

PUBLIC DISCLOSURE

March 23, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples Bank
138 Putnam Street
Marietta, Ohio 41501

RSSD #577128

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the 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'S CRA RATING

INSTITUTION'S CRA RATING: Outstanding

PERFORMANCE TEST RATINGS

The following table indicates the performance level of Peoples Bank, Marietta, Ohio (Peoples) with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PEOPLES BANK - PERFORMANCE TESTS		
	Lending Test *	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

SUMMARY OF MAJOR FACTORS SUPPORTING THE RATINGS

The major factors supporting the ratings include:

- A good responsiveness to credit needs;
- A high percentage of loans made in the bank's assessment area;
- A good distribution of loans among borrowers of different income levels and businesses of different revenue sizes;
- A good geographic distribution of loans throughout the assessment area;
- An excellent record of serving the credit needs of low-income individuals and areas and very small businesses;
- A leader in making of community development loans;
- Makes extensive use of flexible lending practices in serving the assessment area's credit needs;
- An excellent level of qualified community development investments and grants;
- Often in a leadership position in providing community development investments and grants;
- Retail delivery systems that are readily accessible to geographies and individuals of different income levels and businesses of different revenue sizes;
- A record of opening and closing banking centers that has not adversely affected the accessibility of delivery systems;
- Banking services and hours that do not vary in a way that inconveniences any portions of the assessment areas; and,
- A leader in providing community development services.

DESCRIPTION OF INSTITUTION

Overview

Peoples is a full-service bank and is a wholly-owned subsidiary of Peoples Bancorp, a diversified financial holding company. Both companies are headquartered in Marietta, Ohio. As of December 31, 2019, Peoples reported total assets of \$4.4 billion and total deposits of \$3.3 billion. Loans represented approximately 66.2% of Peoples' total assets. Peoples accounted for 99.9% of the holding company's consolidated assets.

During the evaluation period, Peoples expanded its operations and credit markets as a result of two acquisitions. Effective April 13, 2019, Peoples acquired First Commonwealth Bank of Prestonsburg, Inc. (First Commonwealth), headquartered in Prestonsburg, Kentucky with nine branch offices. Consequently, Peoples' CRA delineated footprint expanded to include a portion of the Lexington-Fayette KY MSA, consisting of the entirety of Scott County and the entireties of Floyd, Johnson, Magoffin, Martin, and Pike counties in Nonmetropolitan Kentucky. Due to the acquisition, Peoples now operates one branch office in the Lexington-Fayette KY MSA and eight branch offices in Nonmetropolitan Kentucky. Effective April 13, 2018, Peoples acquired American Savings Bank (ASB), a federal savings bank headquartered in Portsmouth, Ohio with seven branch offices and two loan production offices generally located around Cincinnati, Ohio. As a result of this acquisition, the entirety of Hamilton County was added to Peoples' delineated assessment area in the Cincinnati OH-KY-IN MSA and the entireties of Pike and Scioto counties were added to Peoples' delineated assessment area in Nonmetropolitan Ohio. During this evaluation period, Peoples exited the Dayton, Ohio market. Peoples had operated one branch office in the Dayton MSA until its closure effective December 14, 2017.

Subsidiaries

Peoples Investment Company, a subsidiary of the holding company, is organized primarily for investing, holding, and managing securities for long-term investment purposes, including, but not limited to, low-income housing tax credits.

Peoples Bank Foundation, Inc., a non-profit entity for charitable purposes, offers grants and donations to support local organizations and programs that help low- and moderate-income individuals, families, and communities within Peoples' CRA footprint. The foundation is primarily focused on serving community needs in the areas of human services, arts and culture, youth and education, and economic development.

These subsidiaries increase Peoples' capacity to reinvest in the community through qualified investments and donations. There are no other subsidiaries that provide mortgage lending or investment qualified CRA activities.

Business Lines

Peoples provides traditional banking services to business and retail clients through the following lines of business:

- **Personal Banking** – includes various demand deposit (checking), savings, money market

accounts; certificates of deposit; debit and automated teller machine cards; credit cards for individuals; real estate mortgage loans; home equity lines of credit; indirect and personal consumer loans; and overdraft privilege;

- ***Business Banking*** – includes business checking and savings accounts, certificates of deposit, credit cards, merchant credit card transaction processing services, commercial real estate loans, revolving lines of credit, and United States Department of Agriculture (USDA) and Small Business Administration (SBA) funding;
- ***Investment Services (under Bancorp)*** – includes brokerage services, full-service trust and investment services, and custom-tailored fiduciary services such as wealth planning, portfolio management, trust and estate, retirement plan services, business investment, and employee benefit plans, and asset management and administrative services; and,
- ***Peoples Insurance Agency, LLC (under Bancorp)*** – offers life, health, and property and casualty insurance products

Assessment Areas

The following summarizes Peoples' assessment areas evaluated as part of this CRA performance evaluation:

Multistate

- Huntington-Ashland WV-KY-OH Metropolitan Statistical Area (MSA) #26580, consisting of Cabell County in West Virginia; Boyd and Greenup counties in Kentucky; and Lawrence County in Ohio (excluding Lincoln, Putnam, and Wayne counties in West Virginia)

Ohio

- Akron OH MSA #10420, consisting of Summit County (excluding Portage County)
- Cincinnati OH-KY-IN MSA #17140, consisting of Brown, Clermont, Hamilton, and Warren counties in Ohio (excluding Butler County, Ohio; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton counties in Kentucky; and Dearborn, Ohio, and Union counties in Indiana)
- Cleveland-Elyria OH MSA #17460, consisting of Cuyahoga County and portions of Lake and Geauga counties (excluding Lorain and Medina counties)
- Columbus OH MSA #18140, consisting of Fairfield, Hocking, Licking, and Perry counties (excluding Delaware, Franklin, Madison, Morrow, Pickaway, and Union counties)
- Dayton OH MSA #19380, consisting of Montgomery County (excluding Greene and Miami counties)
- Nonmetropolitan Ohio, consisting of Athens, Clinton, Coshocton, Gallia, Guernsey, Highland, Jackson, Knox, Meigs, Morgan, Muskingum, Noble, Pike, Scioto, Tuscarawas, Vinton, and Washington counties

West Virginia

- Nonmetropolitan West Virginia, consisting of Mason, Tyler, and Wetzel counties

- Parkersburg-Vienna WV MSA #37620, consisting of Wood County (excluding Wirt County)

Due to the limited time between the First Commonwealth acquisition on April 13, 2019 and the HMDA and CRA lending cut-off date of June 30, 2019, there were not enough loans to conduct a meaningful analysis of these products. There were only 19 loans in the five counties in Nonmetropolitan Kentucky and no loans in Scott County in the Lexington-Fayette MSA. Because HMDA- and CRA-reportable loans could not be analyzed, this Reserve Bank decided not to include the new assessment areas in this evaluation. However, community development activities conducted in these assessment areas between April 13, 2019 and December 31, 2019 were considered at the institution level, since Peoples did not operate in Kentucky prior to the acquisition. HMDA- and CRA-reportable loans were evaluated as of July 1, 2019 and community development activities as of January 1, 2020 for these new assessment areas in the subsequent CRA performance evaluation.

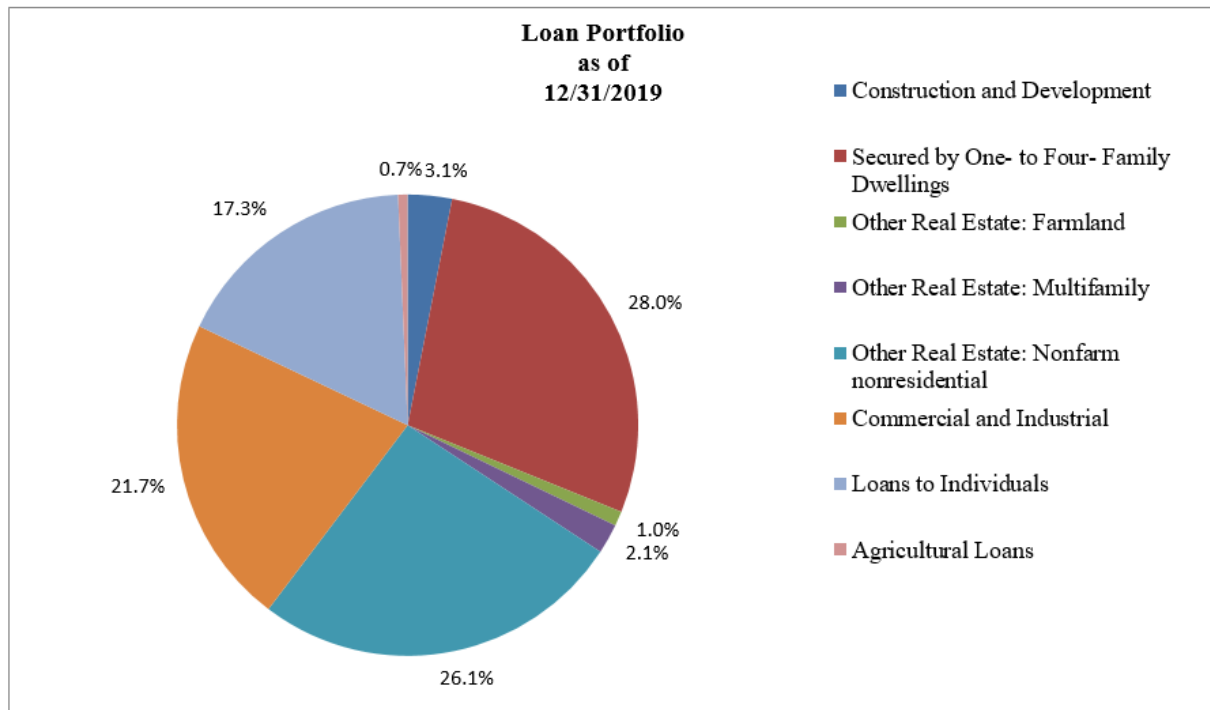
Financial Overview

Peoples offers a wide variety of consumer, residential real estate, commercial, and agricultural loan products to fulfill the credit needs of the residents and businesses in its assessment areas. Consumer loan products include auto loans, personal lines of credit, installment loans, home equity loans, real estate mortgage loans, and credit cards. Peoples also offers construction lending and commercial loan products, including loans and lines of credit, business credit cards, and USDA and SBA loans.

The following charts display Peoples' loan portfolio composition as of December 31, 2019.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2019		12/31/2018		12/31/2017	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	88,518	3.1%	135,603	5.0%	115,437	4.9%
Secured by One- to Four- Family Dwellings	800,679	28.0%	761,246	28.1%	601,291	25.6%
Other Real Estate: Farmland	29,370	1.0%	30,262	1.1%	19,911	0.8%
Other Real Estate: Multifamily	59,572	2.1%	97,592	3.6%	89,951	3.8%
Other Real Estate: Nonfarm nonresidential	744,296	26.1%	659,815	24.3%	650,786	27.7%
Commercial and Industrial	621,109	21.7%	524,038	19.3%	442,829	18.9%
Loans to Individuals	493,718	17.3%	480,670	17.7%	408,876	17.4%
Agricultural Loans	18,819	0.7%	22,453	0.8%	19,869	0.8%
Total	\$2,856,081	100.00%	\$2,711,679	100.00%	\$2,348,950	100.00%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.



Peoples' investment portfolio as of December 31, 2019, was \$1.0 billion, which represented 23.9% of total assets. Investments in U.S. treasury and agency securities accounted for 78.8% of investments, while municipal securities comprised 11.3% of investments. The remaining 9.9% of total investments consisted of all other securities.

No known legal impediments exist that would restrain Peoples from meeting the credit needs of its assessment areas.

Previous Public Evaluation

Peoples' performance was evaluated using the CRA procedures for large banks. Peoples received a "Satisfactory" rating as a result of the February 27, 2017 CRA Performance Evaluation. The lending test was rated "High Satisfactory," the investment test was rated "Outstanding," and the service test was rated "High Satisfactory."

SCOPE OF EVALUATION

For the purpose of this evaluation, Peoples has nine delineated CRA assessment areas in Ohio, West Virginia, and Kentucky. Peoples is a full-service interstate bank; therefore, the scope of this evaluation includes a full-scope review of at least one assessment area in each state where Peoples has branches. Each assessment area was reviewed for lending, investment, and service performance utilizing either full- or limited-scope examination procedures. Four assessment areas were chosen for full-scope review, including the multistate metropolitan area. Criteria used to select full-scope assessment areas include the volume of Home Mortgage Disclosure Act (HMDA)

reportable and CRA small business lending by number of loans and dollar amount as a percentage of overall and statewide lending activity, deposit market share, number of branches, percentage of deposits, percentage of low- and moderate-income geographies, volume of community development activity, and other non-financial considerations. Full-scope assessment areas represent the most active markets in each state based on these criteria. Where comparable activity was noted, full-scope assessment areas were considered that were not selected at the previous examination.

The following assessment areas received full-scope reviews:

- **Multistate:** Huntington-Ashland WV-KY-OH MSA (Huntington-Ashland)
- **Ohio:** Nonmetropolitan Ohio and Cincinnati OH-KY-IN MSA (Cincinnati)
- **West Virginia:** Parkersburg-Vienna WV MSA (Parkersburg-Vienna)

Limited-scope reviews were completed for the remaining assessment areas.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in the assessment area, unless otherwise noted. Nonmetropolitan Ohio received the most weight in this evaluation because it is Peoples' primary market and has the most branches and the largest concentrations of lending, deposit, and community development activities. The Cincinnati MSA received the second-highest weight because it has the next-largest concentration of lending and deposits and a significant percentage of low- and moderate-income tracts. The Parkersburg-Vienna MSA received the third-highest weight due to its overall percentage of lending and branches and a significant percentage of low- and moderate-income tracts. The Huntington-Ashland multistate MSA received the fourth-highest weight.

