \$80,480	\$80,480 to < \$120,720	>= \$120,720					
Source:	Source: FFIEC									

The Wisconsin Realtors Association provides information on the number and median price of home sales by county. This information provides insight into the availability and affordability of housing as well as potential credit needs in each county. As illustrated in the following table, the median home prices in Milwaukee and Waukesha Counties have steadily increased since the prior performance evaluation.

Median Sales Price						
Year	Milwaukee County	Waukesha County	State			
2023	238,000	431,000	285,000			
2024	260,000	455,650	310,000			
2025 (7 months)	276,000	497,200	325,000			
Source: Wisconsin Realtors Associ	ation	<u> </u>				

Competition

The competition for financial services in this AA is very robust. According to the FDIC June 30, 2024 Deposit Market Share Report, 40 financial institutions maintain 363 offices in the AA. Seven large national banks maintain approximately 78.3 percent of the \$66.8 billion deposit market. Peoples ranks 31st with a deposit market share of approximately 0.2 percent.

There is substantial competition in this AA for home mortgage loans. According to 2024 HMDA market share reports, 461 lenders originated 30,033 home mortgage loans in this AA. Peoples State Bank ranked 84th in this AA with 0.2 percent of the home mortgage market share. The top four lenders are credit unions that maintain 35.2 percent of the home mortgage market share by number.

Community Contacts

Examiners used information from two area contacts to better understand needs and opportunities in the AA, including a commerce consortium that has a primary purpose to improve metro Milwaukee and an economic development agency that focuses on serving Waukesha County and works principally with employers on business retention, expansion and business attraction. According to these contacts, there are opportunities for banks to be involved with minority-owned businesses and the creation of affordable workforce housing in the AA.

Credit and Community Development Needs and Opportunities

According to economic and demographic data, as well as community contact information, affordable housing in areas close to large manufacturing or service employers and financing minority-owned businesses represent primary credit needs of the AA. Incremental financing of manufacturing shifts to take advantage of prevailing tariffs are potential AA lending opportunities for more nimble manufacturers or manufacturers with excess domestic capacity.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MKE MSA AA

LENDING TEST

Peoples demonstrates reasonable performance under the Lending Test.

Geographic Distribution

The geographic distribution of home mortgages and small business loans reflects excellent dispersion throughout the AA. In each year for both products, the bank's performance mirrored or significantly exceeded demographic and aggregate benchmarks.

Home Mortgage

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA.

Investment Properties

The distribution of home mortgage loans secured by investment properties reflects excellent dispersion throughout the AA. The bank's performance in the low- and moderate-income census tracts materially exceeded the demographic benchmark in 2023 and 2024.

Geograp	hic Distribution of Ho	ome Mortgage MKE AA	e Loans – Inve	estment Prope	erties
Tract Income Level	% of Renter Occupied Units	#	%	\$(000s)	%
Low				1	
2023	22.6	14	35.9	4,924	49.3
2024	22.6	13	37.1	2,114	22.7
Moderate	_				
2023	24.0	13	33.3	2,069	20.7
2024	24.0	9	25.7	2,411	25.9
Middle					
2023	32.4	8	20.5	1,498	15.0
2024	32.4	10	28.6	2,637	28.4
Upper					
2023	19.1	3	7.7	835	8.4
2024	19.1	3	8.6	2,137	23.0
NA					
2023	1.9	1	2.6	656	6.6
2024	1.9	0	0.0	0	0.0
Total					-
2023	100.0	39	100.0	9,982	100.0
2024	100.0	35	100.0	9,299	100.0

Owner-Occupied Properties

The distribution of home mortgage loans secured by owner-occupied properties reflects reasonable performance throughout the AA. There was no lending in the low- and moderate-income census tracts in 2023; however, the bank only made six reported loans in the AA this year. Given the minimal level of lending, more weight is placed on 2024 performance. The volume of home mortgage loans secured

by owner-occupied properties increased in 2024, and the bank's performance is comparable to demographic and aggregate data.

Geogra	phic Distribution	of Home Mortgage I MKE MSA		wner-Occup	oied Properties	8
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						•
2023	6.7	7.9	0	0.0	0	0.0
2024	6.7	7.9	1	5.0	209	3.5
Moderate		· ·				
2023	14.7	15.5	0	0.0	0	0.0
2024	14.7	15.9	3	15.0	617	10.2
Middle		· ·				
2023	35.8	35.1	0	0.0	0	0.0
2024	35.8	35.0	8	40.0	1,263	20.9
Upper		· ·				
2023	42.6	41.2	6	100.0	1,388	100.0
2024	42.6	40.9	8	40.0	3,962	65.5
NA		· ·				
2023	0.2	0.3	0	0.0	0	0.0
2024	0.2	0.3	0	0.0	0	0.0
Total		<u> </u>				•
2023	100.0	100.0	6	100.0	1,388	100.0
2024	100.0	100.0	20	100.0	6,051	100.0

Source: 2020 Census; Imported Bank Data; 2023 HMDA Aggregate Data

Due to rounding, totals may not equal 100.0%.

Small Business

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. As shown in the following table, the bank's performance for originations in the low- and moderate-income tracts exceeded the D&B benchmark in 2023 and 2024, reflecting strong performance.

	Geographic Dist	MKE MSA	Zusiness Louin	•	
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low			•		
2023	13.2	18	13.5	5,723	13.7
2024	12.9	35	24.7	10,761	23.8
Moderate	<u>. </u>				
2023	18.3	37	27.8	11,207	26.8
2024	18.1	26	18.3	9,842	21.8
Middle	<u> </u>				
2023	30.2	47	35.3	13,578	32.4
2024	30.1	51	35.9	14,893	32.9
Upper				•	
2023	37.5	28	21.1	10,191	24.3
2024	38.1	30	21.1	9,761	21.6
NA					
2023	0.8	3	2.3	1,183	2.8
2024	0.8	0	0.0	0	0.0
Total					
2023	100.0	133	100.0	41,882	100.0
2024	100.0	142	100.0	45,257	100.0

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Home Mortgage

As reflected in the table that follows, the bank's performance trailed the aggregate for both low- and moderate-income borrower segments in 2023 and 2024. However, the majority of home mortgage loans originated in this AA were for investment properties. In most instances, the bank is not required to collect or report income information for investment properties. Therefore, these loans are reflected in the NA segment in the following table. Notably, the bank's percentage of NA loans substantially exceeds aggregate banks and somewhat diminishes the bank's performance in the other income categories. Therefore, examiners considered the high percentage of loans without income information and its effect on the analysis.

When considering this impact, the bank's performance improves, particularly in 2024. Overall, the weaker 2023 performance is mitigated by the improved penetration of loans to low- and moderate-income borrowers in 2024, supporting overall reasonable performance.

Dis	stribution of Hom	e Mortgage Loans MKE MSA		wer Income L	evel	
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	24.3	8.4	0	0.0	0	0.0
2024	24.3	8.2	1	1.8	80	0.5
Moderate						
2023	17.0	20.4	2	4.4	337	3.0
2024	17.0	19.1	8	14.6	1,396	9.1
Middle						
2023	19.9	21.5	4	8.9	640	5.6
2024	19.9	21.1	5	9.1	1,430	9.3
Upper						
2023	38.7	36.5	6	13.3	1,371	12.1
2024	38.7	37.3	10	18.2	4,164	27.1
NA						
2023	0.0	13.2	33	73.3	9,022	79.4
2024	0.0	14.3	31	56.4	8,283	54.0
Total						
2023	100.0	100.0	45	100.0	11,370	100.0
2024	100.0	100.0	55	100.0	15,353	100.0

Small Business

The distribution of small business loans among businesses of different sizes is reasonable, despite lending activity that is not reflective of demographic data for both years analyzed.