Evaluation Period and Products Reviewed

This evaluation includes an analysis of HMDA- and CRA-reportable loans originated from August 1, 2016 through June 30, 2019. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 amended HMDA to add new data points. These changes were effective on January 1, 2018 and included the reporting of home equity lines of credit for certain institutions, the addition of new loan purposes, and changes to the definitions of some existing fields. Due to the breadth of these changes, HMDA-reportable loans originated or purchased on or after January 1, 2018 are separated from loans made before that date. HMDA-reportable home purchase, refinance, home-improvement, and CRA-reportable small business loans are the major lending products reviewed in this evaluation. Because there were at least 500 originated open-end lines of credit secured by a lien on a dwelling in the two prior calendar years, Peoples was required to report home equity lines of credit (HELOCs) for HMDA purposes in 2018. Due to this change, the volume of HMDA-reportable originated and/or purchased loans increased by 110.0% from 2017 to 2018, with HELOCs being responsible for 71.0% of the total increase. These lines of credit are included in home purchase, refinance, and home improvement loans. While the total number of home improvement loans more than doubled from 2017 to 2018, the number of closed-end home improvement loans declined by 67.0%. While the growth was due to the inclusion of HELOCs, the decrease in closed-end home improvement loans was likely driven by differences in

how multi-purpose loans are classified. Many HMDA-reportable loans with both a home improvement and refinance purpose are now reported as refinance loans when they would have been reported as home improvement loans under the prior rules. Lastly, due to the acquisition of ASB, Peoples experienced a significant increase (60.0%) in the number of closed-end conventional home purchase loans from 2017 to 2018. ASB had a much larger mortgage loan portfolio relative to its size. ASB, with assets of \$288.2 million as of December 31, 2017, had 794 HMDA-reportable originated or purchased loans, while Peoples, with assets of \$3.6 billion as of December 31, 2017, had 871 HMDA-reportable originated or purchased loans.

HMDA-reportable multi-family loans and other purpose loans¹ were not considered in this evaluation due to low lending volumes. Peoples did not make any loans with the 'Not Applicable' purpose,² so these loans were not evaluated. Due to limited volumes, home purchase, refinance, and home improvement HMDA-reportable loans products were combined, except in Nonmetropolitan Ohio, the Cincinnati MSA, and the Parkersburg-Vienna MSA. In Nonmetropolitan Ohio, home purchase, refinance, and home improvement loans were evaluated separately each year. In the Cincinnati MSA, home purchase, refinance, and home improvement loans were combined in 2016 and 2017 and evaluated separately in 2018. In 2019, home purchase and refinance loans in the Cincinnati MSA were evaluated separately, but not considered, due to limited volume. In the Parkersburg-Vienna MSA, home purchase and refinance loans were evaluated separately each year and home improvement loans were not considered. There were only enough CRA-reportable small farm loans to conduct meaningful analyses in Nonmetropolitan Ohio and the Cincinnati MSA. Lastly, other types of consumer loans that can be reported optionally were not included in this evaluation.

Community development loans and investments funded between February 28, 2017 and December 31, 2019 were reviewed as part of the lending and investment tests, respectively. Investments with community development as a primary purpose that were funded during a prior evaluation period, but still outstanding as of December 31, 2019, were also considered. Community development services provided between February 28, 2017 and December 31, 2019 were reviewed as part of the service test evaluation. A summary of the scope of the evaluation is in Appendix A.

Evaluation Analysis

Peoples is an interstate bank with operations in Ohio, West Virginia, and Kentucky. With assets of \$1.252 billion or more for both of the prior two calendar years, Peoples meets the CRA asset-size criteria for large banks and therefore is evaluated under CRA procedures for large banks. In addition, Peoples is subject to HMDA and submits CRA loan data to the Federal Reserve Board of Governors annually. As part of ongoing supervision of the bank, examiners tested the accuracy of Peoples' HMDA and CRA loan data. Examiners also reviewed the appropriateness of community development activities provided for consideration in this evaluation. This included testing of community development loans, investments, and services for accuracy and determining whether these activities qualified as community development, as defined in the CRA regulation. It was determined that the data reported publicly and the additional data provided for this evaluation was accurate.

¹ 2018 HMDA Changes – new loan category: "Other Purpose"

² 2018 HMDA Changes – new loan category: "Not Applicable"

This evaluation of Peoples' lending record in individual assessment areas includes the use of and comparison to demographic characteristics. The primary sources for demographic data are the U.S. Census Bureau and Dun & Bradstreet.³ Demographic characteristics of a particular assessment area are useful in analyzing a financial institution's lending record, as they provide a means of estimating loan demand and identifying lending opportunities. To understand small business loan demand, self-reported data on revenue size and geographic location from business entities is collected and published by Dun & Bradstreet. However, the demographic data should not be construed as defining an expected level of lending in a particular area or to a particular group of borrowers. The data, along with housing and economic conditions information, is used to establish performance context and evaluate Peoples accordingly.

Loans are evaluated to determine the lending activity inside and outside Peoples' assessment areas. In addition, loans inside the assessment area are evaluated based on the geographic and borrower income distribution for each assessment area. The geographic distribution of HMDA loans is assessed by comparing the percentage of loans made in each geography type (low-, moderate-, middle-, and upper-income) to the percentage of owner-occupied units in each geography type. Small business loans are compared to the percentage of small businesses in each geographic income category.

The distribution of HMDA-reportable loans by borrower income is assessed by comparing the percentage of loans made to borrowers in each income category (low-, moderate-, middle-, and upper-income) with the percentage of families in each income category. The distribution of small business loans by borrower income is assessed by comparing the percentage of loans made to businesses in each revenue category (less than or comparable to \$1 million and greater than \$1 million) to the percentage of total businesses in each revenue category.

Peoples' lending performance also was compared to the performance of aggregate lenders in 2016, 2017, and 2018.⁴ Aggregate lenders include all lenders required to report HMDA- and CRA-reportable small business lending data in the respective assessment areas. Lending market share is discussed to provide context of Peoples' rank in the respective areas. For retail services, Peoples' branch distribution analysis was conducted using data as of June 30, 2019.

Community development activities were reviewed to determine whether they have community development as a primary purpose and meet the geographic requirements of the CRA. The eligibility of a loan, investment, or service is based on demographic information available to Peoples at the time the community development activity was undertaken. Qualified community development activities were analyzed quantitatively and qualitatively to better understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the institution in a particular assessment area.

³ Demographic data: includes 2010 U.S. Census Bureau, 2015 ACS, and Dun & Bradstreet data, and the most current census data available. American Community Survey (ACS) data is part of the U.S. Census Bureau's Decennial Census Program and is designed to provide more current demographic, social, economic, and housing estimates throughout the decade. <https://dataferrett.census.gov/AboutDatasets/ACS.html>

⁴ As of the start of this evaluation 2019 aggregate lender data was unavailable

To better understand assessment area community development and credit needs, several sources were used, including publicly accessible data, information submitted by Peoples, and plans describing the community development environment in local markets. Eight community contact interviews were conducted with representatives from affordable housing, economic development, community, and social services operating within Peoples' market areas. These individuals have expertise in their respective fields and are familiar with the economic, social, and demographic characteristics and community development opportunities in the assessment area. Information obtained from these interviews helped establish a context for the communities in which Peoples operates and gather information on its performance.

Community contacts identified affordable housing as a critical need, followed by supportive services for struggling individuals and families impacted by the opioid crisis, high poverty, high unemployment, workforce development, access to small dollar loans for small businesses, and financial education training. Lastly, contacts identified several opportunities for bank participation in qualified CRA activities. More detailed information obtained from individual community contacts is included in the Description of the Institution's Operations section for each full-scope assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Peoples' overall CRA performance is rated "Outstanding." Details are provided below, including facts, data, and analyses used to form conclusions regarding the lending, investment, and service test performance ratings. Peoples' CRA program includes a compliance committee that monitors and discusses CRA activities to assist the bank in focusing on meeting the credit, service, and community development needs of its assessment areas. Peoples' CRA program includes strategies to augment community development activities across Peoples' delineated footprint and foster collaborative relationships with community partners to develop products and services that are responsive to credit needs in the community.

Lending Test

Peoples' performance under the lending test is rated "Outstanding." The lending test is rated Outstanding in Ohio, High Satisfactory in West Virginia, and Outstanding in the Huntington-Ashland multistate MSA.

Overall, the penetration of loans among borrowers of different income levels and to businesses and farms of different sizes is good. The geographic distribution of loans is good, with moderate gaps in lending. Peoples is a leader in making community development loans and makes extensive use of flexible lending practices in serving credit needs within its delineated CRA footprint. Finally, Peoples exhibits an excellent responsiveness to the credit needs of low-income individuals and geographies and very small businesses, which is commensurate with deposit activity.

While Peoples' lending distribution by borrower income and geography is referenced throughout this evaluation, detailed information about HMDA- and CRA-reportable small business and small farm loans can be found in Appendices D and E for the full-scope assessment areas, respectively. In some assessment areas and product discussions, specific data from these tables is quoted to

support relevant points; otherwise, general references are made about performance and the reader should refer to the appendices for specific data.

Lending Activity

Peoples' lending levels reflect a good responsiveness to the credit needs across its assessment areas when considering its strategic objectives, economic conditions, and competitive factors. Lending activity is excellent in the Huntington-Ashland MSA, adequate in the Cleveland-Elyria MSA, and good in the remaining seven assessment areas. No substantial concentration of loans was identified in excluded counties located in metropolitan areas within Peoples' delineated footprint and no conspicuous gaps in lending activity by income category were identified.

As shown in the following table, Peoples originated more HMDA-related loans by number and dollar amount than small business- and small farm-related loans; as a result, HMDA-related lending typically had a greater impact on lending ratings. Detailed information about lending activity can be found in the multi-state and state sections of this evaluation.

Assessment Area Concentration

The following table shows the number and percentage of loans located inside and outside of Peoples' assessment areas by loan type. As indicated below, Peoples originated a high percentage of the total loans by volume (83.7%) and by dollar amount (73.2%) to borrowers and businesses in its assessment areas.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Other Loan Data	7	100.0	\$2,846	100.0	0	0.0	\$0	0.0
Total Consumer related	7	100.0	\$2,846	100.0	0	0.0	\$0	0.0
Home Improvement	429	94.1	\$17,963	89.7	27	5.9	\$2,052	10.3
Home Purchase - Conventional	889	79.4	\$121,386	71.2	230	20.6	\$49,112	28.8
Home Purchase - FHA	66	72.5	\$8,020	59.1	25	27.5	\$5,551	40.9
Home Purchase - VA	8	34.8	\$1,926	29.1	15	65.2	\$4,682	70.9
Multi-Family Housing	5	50.0	\$3,067	23.4	5	50.0	\$10,064	76.6
Other Purpose Closed-End	57	91.9	\$3,412	92.1	5	8.1	\$291	7.9
Other Purpose LOC	155	96.3	\$6,628	97.1	6	3.7	\$195	2.9
Refinancing	747	92.5	\$72,337	89.6	61	7.5	\$8,421	10.4
Total HMDA related	2,356	86.3	\$234,739	74.5	374	13.7	\$80,367	25.5
Small Business	1,024	78.7	\$188,911	71.4	277	21.3	\$75,744	28.6
Total Small Bus. related	1,024	78.7	\$188,911	71.4	277	21.3	\$75,744	28.6
Small Farm	127	78.4	\$15,493	73.7	35	21.6	\$5,527	26.3
Total Small Farm related	127	78.4	\$15,493	73.7	35	21.6	\$5,527	26.3
TOTAL LOANS	3,514	83.7	\$441,989	73.2	686	16.3	\$161,638	26.8

Note: Affiliate loans not included

Peoples originated 86.3% of HMDA-related loans by volume and 74.5% by dollar amount, 78.7% of small business loans by volume and 71.4% by dollar amount, and 78.4% of small farm loans by

volume and 73.7% by dollar amount to borrowers and businesses and farms in its assessment areas. This indicates Peoples' willingness to originate loans that meet the credit needs of its delineated assessment areas.

Distribution of Lending by Borrower Income, Business Revenue Size, and Geography

The overall distribution of loans among borrowers of different income levels and to businesses and farms of different sizes is good. HMDA-reportable lending to borrowers of different income levels is good in all nine assessment areas. CRA-reportable lending to businesses of different sizes is adequate in the Huntington-Ashland, Akron, Columbus, and Dayton MSAs and good in the remaining five assessment areas. Lending to farms of different sizes is good in Nonmetropolitan Ohio and the Cincinnati MSA.

The overall geographic distribution of loans reflects a good penetration throughout the assessment areas. The geographic distribution of HMDA-reportable loans is excellent in the Huntington-Ashland MSA, adequate in the Dayton MSA, and good in the remaining seven assessment areas. The geographic distribution of small business loans is excellent in the Akron MSA and good in the remaining eight assessment areas. The geographic distribution of small farm loans is good in Nonmetropolitan Ohio and the Cincinnati MSA.

Peoples exhibits an excellent responsiveness to credit needs of low-income individuals and geographies and very small businesses in Ohio and the Huntington-Ashland multistate assessment area. Peoples exhibits an excellent responsiveness in Nonmetropolitan Ohio, a good responsiveness in the Akron and Cleveland-Elyria MSAs, and an adequate responsiveness in the Cincinnati, Columbus, and Dayton metropolitan areas. Peoples exhibits a good responsiveness to credit needs of low-income individuals and geographies and very small businesses in West Virginia.

HMDA-reportable and small business lending analyses in each assessment area are discussed in detail later in this evaluation.

Community Development Loans

Overall, Peoples is a leader in making community development loans during the evaluation period. Since the previous evaluation, Peoples originated or renewed 65 community development loans totaling approximately \$98.1 million. The following table reflects the total number community development loans by purpose, number, and dollar amount.

Purpose of CD Loan	#	\$
Revitalization & Stabilization	18	\$47,254,375
Community Services	33	\$32,145,413
Economic Development	10	\$13,829,000
Affordable Housing	4	\$4,841,000
Total	65	\$98,069,788
<i>*totals include CD loans made at the statewide and institutional levels</i>		

The largest concentration of community development loans was made in Ohio totaling \$72.9 million. Peoples made 43 community development loans, accounting for 74.3% by dollar amount of total community development lending. Peoples is a leader in making community development loans in Ohio. Peoples is a leader in making community development loans in the Nonmetropolitan Ohio and the Cleveland-Elyria MSA. Peoples makes an adequate level of community development loans in the Cincinnati and Columbus metropolitan areas. Peoples made no community development loans in the Akron or Dayton MSAs.