Distributi	on of Small Business I	Loans by Gross MKE MSA	Annual Reven	ue Category	
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2023	88.3	106	79.7	33,453	79.9
2024	87.7	97	68.3	31,783	70.2
> \$1,000,000					
2023	4.1	27	20.3	8,429	20.1
2024	4.0	45	31.7	13,474	29.8
Revenue Not Available					
2023	7.6	0	0.0	0	0.0
2024	8.4	0	0.0	0	0.0
Total					
2023	100.0	133	100.0	41,882	100.0
2024	100.0	142	100.0	45,257	100.0
Source: 2023, 2024 D&B Data; Bank Due to rounding, totals may not equal			•	,	

Examiners compared Peoples' small business lending performance in this AA to that of other lenders operating in the Waukesha-Milwaukee MSA. Peoples' performance is better than four other lenders in the AA, whose 2023 lending to businesses with GARs of \$1 million or less ranged from 44.2 to 61.7 percent, as reported in their most recent CRA Performance Evaluations. Comparable data was not available for 2024.

Further, the analysis considered 2023 aggregate data to gain insight on the level of demand for these loans. Aggregate data shows that 55.3 percent of reporting bank's small business loan originations were to entities with GARs of \$1 million or less. Peoples performance exceeds aggregate data.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to the community development needs of this AA through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

During the review period the bank made 48 community development loans totaling over \$27 million in the AA. Nearly half (or 48.9 percent) of the dollar volume of qualified community development loans in the AA were for economic development purposes.

			Comn	nunity Deve	lopment	Lending by	Year			
Activity Year		ordable ousing		nmunity rvices		onomic lopment		talize or abilize	To	otals
1 cai	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	2	488	3	1,394	6	3,233	3	814	14	5,929
2024	5	1,225	4	3,622	5	4,088	2	1,932	16	10,867
YTD 2025	7	2,213	2	370	4	6,206	5	2,093	18	10,882
Total	14	3,926	9	5,386	15	13,527	10	4,839	48	27,678
Source: Bank Da	ta									

Notable community development loans in the AA include:

- Approximately \$4 million in affordable housing loans where the purchaser is a low- or moderate-income individual or a landlord that rents more than 50 percent of the project units at rates below HUD fair market rents
- Approximately \$5.3 million in community service loans which enhance and expand childcare facilities in low- and moderate-income census tracts
- Approximately \$2.1 million for revitalization and stabilization in the AAs low-income census tracts to help retain businesses and stabilize the local economy.

Qualified Investments

As noted in the following table, the bank made 14 investments or donations in the AA totaling over \$2.4 million. Slightly over a third of the investment amounts came from prior period investments which were held and outstanding as of the evaluation date. Examples of community development donations include \$11,000 in donations for school supplies at schools where the majority of students are eligible for free and reduced lunches, a \$1,000 donation to a domestic abuse shelter, and a \$1,500 donation to a food pantry to help address food insecurity in a low-income tract. Additionally, in 2023 the bank purchased a \$1.5 million Habitat for Humanity bond which provides affordable housing for low- and moderate-income families.

		V	uamneu m	vestment	s by Year				
								To	otals
#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
0	0	0	0	1	950	0	0	1	950
1	1,500	0	0	0	0	0	0	1	1,500
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
1	1,500	0	0	1	950	0	0	2	2,450
0	0	10	23	1	3	1	2	12	28
1	1,500	10	23	2	953	1	2	14	2,478
	# 0 1 0 0 1	0 0 1 1,500 0 0 0 0 1 1,500 0 0	Housing Set # \$(000s) # 0 0 0 1 1,500 0 0 0 0 0 0 0 1 1,500 0 0 0 10	Housing Services # \$(000s) # \$(000s) 0 0 0 0 1 1,500 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 0 0 10 23	Housing Services Devel # \$(000s) # \$(000s) # 0 0 0 0 1 1 1,500 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 1 0 0 10 23 1	Housing Services Development # \$(000s) # \$(000s) 0 0 0 0 1 950 1 1,500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 1 950 0 0 10 23 1 3	Housing Services Development Stal # \$(000s) # \$(000s) # 0 0 0 0 1 950 0 1 1,500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 1 950 0 0 0 10 23 1 3 1	Housing Services Development Stabilize # \$(000s) # \$(000s) # \$(000s) 0 0 0 0 1 950 0 0 1 1,500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 1 950 0 0 0 0 10 23 1 3 1 2	Housing Services Development Stabilize # \$(000s) # \$(000s) # \$(000s) # 0 0 0 0 1 950 0 0 1 1 1,500 0 0 0 0 0 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1,500 0 0 1 950 0 0 2 0 0 10 23 1 3 1 2 12

Community Development Services

During the review period bank staff, management and directorate provided 90 hours of community development services which included approximately 70 hours in board meetings for a not-for-profit community organization focused on assisting low- and moderate-income individuals with finding employment, job training, and addressing basic needs such as clothing, shelter, and nutrition. This total is less than the 141 hours provided in this AA at the last evaluation.

Activity Year	Affordable Housing	Community Services	ervice Hours by Yea Economic Development	Revitalize or Stabilize	Totals
, and the second	#	#	#	#	#
2023	0	40	0	0	40
2024	8	40	2	0	50
YTD 2025	0	0	0	0	0
Total	8	80	2	0	90

NON MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NON-MSA AA

The Non MSA AA consists of all 24 census tracts in Oneida and Vilas Counties. Sources of data used in this section include 2020 U.S. Census data, 2023-24 HMDA aggregate data, 2023-24 D&B data, the FFIEC, the U.S. Bureau of Labor Statistics, and the Wisconsin Department of Workforce Development.

Of the bank's three offices in the AA, two are in Oneida County, in the cities of Rhinelander and Minocqua, and one branch is in Vilas County, in the city of Eagle River.

Economic and Demographic Data

According to 2020 U.S. Census data and 2024 D&B data, there are 57,390 housing units; 6,426 businesses; 120 farms; and 24 census tracts in the Non MSA AA. Of these 24 tracts, none are low-income tracts, 4.2 percent are moderate-income tracts, 83.3 percent are middle-income tracts, and 12.5 percent are upper-income tracts. Of the 57,390 AA housing units, 8.8 percent are rentals, 53.7 percent are vacant, and 37.5 percent are owner-occupied.

Of the 6,426 AA businesses, 67 percent have four or less employees, 91.4 percent operate from a single location, and 88 percent of these businesses have GARs at or below \$1 million. The top AA business categories are general non-classifiable establishments at 19.4 percent, construction at 11 percent, other services at 8.9 percent, and retail trade at 8.5 percent. Additional select demographic characteristics of the Non MSA-AA are presented in the following table.

Demogr	aphic Inform N	ation of the Ion-MSA	Assessment 2	Area		
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	24	0.0	4.2	83.3	12.5	0.0
Population by Geography	60,892	0.0	5.9	83.9	10.3	0.0
Housing Units by Geography	57,390	0.0	6.6	84.6	8.8	0.0
Owner-Occupied Units by Geography	21,556	0.0	4.9	85.5	9.6	0.0
Occupied Rental Units by Geography	5,038	0.0	12.6	77.3	10.1	0.0
Vacant Units by Geography	30,796	0.0	6.8	85.2	8.0	0.0
Businesses by Geography	6,426	0.0	3.3	81.7	15.0	0.0
Farms by Geography	120	0.0	0.8	84.2	15.0	0.0
Family Distribution by Income Level	16,364	19.0	19.6	22.4	39.0	0.0
Household Distribution by Income Level	26,594	24.5	18.1	18.1	39.4	0.0
Wisconsin Non-MSA Median Family	Income	¢71 402	Median Ho	using Value	e	\$ 207,623
		\$71,403	Median Gro	oss Rent		\$733
			Families Be	low Povert	y Level	5.5%

Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.

The median family incomes and corresponding borrower income segment stratification used for analysis under the borrower profile criterion for home mortgages are presented below.