Peoples made 16 community development loans in the Huntington-Ashland MSA totaling \$23.2 million, accounting for 23.6% by dollar amount of total community development lending. As a result, Peoples is a leader in making community development loans in the Huntington-Ashland assessment area. Peoples made five community development loans in West Virginia totaling \$1.7 million, accounting for 1.7% of total community development lending. Peoples made a low level of community development loans in West Virginia, the Parkersburg-Vienna MSA, and Nonmetropolitan West Virginia.

The community development loans originated or renewed during the evaluation period were for a variety of purposes, including the revitalization/stabilization of targeted low- and moderate-income census tracts or other qualified geographies, community services targeted to low- and moderate-income individuals, the promotion of economic development by financing small businesses that resulted in permanent job creation and/or retention, and affordable housing for low- and moderate-income individuals.

Community contacts stressed the critical need for affordable housing, home improvements, and drug treatment and other social services targeted to lower-income individuals and families as a result of the opioid crisis. These loans addressed these needs and exhibit an excellent responsiveness to credit needs of lower income individuals and geographies across Peoples' assessment areas, particularly in Ohio and the Huntington-Ashland MSA.

Consideration was given to several qualified community development loans that benefited the broader statewide or regional area that includes Peoples' assessment areas in Ohio and West Virginia. Refer to the respective Conclusions with Respect to Performance Tests sections of this evaluation for more details.

Lastly, since Peoples was responsive to the credit and community development needs in its assessment areas, consideration was given to a community development loan serving a broader regional area. This loan, totaling \$300,000, supports a comprehensive healthcare center (located in a distressed middle-income area in Floyd County, Kentucky) that provides substance abuse treatment and counseling primarily to low-income individuals.

More information on individual community development loans can be found in the full-scope assessment area sections of this evaluation.

*Flexible Lending Practices*⁵

Peoples makes extensive use of flexible lending practices in serving credit needs of borrowers in low- and moderate-income geographies and to low- and moderate-income borrowers throughout its assessment area. These programs primarily are designed to assist first-time homebuyers with needed down payment or closing costs.

- ***Dreams2Keys – In-House Homeownership Loan Program:*** This in-house loan program helps make homeownership more affordable by reducing out-of-pocket expenses for low- and moderate-income borrowers. In this program, qualified borrowers are able to borrow up to 100.0% of the home's purchase price. There are no private mortgage insurance requirements or origination fees. There are flexible financing terms, available escrow for property repairs, acceptance of alternate credit references, and fixed rates for up to 30 years. Eligibility is based upon property location (in low- or moderate-income tract) or household income (cannot exceed 80.0% of the Department of Housing and Urban Development's (HUD) median family income (MFI)). Homeownership counseling from an accredited homeownership counseling agency is required to be completed prior to loan closing. Peoples originated 64 Dreams2Keys loans totaling approximately \$4.6 million, with 32.8% of these loans made in low- or moderate-income geographies and 87.5% to low- or moderate-income borrowers.
- ***Fannie Mae HomeReady Fixed Rate Loan Program:*** This program provides down payment assistance to low- and moderate-income individuals and allows qualified borrowers to buy a home with as little as 3.0% down payment and more flexible qualification requirements. Down payment and closing costs may come from gift funds, grants, and community second mortgages (where and when available). Peoples originated 127 HomeReady loans totaling approximately \$11.7 million, with 40.2% of these loans made in low- or moderate-income geographies and 75.6% to low- or moderate-income borrowers.
- ***Federal Housing Administration (FHA)/U.S. Department of Veterans Affairs (VA) -Insured Loan programs:*** These government-insured loan programs offer flexible, long-term financing to eligible borrowers with low or no down payments. Peoples originated nine loans through these programs totaling approximately \$1.2 million, with 11.1% of the originated loans were made in low- or moderate-income geographies and 66.7% to low- or moderate-income borrowers.
- ***Small Business Administration (SBA) 7(a) Loan Program:*** Peoples is an active SBA lender offering the 7(a) program, the SBA's most common loan program. This loan program offers funds to start-ups and existing small businesses with access to capital and with more flexible repayment terms than conventional commercial financing for multiple purposes. Peoples is an approved preferred lender under the SBA Preferred Lending Program (PLP). This allows small businesses in Peoples' footprint to receive quicker turnaround on applications submitted for SBA loan assistance. The designation as a PLP gives Peoples special authorization to

⁵ Unlike other large bank CRA performance criteria, a lack of innovative and/or flexible lending practices does not necessarily impact the bank's performance negatively. These activities are largely used to augment consideration given to an institution's performance under the quantitative criteria.

internally underwrite and approve SBA business loans. During the evaluation period, Peoples originated 68 SBA 7(a) loans totaling \$24.6 million in its delineated CRA footprint.

- ***U.S. Department of Agriculture/Rural Housing Service (USDA):*** This loan program is designed to assist low- and moderate-income individuals in purchasing affordable housing in rural areas. Funds can be used to build, repair, renovate, or relocate a home or to purchase and prepare sites, including providing water and sewage facilities. There are no down payment or mortgage insurance requirements. Peoples originated 68 USDA loans totaling approximately \$6.7 million and 26.5% of these loans were made in low- or moderate-income geographies and 60.3% were made to low- or moderate-income borrowers.

Use of these products in serving low- and moderate-income individuals and in low- and moderate-income areas was considered when there was sufficient volume. Several community contacts noted affordable housing as a significant need across Peoples' CRA footprint. Use of these products enhanced Peoples' overall lending test performance.

More information on individual flexible lending programs can be found in the full-scope assessment area sections of this evaluation.

Investment Test

Peoples' performance under the investment test is rated "Outstanding." The investment test is rated "Outstanding" in Ohio, "Low Satisfactory" in West Virginia, and "Low Satisfactory" in the Huntington-Ashland multistate MSA.

Peoples holds 23 qualified community development investments totaling \$27.4 million. During this evaluation period, Peoples obtained six new investments totaling approximately \$13.2 million (48.2%) and from prior periods, Peoples holds 17 outstanding investments with a current book value of approximately \$14.2 million (51.8%). The following table reflects the total number of qualified community development investments by purpose, number, and dollar amount:

Purpose of CD Investment	#	\$
Affordable Housing	18	\$23,554,310
Community Services	5	\$3,861,510
Total	23	\$27,415,820
<i>*totals include investments made at the statewide and institutional levels</i>		

The majority of Peoples' qualified investments by dollar and number support affordable housing initiatives through Low-Income Housing Tax Credits (LIHTCs), mortgage-backed securities, and housing development bonds, respectively. Completed tax credit housing projects provide valuable affordable housing units and wraparound services and/or amenities for veterans, the elderly, and low- to moderate-income families and individuals. The remaining qualified investments were municipal school bonds that provide needed capital to schools/universities serving majority low- and moderate-income student bodies. Community contacts stressed the critical need for affordable housing and services for low- and moderate-income individuals. Overall, these qualified investments exhibit an excellent responsiveness to credit and community development needs across Peoples' assessment areas.

Qualified investments also included donations totaling \$1.1 million. Community development grants and charitable contributions are primarily made through Peoples Foundation, a charitable trust funded by Peoples Bank to provide funding for community development and other charitable purposes throughout Peoples' assessment areas. Peoples partners with a wide array of organizations and non-profits to fund outreach activities, affordable housing, educational programs, and initiatives aimed at responding to community needs, improving the financial stability of individuals and families, and revitalizing underserved communities. The following table reflects the total number community development donations by purpose, number, and dollar amount:

Purpose of CD Donation	#	\$
Community Services	262	\$859,918
Affordable Housing	40	\$133,380
Revitalization/Stabilization	13	\$58,472
Economic Development	14	\$55,000
Total*	329	\$1,106,770
<i>*totals include donations made at the statewide and institution levels</i>		

The largest percentage of qualified investments and donations by dollar amount was made in Ohio. Peoples made qualified investments and donations totaling approximately \$17.6 million, which represents 61.7% of total investments by dollar amount. Peoples made qualified investments and donations totaling approximately \$2.1 million in West Virginia, which represent 7.3% of total investments by dollar amount. Peoples made qualified investments and donations in the Huntington-Ashland multistate totaling \$162,287, which represents 0.5% of total investments by dollar amount. The remaining \$8.7 million in qualified investments and donations, which represents 30.5% of total investments by dollar amount, benefited a boarder regional area at the institution level.

Peoples made an excellent level of qualified community development investments in Ohio. Peoples made an excellent level of qualified investments and contributions in the Cleveland-Elyria, Akron and Dayton metropolitan areas, an adequate level in Nonmetropolitan Ohio and the Dayton MSA, and a poor level in the Cincinnati MSA. Peoples made an adequate level of qualified community development investments in West Virginia. Peoples made a poor level of investments and contributions in the Parkersburg-Vienna MSA and Nonmetropolitan West Virginia. Peoples made an adequate level of qualified investments and contributions in the Huntington-Ashland multistate assessment area. Overall, Peoples made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors, and was often in a leadership position.

Consideration was given to several qualified community development investments and donations that benefited a broader statewide area in Ohio and West Virginia. Refer to the respective Conclusions with Respect to Performance Tests sections for more details.

Because Peoples was considered responsive to credit and community development needs, consideration was given to six qualified investments and several donations that benefited a broader regional area. These institution-level investments totaled approximately \$8.7 million and consisted of five current period investments totaling \$8.2 million and one prior period investment

totaling \$474,500. The first current period investment is a LIHTC, totaling \$5.0 million that supports affordable housing initiatives in Ohio, Kentucky, West Virginia, Pennsylvania, and Tennessee. The four remaining current period investments totaling \$3.2 million are municipal school bonds that provide needed capital to schools in Kentucky serving a majority of low- and moderate-income student bodies. The prior period investment is a LIHTC with a current book value of approximately \$474,500 that supports affordable housing initiatives throughout Virginia.

There were also 34 donations totaling \$84,664 that benefited a broader regional area. These institution-level donations assisted multiple organizations across the Appalachian region of Ohio, West Virginia, and Kentucky that support low- and moderate-income individuals, affordable housing, economic development, and disaster relief. In particular, the largest donation totaling \$23,047 helped a national nonprofit organization provide a multitude of wraparound services to low- and moderate-income individuals and families across Kentucky and West Virginia. Another larger-dollar donation totaling \$5,200 helped the American Red Cross provide assistance to displaced flood victims in Houston, Texas, which was designated as a major disaster area by the federal government in 2017 in the aftermath of Hurricane Harvey.

Community contacts indicated the critical need for affordable housing and opportunities for financial institutions to provide access to capital to small businesses, workforce development, financial literacy training, and social services targeted to low- and moderate-income individuals, particularly those impacted by the opioid crisis. The majority of qualified community development investments and contributions addressed these needs. As a result, Peoples' qualified community development investments exhibit an excellent responsiveness to credit and community development needs.

More information detailing specific investments and contributions can be found in the full-scope assessment area sections of this evaluation.

Service Test

Peoples' performance under the service test is rated "Outstanding." The service test is rated "Outstanding" in Ohio, "High Satisfactory" in West Virginia, and "High Satisfactory" in the Huntington-Ashland multistate MSA.

Retail Services

For this evaluation period, Peoples has 71 branches and 73 ATMs (76.7% full-service). Since the previous evaluation, Peoples acquired seven branches in April 2018 due to the acquisition of ASB, consisting of four branches in Nonmetropolitan Ohio, two branches in the Cincinnati MSA, and one branch in the Huntington-Ashland MSA. Peoples also closed eight branches. In Nonmetropolitan Ohio, Peoples closed two branches with full-service ATMs in moderate-income tracts and one branch with a full-service ATM in a middle-income tract in 2017. In the Huntington-Ashland MSA, Peoples closed a branch without an ATM in a moderate-income tract in 2017. In Nonmetropolitan West Virginia, Peoples closed a branch with a full-service ATM in a middle-income tract in 2017 and two in-store branches in middle-income tracts in 2019. Lastly, Peoples closed its branch with a full-service ATM in an upper-income tract when it exited the Dayton,

Ohio market effective December 14, 2017. Overall, Peoples' record of opening and closing branches has not adversely affected the accessibility of its delivery systems.

Peoples also has seven loan production offices (LPOs). Peoples has an LPO in the Akron MSA in a low-income tract, an LPO in the Columbus MSA in an upper-income tract, and an LPO in Charleston, West Virginia (outside its delineated CRA footprint) in a middle-income tract. Peoples opened the Huntington LPO in a low-income tract in the Huntington-Ashland MSA on June 1, 2018 and opened the North Canton LPO in a middle-income tract in Stark County, Ohio (outside its delineated CRA footprint) on July 1, 2019. Peoples also acquired two LPOs in upper-income tracts in the Cincinnati MSA due to the acquisition of ASB. The LPOs in Columbus and Charleston originate commercial loans, while the remaining LPOs originate mortgage loans. Lastly, Peoples operated a LPO in New Philadelphia in a middle-income tract in Nonmetropolitan Ohio until it closed effective May 23, 2017.

Peoples acquired nine branches in Kentucky, consisting of one branch in the Lexington-Fayette MSA and eight branches in the Nonmetropolitan Kentucky assessment area due to the acquisition of First Commonwealth in April 2019. Retail services for these new assessment areas in Kentucky will be evaluated in the subsequent CRA performance evaluation.

Overall, retail delivery systems are readily accessible to Peoples' geographies and individuals of different income levels. Over 40.0% of Peoples' branches serve low- and moderate-income geographies. Delivery systems are considered readily accessible in Nonmetropolitan Ohio, the Columbus MSA, the Parkersburg-Vienna MSA, and the Huntington-Ashland MSA. Delivery systems are considered accessible in the Cincinnati MSA, Akron MSA, and Nonmetropolitan West Virginia and unreasonably accessible in the Cleveland-Elyria and Dayton metropolitan areas. The geographic distribution of Peoples' branches and ATMs as of June 30, 2019, is shown in the following table.

Geographic Distribution of Branches and ATMs

Exam: Peoples Bank 2020

Analysis Year: 2019

Assessment Group(s): Entire Bank

Tract Income Levels	BRANCHES							ATMS												DEMOGRAPHICS*			
	Total Branches		Opened**	Closed***	Drive-Through	Extended Hours	Weekend Hours	Total ATMS		Full Service				Cash Only				Census Tracts		Household s	Total Business s		
	#	%	#	#	#	#	#	Total	%	Total	%	Opened	Closed	Total	%	Opened	Closed	#	%	%	%		
	Total	#	%	Total	#	%	Total	#	%	Total	#	%	Opened	Closed	Total	#	%	Opened	Closed	#	%	%	%
	DTO	LS		DTO	LS		DTO	LS		DTO	LS		DTO	LS		DTO	LS		DTO	LS			
Low	Total	4	5.6%	2	0	3	3	3	Total	3	4.1%	3	5.4%	1	0	0	0.0%	0	0	194	15.1%	9.7%	7.5%
	DTO	0		0	0	0			Stand Alone	0		0	0	0	0	0		0	0				
	LS	0		0	0																		
Moderate	Total	25	35.2%	1	3	19	12	21	Total	24	32.9%	21	37.4%	0	2	3	17.6%	0	0	315	24.5%	22.5%	19.1%
	DTO	0		0	0	0			Stand Alone	3		0		0	0	3		0	0				
	LS	0		0	0																		
Middle	Total	31	43.7%	1	4	29	28	28	Total	37	50.7%	24	42.9%	1	2	13	76.5%	1	2	487	37.9%	42.9%	38.7%
	DTO	0		0	0	0			Stand Alone	8		0	0	0	8		0	0					
	LS	0		0	0																		
Upper	Total	10	14.1%	3	1	9	4	5	Total	8	11.0%	7	12.5%	1	1	1	5.9%	0	0	270	21.0%	24.5%	33.9%
	DTO	0		0	0	0			Stand Alone	1		0		0	0	1		0	0				
	LS	0		0	0																		
Unknown	Total	1	1.4%	0	0	0	0	1	Total	1	1.3%	1	1.8%	0	0	0	0.0%	0	0	18	1.4%	0.4%	0.8%
	DTO	0		0	0	0			Stand Alone	0		0		0	0	0		0	0				
	LS	0		0	0																		
Totals	Total	71	100.0%	7	8	60	47	58	Total	73	100.0%	56	100.00%	3	5	17	100.0%	1	2	1284	100.0%	100.0%	100.0%
	DTO	0		0	0	0			Stand Alone	12		0		0	0	12		0	0				
	LS	0		0	0																		

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

*Based on 2015 census data

**Acquired branches

***Closed branches are only included in the "Closed" columns and are not included in any other totals

Banking services do not vary or inconvenience any portion of Peoples' assessment areas. Banking centers are generally open six days a week and provide lobby services full days Monday through Thursday (8:30 a.m. to 4:30 p.m.) and Friday (9:00 a.m. to 6:00 p.m.) and half-days on Saturday (8:30 a.m. – noon). Drive-through facilities are generally open Monday through Thursday (8:30 a.m. to 5:00 p.m.) and Friday (8:30 a.m. to 6:00 p.m.). Additionally, 47 of Peoples' offices offer extended hours and 58 offices have weekend hours.

Peoples uses alternative delivery systems to supplement its branch and ATM networks. Alternative delivery systems primarily consist of the bank's web site (www.peoplesbancorp.com) and mobile banking applications that allow for standard online banking capabilities (mobile app, security alerts/notifications, bill pay, deposits, Zelle© person-to-person pay, Apple Pay, and Samsung Pay). According to senior management, Peoples has seen an upward trend in use of digital banking in the last year,⁶ especially in mobile banking and person-to-person pay. Consumer and business mobile banking usage increased by 25.0% and 72.0%, respectively, and consumer and business mobile deposits usage increased by 17.0% and 134.0%, respectively. Person-to-person pay via Zelle© increased 639.0% in the last year. Lastly, online consumer banking usage increased by 6.0%, while business online banking usage decreased by 4.0% in the last year. Peoples also offers 24-hour telephone banking that provides customers with deposit and loan account information and funds transfer and loan payment capabilities. The website, mobile banking, and telephone banking services are available to all bank customers regardless of location or income.

Community Development Services

Peoples is a leader in providing community development services with at least 75 employees providing 1,200 community development services and at least 2,607 hours of service and supporting 505 different organizations during the evaluation period.

Peoples is a leader in providing community development services in Nonmetropolitan Ohio, the Cleveland-Elyria MSA, and the Akron MSA. Peoples provides a relatively high level of community development services in the Cincinnati MSA, the Huntington-Ashland MSA, and the Columbus MSA. Peoples provides an adequate level of community development services in the Parkersburg-Vienna MSA and a limited level in Nonmetropolitan West Virginia. Lastly, Peoples provides few, if any, community development services in the Dayton MSA; however, Peoples exited this market in 2017.

The following tables show the number of qualified community development services provided by community development purpose and number of hours when available. Peoples' employees had extensive involvement with organizations and activities that promote or facilitate community services targeted to low- and moderate-income individuals, economic development for small businesses, affordable housing to low- and moderate-income individuals, and revitalization/stabilization in low- and moderate-income areas. The majority of qualified community development services provided (85.8%) supported financial literacy training to low- and moderate-income students.

⁶ March 2019 – March 2020

Purpose of CD Service	# Hours	# Services
Community Services	1,481	75
Economic Development	688	28
Affordable Housing	321	75
Revitalization & Stabilization	117	5
Total	2,607	173

Community Services – Financial Literacy Training	# Services
How to Do Your Banking	689
Saving with Mandy and Randy	318
Ely Chapman	20
Total	1,027
<i># hours not available</i>	

Community contacts indicated the critical need for affordable housing and opportunities for financial institutions to provide access to capital to small businesses, workforce development, financial literacy training, and social services targeted to low- and moderate-income individuals, particularly those impacted by the opioid crisis. The majority of community development services provided by Peoples' employees addressed these needs. As a result, community development services are considered to be responsive to available service opportunities.

Consideration was given to community development services that benefited a broader statewide or regional area in Ohio. Refer to the Conclusions with Respect to Performance Tests section for more details. Finally, because Peoples was considered responsive overall to the credit and community development needs, consideration was given to 11 community development services that benefited a broader regional area in Kentucky and West Virginia. Six employees gave 235 hours to nine organizations that support affordable housing, services to low- and moderate-income individuals, or economic development. These employees served as either board members or promoted Peoples' Dreams2Keys and Fannie Mae HomeReady flexible lending products.

Peoples paid \$192,015 in interest above the market rate on 542 Interest On Lawyer Trust Accounts (IOLTA) accounts from 2017 through 2019. IOLTAs have been used to fund civil legal aid for Ohioans who cannot afford an attorney. In this way, civil legal aid ensures fairness in the justice system regardless of how much money a person has.

IOLTA Accounts		
Year	# of Accounts	Interest Earned Per Year at Rate Assigned
2017	160	\$27,677
2018	184	\$88,334
2019	198	\$76,004
Total	542	\$192,015

Peoples' directors, officers, and staff provided their financial expertise to the community by engaging in activities that promoted or facilitated affordable housing, services for low- and moderate-income individuals, economic development, and revitalization of low- and moderate-income areas.

The variety of community development services, the impact and responsiveness to community

development needs in various individual assessment areas, and the number of organizations and individuals that benefited were the primary factors supporting the overall rating.

Community development services included, but were not limited to:

Financial Literacy Education

Peoples offers the following financial workshops:

- ***Cenmark, Inc. – How to do Your Banking*** is designed to teach young adults in high school classrooms basic money management skills, including how to access and manage credit responsibly, online and mobile banking, identity theft, and protecting your personal information. The curriculum components provided to each school include student workbooks, online video, and teacher's guides. Peoples supports teachers as guest presenters upon request. Peoples' employees participated in 689 sessions during the evaluation period.
- ***Cenmark, Inc. – Savings with Mandy and Randy*** is designed to teach primary school students practical skills, habits, and values necessary to save and handle money responsibly. The curriculum is designed to be easily integrated into the core curriculum that primary teachers cover and addresses students' competency in mathematics, economics, civics, and language arts. Peoples' employees participated in 338 sessions during the evaluation period.
- ***Ely Chapman Educational Foundation (ECEP)*** is a non-profit organization providing academically oriented, hands-on learning and mentoring to youth in the mid-Ohio Valley. Peoples' employees assist students with financial learning activities through this program.

Board and Committee Memberships

Peoples' officers and managers provided financial expertise through their involvement with community development organizations throughout the assessment areas by serving as board directors, loan committee members, or treasurers.

Technical Assistance

Peoples' employees provided technical assistance to community development and non-profit organizations. Technical assistance included fund raising, accounting and bookkeeping, applying for government grants, volunteer income tax assistance, and reviewing loan application requests.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

While management has implemented policies, procedures, training programs, and internal assessments, a substantive violation of Section (5) of the Federal Trade Commission Act involving unfair and deceptive practices was identified in the concurrent Consumer Compliance examination. The violation did not cause the CRA rating to be adjusted. While the violation was not self-identified, bank management was proactive in taking corrective action to address the violation.

MULTI-STATE METROPOLITAN AREA

(Full-scope Review)

CRA RATING for Huntington-Ashland WV-KY-OH MSA #26580: Satisfactory

The lending test is rated:	Outstanding
The investment test is rated:	Low Satisfactory
The service test is rated:	High Satisfactory

The major factors supporting this rating include:

- An excellent responsiveness to credit needs;
- A good distribution of loans among borrowers of different income levels and adequate distribution to businesses of different revenue sizes;
- An excellent geographic distribution of loans throughout the assessment area;
- A good record of serving the credit needs of low-income individuals and areas and very small businesses;
- A leader in making community development loans;
- Makes use of flexible lending practices in serving assessment area's credit needs;
- An adequate level of qualified community development investments and grants;
- Rarely in a leadership position in providing community development investments and grants;
- Retail delivery systems are readily accessible to all geographies and individuals of different income levels and businesses of different revenue sizes;
- A record of opening and closing banking centers that has not adversely affected the accessibility of delivery systems;
- Banking services and hours that do not vary in a way that inconveniences any portions of the assessment areas; and,
- A relatively high level of community development services.

SCOPE OF EVALUATION

A full-scope review was conducted for the Huntington-Ashland multistate assessment area. The time period and products evaluated for this assessment area are consistent with the scope discussed in the Institution section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN HUNTINGTON-ASHLAND WV-KY-OH MSA #26580

The Huntington-Ashland WV-KY-OH MSA (Huntington-Ashland) consists of Cabell County in West Virginia, Boyd and Greenup counties in Kentucky, and Lawrence County in Ohio. Peoples' delineated assessment area excludes Lincoln, Putnam, and Wayne counties in West Virginia. Due to changes in MFI levels resulting from changes in U.S. Census data, this assessment area was

comprised of the following tracts for this evaluation:

Tract Income Level	2016	2017/2018	2019
	Number of Tracts	Number of Tracts	Number of Tracts
Low	5	6	6
Moderate	18	13	13
Middle	33	36	35
Upper	11	11	12
Unknown	0	1	1
Total	67	67	67

The assessment area gained one low-income census tract and three middle-income census tracts and lost five moderate-income census tracts between 2016 and 2017. The assessment area lost one middle-income census tract and gained one upper-income census tract and one unknown-income census tract between 2018 and 2019.

As of June 30, 2019, Peoples ranked 11th out of 21 institutions with 3.6% of the deposit market share in this delineated CRA assessment area.⁷ City National Bank of West Virginia had the largest deposit market share with 16.7%, followed by WesBanco Bank, Inc.; JPMorgan Chase Bank, National Association; Huntington Federal Savings Bank; and Branch Banking and Trust Company with 10.1%, 9.1%, 9.0%, and 9.0%, respectively. Also, Peoples ranked 14th out of 27 institutions with 2.5% of the deposit market share in the entire multistate MSA. Deposits in this assessment area accounted for 4.8% of Peoples' total deposits. While this was the fourth-highest percentage of deposits within Peoples' CRA footprint, there is significant competition from a number of large national banks in this market.

From August 1, 2016 through June 30, 2019 Peoples originated 188 HMDA-reportable loans totaling \$16.7 million. This represents 5.0% by volume and 4.2% by dollar amount of total HMDA loans originated during the evaluation period. Peoples originated 138 CRA-reportable loans totaling \$28.0 million. This represents 7.3% by volume and 7.9% by dollar amount of total CRA loans originated during the evaluation period. These are the fourth-largest HMDA and CRA markets for loans originated during the evaluation period.

Peoples ranked 18th among 177 HMDA reporters in the MSA in 2018. The top five HMDA lenders in the assessment area were City National Bank of West Virginia, Quicken Loans, Members Choice Credit Union, Huntington Federal Savings Bank, and Wolfe Financial. Peoples ranked 14th of 63 CRA reporters in the MSA in 2018. The top five CRA lenders in the assessment area were American Express National Bank; JPMorgan Chase Bank, National Association; Synchrony Bank; Branch Banking and Trust Company; and PNC Bank, National Association. These lenders tend to be issuers of credit cards and their CRA loans primarily consist of commercial credit card accounts.

⁷ Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report:
<https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>

Community Contacts

Interviews were conducted with two community contacts to provide additional information regarding the assessment area. The first contact was with an economic development organization that is focused on promoting and advancing the business prosperity and economic welfare in the area. The organization helps existing companies retain and expand their businesses and works to attract new businesses to the area. Partnerships with regional and state economic development agencies help this organization to provide access to training and resources for the area's small businesses. According to the contact, area unemployment remains high, resulting in residents having to commute over an hour to Charleston or Huntington or leave the area altogether for higher-paying employment. Additionally, despite the number of local universities in the area, the area's working-age population tends not to have college degrees. The contact also stated that while there is a need for workforce development and access to small dollar loans, the area is facing a multitude of challenges due to the detrimental effects of the opioid epidemic.