		E	stimated Median Family Inco Non-MSA	ome Ranges			
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%		
	Non-Metro Median Family Income For WISCONSIN						
2024	\$ 86,700	< \$43,350	\$43,350 to < \$69,360	\$69,360 to < \$104,040	>= \$104,040		
2023	\$ 86,000	< \$43,000	\$43,000 to < \$68,800	\$68,800 to < \$103,200	>= \$103,200		
Source:	FFIEC						

The Wisconsin Realtors Association provides information on the number and median price of home sales by county. This information provides insight into the availability and affordability of housing as well as potential credit needs in each county. As illustrated in the following table, the median home prices in Oneida and Vilas Counties have steadily increased since the prior performance evaluation.

Median Sales Price						
Year	Oneida County	Vilas County	State			
2023	275,000	374,950	285,000			
2024	335,000	422,500	310,000			
2025 (7 months)	369,525	425,000	325,000			

Competition

Competition for financial services in the AA is modest. According to the FDIC June 30, 2024 Deposit Market Share Report, 12 financial institutions maintain 25 offices in the Non MSA AA. Three large national banks maintain approximately 57.3 percent of the \$1.9 billion deposit market. Peoples ranks fifth with a deposit market share of approximately 13.7 percent.

Based on the 2024 HMDA market share reports, 235 lenders originated 1,856 loans in the AA. Peoples ranks third and maintains approximately 7.8 percent of the home mortgage market share. The top two lenders include one credit union and one national bank.

Credit and Community Development Needs and Opportunities

Based on economic and demographic data, small business and home mortgage lending are primary credit needs of the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON MSA AA

LENDING TEST

Peoples performance is reasonable under the Lending Test. Reasonable performance under the geographic distribution and borrower profile criterion support this conclusion.

Geographic Distribution

The geographic distribution of home mortgages and small business loans reflects reasonable dispersion throughout the AA

Home Mortgage

The bank's performance in the moderate-income census tract met or slightly exceeded the aggregate benchmark in 2023 and 2024 reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans Non-MSA									
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%			
Moderate									
2023	4.9	3.5	5	3.5	1,503	6.3			
2024	4.9	4.5	6	6.1	3,913	15.3			
Middle									
2023	85.5	86.5	129	89.6	19,747	83.0			
2024	85.5	87.7	87	88.8	20,591	80.5			
Upper									
2023	9.6	10.1	10	6.9	2,554	10.7			
2024	9.6	7.9	5	5.1	1,088	4.3			
Total						•			
2023	100.0	100.0	144	100.0	23,804	100.0			
2024	100.0	100.0	98	100.0	25,592	100.0			

Source: 2020 Census; Imported Bank Data; 2023, 2024 HMDA Aggregate Data

Due to rounding, totals may not equal 100.0%.

Small Business

The bank's penetration in the moderate-income tract slightly trailed D&B demographics and is in line with expectations as presented in the following table. The bank's performance was equivalent to or better than one similarly situated institution whose performance. This reflects reasonable performance.

Geographic Distribution of Small Business Loans Non-MSA								
Tract Income Level	% of Businesses	#	%	\$(000s)	%			
Moderate			•					
2023	3.4	1	1.0	25	0.1			
2024	3.3	1	1.1	388	1.8			
Middle			•					
2023	82.5	89	89.9	18,636	87.1			
2024	81.7	78	83.0	17,471	81.7			
Upper			•					
2023	14.1	9	9.1	2,735	12.8			
2024	15.0	15	16.0	3,539	16.5			
Total			•					
2023	100	99	100	21,396	100			
2024	100	94	100	21,398	100			

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Home Mortgage

The bank's performance in the low-income borrower and moderate-income borrower segments exceed aggregate figures in 2023 but trailed behind the aggregate benchmark in 2024. Performance to moderate-income borrowers is reasonable throughout the review period.

Distribution of Home Mortgage Loans by Borrower Income Level Non-MSA								
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%		
Low								
2023	19.1	8.9	16	11.1	1,102	4.6		
2024	19.0	8.0	4	4.1	470	1.8		
Moderate								
2023	19.7	16.3	31	21.5	3,452	14.5		
2024	19.6	16.4	13	13.3	1,851	7.2		
Middle								
2023	22.5	19.8	29	20.1	3,472	14.6		
2024	22.4	18.9	19	19.4	2,488	9.7		
Upper								
2023	38.7	46.4	56	38.9	12,966	54.5		
2024	39.0	47.4	49	50.0	18,125	70.8		
NA								
2023	0.0	8.6	12	8.3	2,812	11.8		
2024	0.0	9.4	13	13.3	2,658	10.4		
Total		<u>.</u>		. "				
2023	100.0	100.0	144	100.0	23,804	100.0		
2024	100.0	100.0	98	100.0	25,592	100.0		

Source: 2020 Census; Imported Bank Data; 2023, 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.