The second contact was with a community development agency that provides a wide range of services targeted toward low- and moderate-income individuals and families in the Huntington-Ashland area. Programs include homecare for the low-income elderly, regional transportation for Medicaid patients, economic development grants, workforce development, and aging and disability services for low-income individuals and families. The agency works with low-income seniors to help keep them in their homes, rather than long-term care facilities. While remaining at home provides many benefits, it can also lead to financial stress, as these homes are generally older and in need of maintenance. The community has been highly impacted by the opioid epidemic and the repercussions of addiction extend beyond the addicted individuals, affecting child welfare, caregiving, public safety, criminal justice, housing, and the economy. The contact stated the area also been severely impacted by the shift from American steel to foreign steel; as such, the agency has a workforce development program that provides re-employment services and programs to displaced steel workers. The agency also has a revolving loan fund program that offers low-interest loans to area start-up and existing businesses. These funds are used in the event that full financing cannot be obtained from a bank or to fill credit gaps between the bank's participation and the borrower's cash-contribution. The contact stated there are opportunities for area banks to work more closely with the University of Kentucky's Small Business Development Center (SBDC). Working with the SBDC would help entrepreneurs establish a rapport with bankers and provide them additional opportunities to achieve better business results.

Population Characteristics

According to 2015 U.S. Census data, the population in the assessment area was 244,045, of which 6.5% live in low-income tracts and 11.5% live in moderate-income tracts. In addition, 78.8% of the population was 18 years of age or older, which is the legal age to enter into a contract. The population of those age 65 and over was 16.6% in Cabell County compared to 17.3% in West Virginia, 17.5% in Boyd County and 18.5% in Greenup County compared to 14.4% in Kentucky, and 17.1% in Lawrence County compared to 15.1% in Ohio. The larger senior population may indicate the assessment area likely has a smaller working- and consumer-age population and reduced economic activity. The following table shows the population change in the assessment area; overall, the population decreased by 2.4% during this time period.

Population Change					
Area	2010 Population	2015 Population	Percent Change Between 2010 and 2015	2018 Population	Percent Change Between 2015 and 2018
Cabell County, West Virginia	96,319	96,824	0.5%	96,943	0.1%
Boyd County, Kentucky	49,542	48,917	-1.3%	47,240	-3.4%
Greenup County, Kentucky	36,910	36,477	-1.2%	35,268	-3.3%
Lawrence County, Ohio	62,450	61,827	-1.0%	59,866	-3.2%
Total Population	245,221	244,045	-0.5%	239,317	-1.9%
West Virginia	1,852,994	1,851,420	-0.1%	1,805,832	-2.5%
Kentucky	4,339,367	4,397,353	1.3%	4,468,402	1.6%
Ohio	11,536,504	11,575,977	0.3%	11,689,442	1.0%

Huntington, West Virginia (Cabell County) is the most populous city in this assessment area with 46,048 residents and its population decreased 6.4% between 2010 and 2018. Ashland, Kentucky (Boyd County) is the second-most populous city with 20,382 residents and its population decreased by 6.0% between 2010 and 2018. Flatwoods, Kentucky, the largest city in Greenup County, has 7,082 residents and its population decreased by 4.6% between 2010 and 2018. Ironton, Ohio (Lawrence County), the third-most populous city in this assessment area, has 10,635 residents and its population decreased by 4.4% between 2010 and 2018.⁸

Income Characteristics

The 2015 MFI (\$54,745) in the assessment area was greater than West Virginia's MFI (\$52,866), less than Kentucky's MFI (\$55,367), and less than Ohio's MFI (\$62,817). The assessment area's MFI decreased by 3.8% from 2015 to 2016. As shown below, MFI decreased by 3.3% from 2016 to 2017, but increased by 3.2% from 2017 to 2018 and increased again by 3.2% from 2018 to 2019.

Borrower Income Levels
Huntington-Ashland, WV-KY-OH MSA

FFIEC Estimated Median Family Income			Low		Moderate		Middle		Upper					
Year	\$	% Change	0	-	49.99%	50%	-	79.99%	80%	-	119.99%	120%	-	& above
2016	\$56,900		0	-	\$28,449	\$28,450	-	\$45,519	\$45,520	-	\$68,279	\$68,280	-	& above
2017	\$55,100	-3.3%	0	-	\$27,549	\$27,550	-	\$44,079	\$44,080	-	\$66,119	\$66,120	-	& above
2018	\$56,900	3.2%	0	-	\$28,449	\$28,450	-	\$45,519	\$45,520	-	\$68,279	\$68,280	-	& above
2019	\$58,800	3.2%	0	-	\$29,399	\$29,400	-	\$47,039	\$47,040	-	\$70,559	\$70,560	-	& above

The counties in this assessment area are located in rural Appalachia and have poverty rates ranging from 26.1% in Cabell County to 16.0% in Greenup County from 2015 to 2017. In addition, Cabell County, West Virginia and Boyd County, Kentucky had poverty rates greater than 20.0%. Greenup County was the only rural Appalachian county in this assessment area with poverty rates below the state average during this period. Area poverty rates shown below illustrate a concerning trend of poverty and economic stagnations amount rural residents in Appalachian West Virginia, Kentucky, and Ohio.

¹ U.S. Census Bureau QuickFacts:

<https://www.census.gov/quickfacts/fact/table/irontoncityohio,flatwoodscitykentucky,ashlandcitykentucky,huntingtoncitywestvirginia,US/PST045219>

Poverty Rates			
Assessment Area: Huntington-Ashland, WV-KY-OH MSA #26580			
Area	Years		
	2016	2017	2018
Cabell County, West Virginia	21.9	26.1	19.3
Boyd County, Kentucky	18.2	20.1	18.3
Greenup County, Kentucky	17.4	16.0	16.6
Lawrence County, Ohio	17.9	19.5	18.8
West Virginia	17.9	18.5	17.4
Kentucky	18.2	17.1	16.7
Ohio	14.5	13.9	13.8
National	14.0	13.4	13.1

According to 2015 U.S. Census data, 20.4% of the 97,104 households in this assessment area are below the poverty level, 2.9% are receiving public assistance, and 13.8% have rent costs greater than 30.0% of their monthly income.

Housing Characteristics

According to the 2015 U.S. Census data, there are 111,826 housing units and 62,452 families in the assessment area. From an income perspective, 7.9% of the housing units and 5.3% of families are in the assessment area's low-income tracts, while 12.3% of the housing units and 10.4% of families in the assessment area are in moderate-income tracts. In addition, 27.9% of the housing units in low-income tracts are owner-occupied, 52.4% are rental, and 19.6% are vacant, while 46.2% of housing units in moderate-income tracts are owner-occupied, 37.4% are rental, and 16.5% are vacant. Therefore, based on the low number of families and housing units and the high percentage of rental/vacant units, there appears to be limited credit-related opportunities for Peoples to make residential real estate-type loans in low- and moderate-income tracts and provide various aspects of affordable housing, particularly in low-income tracts.

The 2015 U.S. Census data shows the median age of housing stock was 50 years old and 25.1% of assessment area's 111,826 housing units are at least 65 years old (built before 1950), which indicates there are opportunities to make home improvement loans. A community contact also expressed the need for maintenance of older housing stock typically located in lower-income neighborhoods. The median housing value in the assessment area was \$103,812 with an affordability ratio of 39.8. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. Median housing values increased between 2010 and 2015, with the greatest increase in housing value occurring in Cabell County. During this same time period, housing became less affordable in Cabell and Greenup counties, most likely because the MFI did not keep pace with home price growth. During this same time period, housing became slightly more affordable in Boyd and Lawrence counties and median gross rents increased across the assessment area, particularly in Boyd and Lawrence counties. The following table presents housing characteristics from the U.S. Census data between 2010 and 2015 in the assessment area.

Housing Costs Change								
County	Median Housing Value		Percent Change	2010 Affordability Ratio	2015 Affordability Ratio	Median Gross Rent		Percent Change
	2010	2015				2010	2015	
Cabell County, West Virginia	\$97,500	\$112,800	15.7%	35.4	34.0	\$590	\$653	10.7%
Boyd County, Kentucky	\$93,200	\$99,700	7.0%	41.6	42.5	\$533	\$625	17.3%
Greenup County, Kentucky	\$88,400	\$97,700	10.5%	47.9	46.4	\$550	\$629	14.4%
Lawrence County, Ohio	\$92,300	\$98,900	7.2%	39.5	43.4	\$556	\$652	17.3%
West Virginia	\$94,500	\$103,800	9.8%	40.6	40.2	\$549	\$643	17.1%
Kentucky	\$116,800	\$123,200	5.5%	35.6	35.5	\$601	\$675	12.3%
Ohio	\$136,400	\$129,900	-4.8%	34.7	38.1	\$678	\$730	7.7%

According to 2015 U.S. Census data, 35.6% of renters in the assessment area have rent costs more than \$700/month and nearly 43.9% of units for rent (30,624) have renters who are considered to be cost-burdened or have rent costs greater than 30.0% of their monthly income. Increasing rental costs may make it more difficult for potential first-time homebuyers to save enough to make a sufficient down payment in the rising interest rate environment.

Building permits are a leading indicator of future activity in the construction sector. The following table presents building permits across the assessment area did not reflect statewide and national trends between 2016 and 2018.

Building Permits					
Area	2016	2017	Percent Change between 2016 and 2017	2018	Percent Change between 2017 and 2018
Cabell County, West Virginia	93	96	3.2%	99	3.1%
Boyd County, Kentucky	0	4	N/A	4	0.0%
Greenup County, Kentucky	15	15	0.0%	17	13.3%
Lawrence County, Ohio	12	15	25.0%	9	-40.0%
Huntington-Ashland, WV-KY-OH MSA	250	264	5.6%	260	-1.5%
West Virginia	2,544	2,719	6.9%	2,887	6.2%
Kentucky	12,714	12,630	-0.7%	13,826	9.5%
Ohio	22,816	23,917	4.8%	24,221	1.3%
United States	1,206,642	1,281,977	6.2%	1,328,827	3.7%

However, the overall decrease in the number of permits could indicate a decreasing demand for home purchase loans during the evaluation period.

Labor, Employment, and Economic Characteristics

The Appalachian region covers all of West Virginia and parts of 12 other states, including Kentucky and Ohio. Employment has traditionally relied on mining and manufacturing, but tourism is steadily gaining in popularity due to the scenic landscapes and forests. Historically, Appalachia has battled poverty, unemployment, stagnant industry, and lower educational attainment and wages. While progress has been made to narrow those gaps, significant divisions remain between Appalachia and the rest of the nation. The Appalachian Regional Commission

(ARC),⁹ a federal-state partnership dedicated to promoting economic development and addressing quality of life issues for Appalachian residents, releases annual listings of each Appalachian county's economic health from best to worst. Every county is designated as either attainment, competitive, transitional, at-risk, or distressed. The ARC bases its classifications on several economic indicators, including poverty rates, per capita market income, and three-year average of unemployment rates.

All of the counties in this assessment area are rural Appalachian counties and appear to be experiencing economic stagnation and higher levels of unemployment and poverty than the national rates.

County Economic Status in the Appalachian Region, FY 2020		
Area	Economic Status	Distressed Areas
Cabell County, West Virginia	Transitional	12
Boyd County, Kentucky	At-Risk	5
Greenup County, Kentucky	At-Risk	0
Lawrence County, Ohio	At-Risk	1
Source: Appalachian Regional Commission		

As indicated in *The Opioid Epidemic and Its Effects: A Perspective on What We Know from the Federal Reserve Bank of Cleveland*,¹⁰ recent research suggests that counties that have higher levels of opioid prescriptions have substantially lower prime-age labor force participation rates and reduced labor market activity, which ultimately impacts economic growth potential of a local area. In addition, the Centers of Disease Control and Prevention identified 220 counties in 26 states as vulnerable to high rates of different types of addiction-related health issues as a result of the opioid epidemic.¹¹ The three counties in this assessment area, Cabell, Boyd, and Greenup, respectively, are considered to be vulnerable and are particularly susceptible to reduced labor market activity and stunted economic growth potential.

According to Dun & Bradstreet, the majority of businesses (89.0%) in the assessment area have revenue under \$1 million. There are approximately 128,667 paid employees in this assessment area who are working in either the private sector or government, according to Regional Economic Analysis Project (REAP) for West Virginia and Kentucky and Ohio Development Services Agency. By percentage of employees, the largest job category in the assessment area is construction, followed by trade/transportation/utilities, local government, education and health services, and leisure/hospitality sectors, respectively. The following table illustrates the average unemployment rates related to this assessment area.

⁹ Appalachian Regional Commission (ARC) – County Economic Status and Distressed Areas by State, FY 2020:

https://www.arc.gov/appalachian_region/CountyEconomicStatusandDistressedAreasinAppalachia.asp

¹⁰ Cleveland Fed: <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20180531-the-opioid-epidemic.aspx>

¹¹ Centers for Disease Control and Prevention: <https://www.cdc.gov/pwld/vulnerable-counties-data.html>

Unemployment Rates			
Assessment Area: Huntington-Ashland, WV-KY-OH MSA #26580			
Area	Years - Annualized		
	2016	2017	2018
Cabell County, West Virginia	4.8	4.5	4.7
Boyd County, Kentucky	5.0	7.2	5.9
Greenup County, Kentucky	8.7	7.7	6.6
Lawrence County, Ohio	6.5	5.9	5.6
Huntington-Ashland, WV-KY-OH MSA	6.3	5.7	5.5
West Virginia	6.1	5.2	5.2
Kentucky	5.1	4.9	4.3
Ohio	5.0	5.0	4.5
National	4.9	4.4	3.9
<i>Not Seasonally Adjusted</i>			

Unemployment rates in Cabell County, West Virginia were significantly lower than unemployment rates in the MSA and West Virginia in 2016, 2017, and 2018. However, unemployment rates in Cabell County were slightly lower than the national unemployment rate in 2016, slightly higher in 2017, and significantly higher in 2018.

Unemployment rates in Boyd and Greenup counties in Kentucky were generally higher than unemployment rates in the MSA and Kentucky in 2017 and 2018, except in Boyd County in 2016. Boyd and Greenup counties' unemployment rates were slightly higher than the national unemployment rate in 2016, but significantly higher in 2017 and 2018.

Unemployment rates in Lawrence County, Ohio were slightly higher than the unemployment rate in the MSA and significantly higher than unemployment rates in Ohio and the nation in 2016, 2017, and 2018.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HUNTINGTON-ASHLAND WV-KY-OH MSA #26580

Lending Test

Peoples' performance relative to the lending test in the Huntington-Ashland MSA is rated "Outstanding."

Peoples' lending activity demonstrates an excellent responsiveness to the credit needs of the community. Peoples is a leader in making community development loans in this assessment area. Peoples has a good distribution among borrowers of different income levels and an adequate distribution to businesses of different revenue sizes and an excellent geographic distribution of loans; however, there was a significant level of lending gaps. Peoples makes use of flexible lending practices in serving credit needs in this assessment area. Lastly, Peoples exhibits a good record of serving the credit needs of low-income individuals and areas and businesses with gross annual revenues of \$1 million or less.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in this assessment area. Greatest consideration was given to the evaluation of HMDA lending, followed by small business lending, based on the overall volume of loans. HMDA-reportable loan products were combined in order to conduct a meaningful analysis. Small farm lending was not considered. Details of Peoples' residential mortgage and small business lending and information regarding peer lending is in Appendices D, E, and F.

Lending Activity

Lending levels reflect an excellent responsiveness to the credit needs in the assessment area. Peoples originated 188 HMDA loans and 138 CRA loans and had a significant level of lending gaps in this assessment area during the evaluation period. The percentage of Peoples' lending in the Huntington-Ashland MSA is 5.5%, which is greater than the percentage of total deposits at 4.8%. Lastly, no substantial concentration of loans was identified in excluded counties within this MSA.

Distribution by Borrower Income and Revenue Size of the Business

Borrower distribution among borrowers of different income levels is good for HMDA lending and adequate for businesses of different sizes.

HMDA Lending

Peoples made 24 HMDA loans totaling \$2.3 million in 2019. Also, Peoples originated three (12.5%) HMDA loans totaling \$611,000 (26.2%) to borrowers with unknown-income designations.

Peoples made five (20.8%) HMDA loans totaling \$178,000 (7.6%) to low-income borrowers, which was slightly below the percentage of families at 23.0% by volume and well below by dollar amount. Given Peoples' performance compared to proxy, the borrower distribution of HMDA loans to low-income borrowers is good.

Peoples made five (20.8%) HMDA loans totaling \$373,000 (16.0%) to moderate-income borrowers, which exceeded the percentage of families at 15.9%. Given Peoples' strong performance compared to proxy, the borrower distribution of HMDA loans to moderate-income borrowers is excellent.

Peoples made four HMDA loans totaling \$209,000 to middle-income borrowers. This represents 16.7% of HMDA loans by volume and 8.9% by dollar amount compared to the percentage of families at 20.1%.

Peoples made seven HMDA loans totaling \$963,000 to upper-income borrowers. This represents 29.2% of HMDA loans by volume and 41.3% by dollar amount compared to the percentage of families at 41.0%.

Peoples made 64 HMDA loans totaling \$5.2 million in 2018. Peoples made nine (14.1%) HMDA loans totaling \$375,000 (7.3%) to low-income borrowers, which was below the percentage of families at 23.2% by volume and well below by dollar amount. However, the percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 7.7% and 4.1%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of HMDA loans to low-income borrowers is good. High rates of poverty likely limit the ability of low-income borrowers to easily access loans. This level of origination supports that performance is good to these borrowers.

Peoples made 25 (39.1%) HMDA loans totaling \$1.4 million (27.7%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.1%. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 16.9% and 11.5%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is excellent. Considering the high rates of poverty, this level of origination supports that performance is excellent to these borrowers.

Peoples made 12 HMDA loans totaling \$815,000 to middle-income borrowers. This represents 18.8% of HMDA loans by volume and 15.8% by dollar amount compared to the percentage of families at 20.1%. The 2018 aggregate of all lenders made 23.3% by volume and 20.1% by dollar amount to middle-income borrowers.

Peoples made 18 HMDA loans totaling \$2.5 million to upper-income borrowers. This represents 28.1% of HMDA loans by volume and 49.2% by dollar amount compared to the percentage of families at 40.6%. The 2018 aggregate of all lenders made 40.8% by volume and 52.5% by dollar amount to upper-income borrowers.

Peoples made 40 HMDA loans totaling \$3.9 million in 2017. Peoples made six (15.0%) HMDA loans totaling \$301,000 (7.8%) to low-income borrowers, which was below the percentage of families at 23.2%. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 6.4% and 3.1%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is good.

Peoples made 12 (30.0%) HMDA loans totaling \$992,000 (25.7%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.1%. The percentage of loans by volume and dollar amount also substantially exceeded the 2017 aggregate of all lenders at 17.6% and 11.8%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is excellent.

Peoples made eight HMDA loans totaling \$576,000 to middle-income borrowers. This represents 20.0% of HMDA loans by volume and 14.9% by dollar amount compared to the percentage of families at 20.1%. The 2017 aggregate of all lenders made 21.6% by volume and 18.8% by dollar amount to middle-income borrowers.

Peoples made 14 HMDA loans totaling \$2.0 million to upper-income borrowers. This represents 35.0% by volume and 51.7% by dollar amount, which was slightly below the percentage of families at 40.6% by volume and exceeded proxy by dollar amount. The 2017 aggregate of all lenders made 40.4% by volume and 52.2% by dollar amount to upper-income borrowers.

Peoples made 45 HMDA loans totaling \$4.7 million in 2016. Also, Peoples originated three (6.7%) HMDA loans totaling \$322,000 (6.8%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 16.5% by volume and 17.0% by dollar amount.

Peoples made five (11.1%) HMDA loans totaling \$303,000 (6.4%) to low-income borrowers, which was below the percentage of families at 22.1%. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 7.4% and 3.6%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of HMDA loans to low-income borrowers is good, especially with the high levels of poverty that could limit Peoples' opportunity to make loans to low-income borrowers.

Peoples made 11 (24.4%) HMDA loans totaling \$886,000 (18.8%) to moderate-income borrowers, which exceeded the percentage of families at 18.4%. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 17.1% and 11.7%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is excellent, especially with the high levels of poverty that could likely impact an individual's ability to obtain a mortgage loan.

Peoples made ten HMDA loans totaling \$1.1 million to middle-income borrowers. This represents 22.2% of HMDA loans by volume and 24.3% by dollar amount compared to the percentage of families at 20.4%. The 2016 aggregate of all lenders made 22.3% by volume and 19.2% by dollar amount to middle-income borrowers.

Peoples made 16 (35.6%) HMDA loans totaling \$2.1 million to upper-income borrowers. This represents 35.6% by volume and 43.6% by dollar amount compared to the percentage of families at 39.1%. The 2016 aggregate of all lenders made 36.6% by volume and 48.5% by dollar amount to upper-income borrowers.

Overall, Peoples' HMDA performance was slightly below the percentage of families and generally exceeded the aggregate of all lenders; therefore, borrower distribution of HMDA lending is good. Peoples was able to make loans to borrowers of all income levels, despite the area's challenging economic conditions that likely reduced the number of individuals able to pay a mortgage loan.

Small Business Lending

Peoples made 29 small business loans totaling \$8.2 million to businesses of different sizes in 2019, and ten (34.5%) of these loans totaling \$1.7 million (20.2%) were made to businesses with revenues of \$1.0 million or less. This was well below the percentage of small businesses in the assessment area at 89.0% by volume and dollar amount. Therefore, the distribution of small business loans to businesses of different sizes is poor.

In 2019, Peoples made a good percentage of small dollar loans (48.3%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 49 small business loans totaling \$8.9 million to businesses of different sizes in 2018, and 17 (34.7%) of these loans totaling \$1.1 million (12.4%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.9%. The percentage of loans by volume and dollar amount was also below the 2018 aggregate of all lenders at 44.5% and 40.0%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is adequate, considering Peoples' performance relative to the aggregate of all lenders.

In 2018, Peoples made an adequate percentage of small dollar loans (57.1%) in amounts of \$100,000 or less compared to 91.7% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 32 small business loans totaling \$8.1 million to businesses of different sizes in 2017 and eight (25.0%) of these loans totaling \$1.2 million (15.0%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 87.6%. The percentage of loans by volume and dollar amount was also below the 2017 aggregate of all lenders at 91.5% and 34.8%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is adequate, considering Peoples' performance relative to the aggregate of all lenders.

In 2017, Peoples made an adequate percentage of small dollar loans (43.8%) in amounts of \$100,000 or less compared to 91.5% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 28 small business loans totaling \$2.9 million to businesses of different sizes in 2016, and 15 (53.6%) of these loans totaling \$474,000 (16.6%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.9%. The percentage of loans by volume exceeded the 2016 aggregate of all lenders at 42.5%, but was well below the aggregate of all lenders by dollar amount at 45.2%. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to proxy and the aggregate of all lenders.

In 2016, Peoples made a good percentage of small dollar loans (78.6%) in amounts of \$100,000 or less compared to 90.8% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Overall, Peoples' small business lending performance was below the percentage of small businesses and the aggregate of all lenders by volume and dollar amount. However, community contacts indicated a need for access to small dollar loans for new and existing businesses and the

need for entrepreneurs and bankers to establish rapport in order to achieve better business results. Peoples displayed a consistent willingness to make small dollar loans. Therefore, borrower distribution of small business lending is adequate.

Geographic Distribution of Loans

Peoples' overall distribution of lending among geographies is excellent. HMDA lending is excellent and small business lending is good. The following gaps in lending were noted in the assessment area.

Tract Income Level	Percentage of Lending Penetration			
	2016	2017	2018	2019
Low	40.0%	33.3%	83.3%	50.0%
Moderate	44.4%	53.8%	61.5%	30.8%
Middle	63.6%	61.1%	63.9%	48.6%
Upper	63.6%	54.5%	81.8%	41.7%
Unknown	N/A	0.0%	0.0%	0.0%
Total	56.7%	55.2%	67.2%	43.3%

Overall, lending gaps are significant. Gaps were highest in low-income tracts in 2016 and 2017, as Peoples did not penetrate a majority of low-income tracts during 2016, 2017, and 2019. However, Peoples penetrated a majority of moderate-income tracts in 2017 and 2018. Peoples made loans in more than 50.0% of the tracts during 2016, 2017, and 2018. Lastly, there are only six low-income tracts that have owner-occupancy rates slightly over 25.0% and rental/vacancy rates around 72.0%. Moderate-income tracts have owner-occupancy rates less than 50.0% and rental/vacancy rates around 54.0%. These factors likely impacted Peoples' ability to lend in these areas.

HMDA Lending

Peoples made 24 HMDA loans totaling \$2.3 million in 2019. Peoples made no HMDA loans in low-income tracts, which is below the percentage of owner-occupied units in these tracts at 3.7%. Given Peoples' performance compared to proxy, the geographic distribution of HMDA loans in low-income tracts is poor. The demand for home purchase loans in these tracts is likely negatively impacted by the relatively low-owner occupancy rate of 27.9%.

Peoples made two (8.3%) HMDA loans totaling \$352,000 (15.1%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 9.5% by volume and substantially exceeded proxy by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of HMDA loans in moderate-income tracts is good.

Peoples made 19 HMDA loans totaling \$1.9 million in middle-income tracts. This represents 79.2% of HMDA loans by volume and 79.5% by dollar amount compared to the percentage of owner-occupied units in these tracts at 66.0%.

Peoples made three HMDA loans totaling \$127,000 in upper-income tracts. This represents 12.5% of HMDA loans by volume and 5.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 20.7%.

Peoples made 64 HMDA loans totaling \$5.2 million in 2018. Peoples made four (6.3%) HMDA loans totaling \$181,000 (3.5%) in low-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 3.7% by volume and was slightly below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 3.1% and 2.2%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in low-income tracts is excellent, especially considering the relatively low-owner occupancy rate. This supports that performance is excellent in these tracts.

Peoples made four (6.3%) HMDA loans totaling \$218,000 (4.2%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 9.5%. The percentage of loans by volume and dollar amount was slightly below the 2018 aggregate of all lenders at 7.4% and 5.4%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in moderate-income tracts is good.

Peoples made 41 HMDA loans totaling \$3.7 million in middle-income tracts. This represents 64.1% of HMDA loans by volume and 72.1% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.8%. The 2018 aggregate of all lenders made 67.4% by volume and 68.1% by dollar amount in middle-income tracts.

Peoples made 15 HMDA loans totaling \$1.0 million in upper-income tracts. This represents 23.4% of HMDA loans by volume and 20.1% by dollar amount compared to the percentage of owner-occupied units in these tracts at 18.9%. The 2018 aggregate of all lenders made 21.9% by volume and 23.9% by dollar amount in upper-income tracts.

Peoples made 40 HMDA loans totaling \$3.9 million in 2017. Peoples made two (5.0%) HMDA loans totaling \$117,000 (3.0%) in low-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 3.7% by volume and was slightly below proxy by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 3.2% and 2.5%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans in low-income tracts is excellent.

Peoples made five (12.5%) HMDA loans totaling \$245,000 (6.3%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 9.5% by volume and was below proxy by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 7.2% and 5.0%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in moderate-income tracts is excellent.

Peoples made 25 HMDA loans totaling \$2.8 million in middle-income tracts. This represents 62.5% of HMDA loans by volume and 72.5% by dollar amount compared to the percentage of

owner-occupied units in these tracts at 67.8%. The 2017 aggregate of all lenders made 68.5% by volume and 69.4% by dollar amount in middle-income tracts.

Peoples made eight HMDA loans totaling \$702,000 in upper-income tracts. This represents 20.0% of HMDA loans by volume and 18.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 18.9%. The 2017 aggregate of all lenders made 21.0% by volume and 23.1% by dollar amount in upper-income tracts.

Peoples made 45 HMDA loans totaling \$4.7 million in 2016. Peoples made no HMDA loans in low-income tracts, which was below the percentage of owner-occupied units in these tracts at 1.9%. The percentage of loans by volume and dollar amount was well below the 2016 aggregate of all lenders at 1.0% and 0.5%, respectively. Given Peoples' performance compared to the low percentage of HMDA loans made by proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in low-income tracts is poor.