Small Business

The bank's lending to small businesses with GARs at or below \$1 million trailed the D&B demographic by 13.3 percentage points in 2023 and by 11.4 percentage points in 2024.

Distribution of Small Business Loans by Gross Annual Revenue Category Non-MSA								
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%			
<= \$1,000,000				1				
2023	88.1	74	74.8	14,388	67.3			
2024	88.0	72	76.6	17,895	83.6			
> \$1,000,000	,		<u>.</u>					
2023	3.4	25	25.3	7,008	32.8			
2024	3.3	22	23.4	3,503	16.4			
Revenue Not Available								
2023	8.5	0	0.0	0	0.0			
2024	8.7	0	0.0	0	0.0			
Total	,		<u>.</u>					
2023	100.0	99	100.0	21,396	100.0			
2024	100.0	94	100.0	21,398	100.0			

Source: 2023, 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.

Although the bank's performance lags demographic data, it is reasonable. Examiners considered the performance of one similarly situated financial institution who extended 57.1 percent in 2023 and 60.0 percent of loans to small businesses in 2024. Further, even though Peoples is not a small business reporter, aggregate lending performance does serve as a metric for the level of demand for small business loans in the AA. Based on 2023 data, the most recent available, 57.1 percent of reported small business loans were extended to businesses with GARs of \$1 million or less. Peoples' lending activity exceeds both aggregate data and similarly situated bank performance.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to the community development needs of the Non-MSA AA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in this AA.

Community Development Loans

During the review period, the bank extended 23 community development loans in the AA totaling nearly \$15 million. Two thirds of these loans originated in moderate- or middle-income-underserved tracts in the AA to revitalize or stabilize businesses.

			Comm	unity Devel	opment	Lending by	Year			
Activity Year	Affordable Housing			nmunity ervices		onomic elopment		talize or Ibilize	To	otals
Tear	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	0	0	1	56	3	2,930	6	5,002	10	7,988
2024	0	0	2	72	2	1,879	6	4,567	10	6,518
YTD 2025	0	0	0	0	0	0	3	448	3	448
Total	0	0	3	128	5	4,809	15	10,017	23	14,954
Source: Bank Da	ıta									

Notable community development loans include over \$128,000 in loans to not-for-profit entities, and a local transit authority to provide care, housing, and transportation for developmentally disabled individuals.

Qualified Investments

The bank made seven donations and one investment in the AA, totaling slightly over \$1 million. Investment activity primarily supports AA affordable housing needs. Noteworthy donations included over \$1,800 to area homeless shelters, and \$1,420 to area food pantries.

		Q	ualified Ir	vestments	by Yea	ar				
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,000	0	0	0	0	0	0	1	1,000
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
YTD 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	1	1,000	0	0	0	0	0	0	1	1,000
Qualified Grants & Donations	3	2	4	3	0	0	0	0	7	5
Total	4	1,002	4	3	0	0	0	0	8	1,005
Source: Bank Data										

Community Development Services

	Comm	unity Development S	ervice Hours by Yea	r	
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
·	#	#	#	#	#
2023	6	0	5	2	13
2024	7	0	2	24	33
YTD 2025	0	16	0	6	22
Total	13	16	7	32	68

As noted in the previous table, over the review period bank staff, management and directorate provided 68 hours of community development services in the AA, or eight different services. Nearly half, (or 47 percent) of these services were intended to revitalize and stabilize the community. Bank staff provided 15 hours of financial education for students at schools where the majority of students were free or reduced lunch eligible and 5 hours of service on an affordable housing task force committee.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 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.

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

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.