Peoples made six (13.3%) HMDA loans totaling \$563,000 (11.9%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 14.5%. The percentage of loans by volume and dollar amount exceeded the 2016 aggregate of all lenders at 11.3% and 8.4%, respectively. Given Peoples' strong performance compared to the aggregate of all lenders, the geographic distribution of HMDA loans in moderate-income tracts is excellent, especially considering the relatively low-owner occupancy rate. This supports that performance is excellent in these tracts.

Peoples made 28 HMDA loans totaling \$3.2 million in middle-income tracts. This represents 62.2% by volume and 67.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 62.5%. The 2016 aggregate of all lenders made 63.1% by volume and 63.9% by dollar amount in middle-income tracts.

Peoples made 11 HMDA loans totaling \$959,000 in upper-income tracts. This represents 24.4% of HMDA loans by volume and 20.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 21.1%. The 2016 aggregate of all lenders made 24.5% by volume and 27.1% by dollar amount in upper-income tracts.

Overall, Peoples' HMDA lending performance was slightly below proxy and generally exceeded the aggregate of all lenders; therefore, the geographic distribution of HMDA lending is excellent. Given the limited credit-related opportunities to make residential real estate-type loans in low- and moderate-income tracts and based on the low number of families and housing units and the high percentage of rental/vacant units, this supports that performance is excellent.

Small Business Lending

Peoples made 29 small business loans totaling \$8.2 million in 2019. Peoples made four (13.8%) loans totaling \$833,000 (10.2%) in low-income tracts, which exceeded the percentage of businesses in these tracts at 12.0% by volume and was slightly below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of small business loans in low-income tracts is excellent.

Peoples made four (13.8%) loans in moderate-income tracts totaling \$580,000 (7.1%), which was slightly below the percentage of businesses in these tracts at 17.0% by volume and well below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of small business loans in moderate-income tracts is good.

Peoples made 19 loans in middle-income tracts totaling \$6.5 million. This represents 65.5% of small business loans by volume and 79.5% by dollar amount compared to the percentage of businesses in these tracts at 54.3%.

Peoples made two loans in upper-income tracts totaling \$260,000. This represents 6.9% of small business loans by volume and 3.2% by dollar amount compared to the percentage of businesses in these tracts at 16.1%.

Peoples made 49 small business loans totaling \$8.9 million in 2018. Peoples made seven (14.3%) loans in low-income tracts totaling \$1.4 million (15.2%), which exceeded the percentage of businesses in these tracts at 11.8%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 13.2% and 13.9%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is excellent.

Peoples made nine (18.4%) loans in moderate-income tracts totaling \$1.5 million (17.2%), which exceeded the percentage of businesses in these tracts at 16.7%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 14.7% and 15.2%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 29 loans in middle-income tracts totaling \$4.7 million. This represents 59.2% of small business loans by volume and 52.3% by dollar amount compared to the percentage of businesses in these tracts at 54.9%. The 2018 aggregate of all lenders made 54.4% by volume and 57.0% by dollar amount in middle-income tracts.

Peoples made four loans in upper-income tracts totaling \$1.4 million. This represents 8.2% of small business loans by volume and 15.3% by dollar amount compared to the percentage of businesses in these tracts at 16.0%. The 2018 aggregate of all lenders made 15.1 % by volume and 12.0% by dollar amount in upper-income tracts.

Peoples made 32 small business loans totaling \$8.0 million in 2017. Peoples made four (12.5%) loans in low-income tracts totaling \$684,000 (8.5%), which was comparable to the percentage of businesses in these tracts at 12.4% by volume and was below by dollar amount. The percentage of loans exceeded the 2017 aggregate of all lenders by volume at 11.0% and was below aggregate by dollar amount at 11.0%. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is excellent.

Peoples made three (9.4%) loans in moderate-income tracts totaling \$940,000 (11.7%), which was below the percentage of businesses in these tracts at 16.2%. The percentage of loans was below

the 2017 aggregate of all lenders at 14.3% and 16.5%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is adequate.

Peoples made 24 loans in middle-income tracts totaling \$6.4 million. This represents 75.0% of small business loans by volume and 78.9% by dollar amount compared to the percentage of businesses in these tracts at 54.7%. The 2017 aggregate of all lenders made 55.7% by volume and 58.9% by dollar amount in middle-income tracts.

Peoples made one loan in upper-income tracts totaling \$74,000. This represents 3.1% of small business loans by volume and 0.9% by dollar amount compared to the percentage of businesses in these tracts at 16.3%. The 2017 aggregate of all lenders made 16.5% by volume and 12.9% by dollar amount in upper-income tracts.

Peoples made 28 small business loans totaling \$2.9 million in 2016. Peoples made four (14.3%) loans in low-income tracts totaling \$317,000 (11.1%), which substantially exceeded the percentage of businesses in these tracts at 9.1%. The percentage of loans substantially exceeded the 2016 aggregate of all lenders by volume and dollar amount at 7.7% and 8.5%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is excellent.

Peoples made nine (32.1%) loans in moderate-income tracts totaling \$558,000 (19.6%), which substantially exceeded the percentage of businesses in these tracts at 23.5% by volume and was slightly below by dollar amount. The percentage of loans substantially exceeded the 2016 aggregate of all lenders at 21.6% by volume and was below at 26.9% by dollar amount. Given Peoples' strong performance compared to proxy and the aggregate of all lenders by volume, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 13 loans in middle-income tracts totaling \$1.9 million. This represents 46.4% of small business loans by volume and 67.3% by dollar amount compared to the percentage of businesses in these tracts at 46.2%. The 2016 aggregate of all lenders made 47.8% by volume and 42.9% by dollar amount in middle-income tracts.

Peoples made two loans in upper-income tracts totaling \$58,000. This represents 7.1% of small business loans by volume and 2.0% by dollar amount compared to the percentage of businesses in these tracts at 21.2%. The 2016 aggregate of all lenders made 22.9% by volume and 21.8% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small business lending is good.

Community Development Loans

Peoples originated or renewed 16 community development loans totaling approximately \$23.2 million during the evaluation period, as shown in the following table.

Purpose of CD Loan	#	\$
Revitalization & Stabilization	6	\$13,300,000
Community Services	8	\$8,633,436
Economic Development	2	\$1,250,000
Total	16	\$23,183,436

Community development lending represents 23.6% of Peoples total community development loans by dollar amount compared to 4.8% of total deposits and 5.5% of total loans in this assessment area. This ranks as Peoples' second-highest percentage of community development lending by dollar amount during the evaluation period. Peoples is a leader in making community development loans in the Huntington-Ashland assessment area.

The community development loans were made for a variety of purposes:

- To purchase and renovate a vacant building located in a low-income urban center. This loan permits a non-profit organization to merge all of its existing properties and make this location its new corporate headquarters, bringing employment opportunities to the area. In addition, the organization provides a multitude of wraparound services to developmentally disabled low- and moderate-income individuals;
- To provide a working capital to a building contractor to help complete redevelopment/expansion projects of a public high school and a hospital located in moderate-income areas. These projects also received funding through grants from West Virginia;
- To provide working capital to several non-profits that provide a multitude of wrap around services for low- and moderate-income children and adults (e.g., emergency food service, mental health and substance abuse treatment, and counseling);
- To provide working capital to a construction company to complete infrastructure improvements to a highway bypass that will provide low- and moderate-income individuals with improved access to a regional hospital that primarily services low- and moderate-income patients;
- To provide working capital to a healthcare provider who provides medical care to underserved individuals, including the homeless. Healthcare services include eye and dental care, mental health and substance abuse counseling, outreach, life skills, employment programs, transportation, temporary housing, and access to personal hygiene amenities; and,
- To provide financing to a small business to help retain up to 18 permanent jobs with the goal of adding 40 new jobs for low- and moderate-income individuals.

These loans resulted in improved outcomes for low- and moderate-income individuals and families and helped to provide needed services or stabilize the economy. Community contacts stressed the critical need for drug treatment and other social services targeted to lower-income individuals and families as a result of the opioid crisis and workforce development. Therefore, the community

development loans made the Huntington-Ashland assessment area exhibit an excellent responsiveness to credit needs of lower income individuals and areas and small businesses.

Flexible Lending Programs

Peoples originated 18 loans in three government-guaranteed loan programs totaling \$637,893 in this assessment area during the evaluation period. These flexible lending products were combined in order to conduct a meaningful analysis. The following tables show the percentage by volume and dollar amount of the combined flexible lending programs and the distribution of lending within the assessment area by census tract and borrower income.

Geographic Distribution of Flexible Loan Programs												
	Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)
All Flexible Loan Programs	11.1%	7.8%	3.7%	22.2%	17.9%	9.5%	55.6%	63.7%	67.8%	11.1%	10.7%	18.9%

Peoples originated two loans in low-income tracts and four loans in moderate-income tracts. The percentage of loans in these geographies exceeded the percentage of owner-occupied units by volume and dollar amount.

Borrower Distribution of Flexible Loan Programs												
	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers		
			Families %			Families %			Families %			Families %
	% - #	\$ - %	(2018)	% - #	\$ - %	(2018)	% - #	\$ - %	(2018)	% - #	\$ - %	(2018)
All Flexible Loan Programs	44.4%	33.0%	23.2%	50.0%	60.0%	16.1%	5.6%	7.0%	20.1%	0.0%	0.0%	40.6%

Peoples originated eight loans to low-income borrowers and nine loans to moderate-income borrowers. The percentage of loans to low- and moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples was able to assist low- and moderate-income borrowers purchase homes and borrowers purchasing properties in low- and moderate-income areas, through the use of these down-payment assistance programs.

Peoples originated three SBA 7(a) loans totaling \$3.5 million, representing 14.2% of SBA lending by dollar amount. These loans provide funds to start-ups and existing small businesses with access to capital with more flexible repayment terms than conventional commercial financing for multiple purposes.

Peoples makes use of flexible lending practices in serving the credit needs of the Huntington-Ashland assessment area. These programs are designed to improve affordable housing for low- and moderate-income individuals and provide small businesses with access to capital to help existing companies retain and expand their businesses or attract new small businesses to the area.

A community contact expressed the need for small businesses owners to establish a rapport with local banks in order to gain better access to loan funds. Also, during the evaluation period housing and rental rates became less affordable underscoring the growing need for access to more affordable housing across the assessment area. Therefore, the qualitative impact of these programs on low- and moderate-income borrowers and geographies and small businesses enhanced Peoples' overall lending test performance.

Investment Test

Peoples' performance relative to the investment test in the Huntington-Ashland MSA is rated "Low Satisfactory."

Peoples holds one prior period investment with a current book value of approximately \$118,137. This investment supports affordable housing facilitated by use of a mortgage backed securities loan pool. Community contacts stressed the critical need for affordable housing.

Peoples also made 25 donations totaling \$44,150. Donations in the Huntington-Ashland MSA were mostly smaller-dollar and supported initiatives aimed at providing services targeted to low- and moderate-income individuals and families. Donations supported mentoring, homeless shelter, employment assistance, transportation, linkages and referrals to medical, mental health, and substance abuse services, food pantries, and schools serving majority low- and moderate-income student bodies. Community contacts stressed the critical need for wraparound social services targeted to lower-income individuals and families as a result of the opioid crisis, affordable housing, and workforce development. As a result, Peoples exhibits an adequate responsiveness to credit and community development needs in this assessment area.

Overall, Peoples made 0.5% of its total qualified community development investments and donations in the Huntington-Ashland MSA, which was significantly below the percentage of total deposits at 4.8%, total loans at 5.5%, and the total percentage of branch offices at 8.5%. However, considering the level of qualified investments along with the responsiveness to credit and community development needs, Peoples made an adequate level of qualified community development investments in the Huntington-Ashland assessment area, particularly those not routinely provided by private investors, rarely in a leadership position.

Service Test

Peoples' performance relative to the services test in the Huntington-Ashland MSA is rated "High Satisfactory." Retail services are readily accessible and Peoples provides a relatively high level of community development services.

Retail Services

Since the previous evaluation, Peoples closed a branch without an ATM in a moderate-income tract in 2017 and acquired a branch without an ATM in a moderate-income tract in 2018 due to the acquisition of ASB. In June 2018 Peoples opened the Huntington LPO in a low-income tract. This LPO originates mortgage loans. Overall, Peoples' record of opening and closing offices has

not adversely affected the accessibility of its delivery systems, in low- or moderate-income geographies and to low- and moderate-income households. Peoples' delivery services are readily accessible to Peoples' geographies and individuals of different income levels in its assessment area. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including low- and moderate-income geographies or to low- and moderate-income households and are consistent with the services and hours discussed in the Institution assessment.

Peoples has five branch offices with full-service ATMs, one branch without an ATM, and no cash-only ATMs in the Huntington-Ashland multistate assessment area. The branches provide drive-through and extended and/or weekend hours of service. Peoples' branch offices in this assessment area represent 8.5% of its branch offices.

The following table illustrates the percentage of branch offices in low-, moderate-, middle-, and upper-income census tracts in comparison to the number and percentage of census tracts and the percentage of households and businesses in those tracts as of June 30, 2019 based on 2015 U.S. Census data. The geographic distribution of branches was the same in 2016 based on 2010 U.S. Census data.

Geographic Distribution of Branches

Exam: Peoples Bank 2020

Analysis Year: 2019

2019 Multi-state Huntington-Ashland MSA #26580

Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	1	16.7%	0	0	1	1	1			
	DTO	0		0	0	0			6	9.0%	7.3%
	LS	0		0	0						12.0%
Moderate	Total	2	33.3%	1	1	1	1	2			
	DTO	0		0	0	0			13	19.4%	11.8%
	LS	0		0	0						17.0%
Middle	Total	2	33.3%	0	0	2	2	2			
	DTO	0		0	0	0			35	52.2%	61.6%
	LS	0		0	0						54.3%
Upper	Total	1	16.7%	0	0	1	1	1			
	DTO	0		0	0	0			12	17.9%	18.8%
	LS	0		0	0						16.1%
Unknown	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0			1	1.5%	0.5%
	LS	0		0	0						0.5%
Totals	Total	6	100.0%	1	1	5	5	6			
	DTO	0		0	0	0			67	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

*Closed branches are only included in the "Closed" columns and are not included in any other totals
LPOs not included in totals.

The distribution of branches exceeded the percentage of low- and moderate-income census tracts, the percentage of households, and the percentage of total businesses in these tracts. Therefore, branch distribution in low- and moderate-income tracts is excellent.

Community Development Services

Peoples provides a relatively high level of community development services in this assessment area. During the evaluation period, at least three employees provided 54 services totaling at least 24 hours of community development services to 28 different organizations that provide a multitude of services throughout the assessment area.

This represents 4.5% of all community development services and 7.5% of total reported service hours, compared to the percentage of total deposits at 4.8% and branch offices at 8.5%. In addition, the available community development service hours in this assessment area equate to 0.1 ANP.¹²

Community Services			Affordable Housing		
# Services	# Hours	# Orgs	# Services	# Hours	# Orgs
5	14	2	8	10	6

Financial Literacy Education*			
How to Do Your Banking		Saving with Mandy and Randy	
# Services	# Orgs	# Services	# Orgs
28	15	13	5
*Number of employees and hours not available			

Employees provided financial and technical expertise in multiple community organizations that offer services to low- and moderate-income individuals and families; and promote affordable housing, community and economic development, and area revitalization and stabilization. Community development services include 24 hours providing technical expertise. Hours providing financial literacy education were not available.

The majority of services provided supports financial literacy training to low- and moderate-income children. Employees also provided financial expertise to organizations that promote economic and workforce development across the community. These services address needs expressed by community contacts. As a result, these community development services are considered to be responsive to low- and moderate-income areas and individuals and available service opportunities in the Huntington-Ashland assessment area.

¹² Annualized Persons (ANP): Number CD qualified service hours divided by 2,000 work hours in a year

STATE OF OHIO

CRA RATING for State of Ohio:¹³ Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Outstanding

The major factors supporting this rating include:

- A good responsiveness to credit needs;
- A good geographic distribution of loans throughout the assessment area;
- A good distribution of loans among borrowers of different income levels and to businesses and farms of different revenue sizes;
- An excellent record of serving the credit needs of low-income individuals and areas and very small businesses;
- A leader in making community development loans;
- Makes extensive use of flexible lending practices in serving the assessment area's credit needs;
- An excellent level of qualified community development investments and grants;
- Often in a leadership position in providing community development investments and grants;
- Retail delivery systems are readily accessible to all geographies and individuals of different income levels and businesses of different revenue sizes;
- A record of opening and closing banking centers has improved the accessibility of delivery systems;
- Banking services and hours that do not vary in a way that inconveniences any portions of the assessment areas; and,
- A leader in providing community development services.

SCOPE OF EVALUATION

Full-scope reviews were conducted for Nonmetropolitan Ohio and the Cincinnati MSA. The time period and products evaluated for these assessment areas are consistent with the scope discussed in the Institution section of this report.

Nonmetropolitan Ohio received greater weight in determining the CRA rating for the state, since it had the largest lending volumes and number of banking centers and ranked first in the institution's share of lending, deposits, and branches during the evaluation period. The Cincinnati assessment area ranked second in Peoples' share of lending, deposits, and branches during the evaluation period.

¹³ For institutions with branches in two or more states in a multi-state metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multi-state metropolitan area. Refer to the multi-state metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF OHIO

Lending activity accounted for 81.8% of the Peoples' total lending activity and deposits accounted for 85.3% of Peoples' total deposits. HMDA-reportable lending in Ohio represented 79.2% of the Peoples' total HMDA lending and CRA-reportable lending represented 84.6% of Peoples' total CRA lending. As of June 30, 2019, Peoples ranked 11th among 216 insured institutions and has a deposit market share of 0.7% in Ohio.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF OHIO

Lending Test

Peoples' performance under the lending test in Ohio is rated "Outstanding."

Lending Activity

Peoples originated 2,963 HMDA loans totaling \$323.4 million and 1,609 small business loans totaling \$300.2 million during the evaluation period in Ohio.

Peoples' lending activity reflects a good responsiveness to the credit needs across its assessment area in Ohio taking into consideration economic conditions and competitive factors. Lending activity is adequate in the Cleveland-Elyria MSA and good in the remaining five assessment areas. No substantial concentration of loans was identified in excluded counties located in metropolitan areas within Peoples' delineated footprint.

Borrower-Income, Business Revenue Size, and Geography

The overall distribution of loans among borrowers of different income levels and to businesses and farms of different sizes in Ohio is good. HMDA-reportable lending to borrowers of different income levels is good in all six assessment areas. CRA-reportable lending to businesses and farms of different sizes is good in Nonmetropolitan Ohio, the Cincinnati MSA, and the Cleveland-Elyria MSA and adequate in the remaining three assessment areas.

The overall geographic distribution of loans reflects a good penetration in Ohio. The geographic distribution of HMDA-reportable loans is adequate in the Dayton MSA and good in the remaining five assessment areas. The geographic distribution of small business loans is good in all six assessment areas and the geographic distribution of small farm loans is good in Nonmetropolitan Ohio and the Cincinnati MSA.

A detailed analysis for the borrower-income distribution and geographic distribution is provided with the analysis for each assessment area.

Community Development Loans

Peoples originated 35 community development loans totaling \$32.9 million (33.6%) in its delineated assessment areas in Ohio and was considered to be responsive to the credit and opportunities for community development lending across these assessment areas. Therefore, consideration was given to eight qualified community development loans that benefited the broader statewide area. These loans were originated or renewed during the evaluation period and total approximately \$40.0 million.

Purpose of CD Loan	#	\$
Revitalization/Stabilization	2	\$27,591,000
Economic Development	3	\$7,095,000
Community Services	3	\$5,300,000
Total	8	\$39,986,000

These community development loans represent 40.8% by dollar amount of Peoples' total community development lending, compared to 85.3% of total deposits and 81.8% of total loans in Ohio. This ranks as Peoples' highest percentage of community development lending by dollar amount during the evaluation period.

These community development loans were made for a variety of purposes:

- SBA 504 loan to help a small business construct a day care center in Hamilton County.¹⁴ The day care center will provide permanent employment opportunities in a moderate-income area.
- To acquire land and construct a warehouse in an industrial park in Wayne County. The city has a designated plan to encourage economic development and permanent job creation.
- To construct a new assisted living complex in a moderate-income area in Franklin County.
- To construct a multi-purpose commercial facility in Franklin County which includes restaurants and other retail space. The restaurants and other retailers will provide permanent employment opportunities in a low-income area.
- To provide working capital to a medical facility that provides free screenings and colonoscopies to uninsured low- and moderate-income individuals in the Dayton area.¹⁵
- To construct a second-story addition on school located in a moderate-income area in Franklin County that primarily serves low- and moderate-income students.

Overall, Peoples made 43 community development loans totaling \$72.9 million in Ohio, representing 74.3% by dollar amount of total community development lending. As a result, Peoples is a leader in making community development loans in Ohio. At the assessment area level, the majority of Peoples' community development lending by dollar amount occurred in

¹⁴ Hamilton County was not in Peoples' delineated assessment area when this loan was originated in 2017

¹⁵ Peoples originated this community development loan after exiting the Dayton market

Nonmetropolitan Ohio and the Cleveland-Elyria MSA. Peoples is a leader in making community development loans in these assessment areas. Peoples makes an adequate level of community development loans in the Cincinnati MSA and the Columbus MSA, but made no community development loans in either the Akron or Dayton metropolitan areas.

The community development loans originated or renewed during the evaluation period were for a variety of purposes, including the revitalization/stabilization of targeted low- and moderate-income census tracts or other qualified geographies, community services targeted to low- and moderate-income individuals, the promotion of economic development by financing small businesses that resulted in permanent job creation and/or retention, and affordable housing for low- and moderate-income individuals. Community development loans originated in Ohio improved outcomes for low- and moderate-income individuals and families and helped to provide needed services or stabilize the economy. Community contacts stressed the need for social services targeted to lower-income individuals and families and high poverty and unemployment levels in Appalachian Ohio, which support the need for funding initiatives that promote economic development and workforce development. Therefore, the community development loans made in Ohio exhibit an excellent responsiveness to credit needs of lower income individuals and geographies and small businesses.

Flexible Lending

Overall, Peoples makes extensive use of flexible lending practices within its delineated CRA footprint in Ohio. Peoples makes extensive use of flexible lending practices in Nonmetropolitan Ohio and makes use of flexible lending practices in the Cincinnati MSA. Peoples originated mortgage loans under several government-guaranteed loan programs. These loans tend to assist low- and moderate-income borrowers purchase homes through the use of these down-payment assistance programs. Peoples also originated several SBA 7(a) loans that provide small businesses with access to capital with more flexible repayment terms.

Investment Test

Peoples' performance under the investment test in Ohio is rated "Outstanding."

Peoples holds 11 prior period investments with a current book value of approximately \$6.6 million in its delineated assessment areas in Ohio that primarily support affordable housing initiatives primarily through mortgage-backed securities. Peoples also made 236 donations totaling \$937,210. Peoples partners with a wide array of organizations and non-profits in its delineated assessment areas to fund outreach activities, affordable housing, educational programs, and initiatives aimed at responding to community needs, improving the financial stability of individuals and families, and revitalizing underserved communities.

Peoples made several qualified community development investments that benefited a broader statewide area. These investments supported affordable housing initiatives across Ohio. These activities have a purpose, mandate, or function that includes serving the geographies located within Peoples' assessment areas in Ohio. These statewide qualified community development investments total approximately \$10.0 million and consist of one current period investment

totaling \$5.0 million and two prior period investments totaling \$5.0 million. The current period investment is a LIHTC that supports affordable housing initiatives across Ohio, including, but not limited to, assessment areas within Peoples' delineated CRA footprint. The prior period investments consist of a LIHTC and a state housing finance bond that also supports affordable housing initiatives across the state, including, but not limited to, assessment areas within Peoples' delineated CRA footprint in Ohio.

There were also 25 donations totaling \$84,720 that benefited a broader regional area in Ohio. These donations assisted multiple organizations across southeast and central Ohio and support affordable housing and low- and moderate-income individuals. The largest donations of \$30,000 and \$20,000 helped two housing agencies provide affordable housing in multiple counties throughout southeast Ohio and in Franklin County. Another donation of \$10,000 helped a health foundation provide mammography screenings to low- and moderate-income women without adequate access to health insurance.

Qualified community development investments and donations made at the statewide level total approximately \$10.1 million and represent 35.4% of Peoples' total community development investments compared to 85.3% of total deposits and 81.8% of total loans in Ohio. These statewide investments rank as Peoples' highest percentage of qualified community development investments by dollar amount made during the evaluation period.

The majority of Peoples' qualified community development investments and donations were made in Ohio. Peoples made 14 investments and 261 donations totaling approximately \$17.7 million in Ohio which represents 61.7% of total investments by dollar amount. At the assessment area level, Peoples made an excellent level of qualified investments and contributions in the Cleveland-Elyria, Akron, and Dayton metropolitan areas; an adequate level in Nonmetropolitan Ohio and the Columbus MSA; and a poor level in the Cincinnati MSA. Overall, Peoples made an excellent level of qualified community development investments and contributions in Ohio, particularly those not routinely provided by private investors, and was often in a leadership position.

Community contacts indicated the critical need for affordable housing and social services targeted to low- and moderate-income individuals. The majority of qualified community development investments and contributions addressed these needs. As a result, Peoples qualified community development investments exhibit an excellent responsiveness to credit and community development needs in Ohio.

Additional information regarding performance under the investment test is provided in the respective analyses for each assessment area.

Service Test

Peoples' performance under the service test in Ohio is rated "Outstanding." Retail services are readily accessible and Peoples is a leader in providing community development services.

For details regarding the institution's performance in the individual assessment areas, refer to the respective assessment area's "Service Test" section in this report.

Retail Services

For this evaluation period, Peoples has 57 branches and 59 ATMs (78.0% full-service) in Ohio. Since the previous evaluation, Peoples acquired seven branches in April 2018 due to the acquisition of ASB, consisting of four branches in Nonmetropolitan Ohio, two branches in the Cincinnati MSA, and one branch in the Huntington-Ashland MSA. Peoples also closed two branches with full-service ATMs in moderate-income tracts and one branch with a full-service ATM in a middle-income tract in 2017 in Nonmetropolitan Ohio. Lastly, Peoples closed its branch with a full-service ATM in an upper-income tract when it exited the Dayton, Ohio market effective December 14, 2017. Overall, Peoples' record of opening and closing branches has not adversely affected the accessibility of its delivery systems in Ohio.

Peoples also has five LPOs in Ohio. Peoples has an LPO in the Akron MSA in a low-income tract and an LPO in the Columbus MSA in an upper-income tract. Peoples opened the North Canton LPO in a middle-income tract in Stark County, Ohio (outside its delineated CRA footprint) on July 1, 2019. Peoples also acquired two LPOs in upper-income tracts in the Cincinnati MSA due to the acquisition of ASB. The LPO in Columbus originates commercial loans, while the remaining LPOs originate mortgage loans. Lastly, Peoples operated a LPO in New Philadelphia in a middle-income tract in Nonmetropolitan Ohio until it closed effective May 23, 2017.

Retail delivery systems are readily accessible to Peoples' geographies and individuals of different income levels in Ohio. Over 43.0% of Peoples' branches serve low- and moderate-income geographies in Ohio. Delivery systems are readily accessible in Nonmetropolitan Ohio and the Columbus MSA. Delivery systems are accessible in the Cincinnati and Akron metropolitan areas and unreasonably accessible in the Cleveland-Elyria MSA and Dayton MSA.

Banking services do not vary or inconvenience any portion of Peoples' assessment areas in Ohio. Banking centers are generally open six days a week and provide lobby or drive-through services full days Monday through Thursday (8:00 a.m. to 5:00 p.m.) and Friday (8:00 am to 6:00 pm) and half days on Saturday (8:30 a.m. – noon). Thirty-four offices in Ohio offer extended hours until 6:00 pm during the week and 47 offices have weekend hours.

Peoples uses alternative delivery systems to supplement its branch and ATM networks; website, mobile banking, and telephone banking services are available to all bank customers regardless of location or income.

Community Development Services

Peoples is a leader in providing community development services in Ohio. During the evaluation period, at least 76 employees provided 1,064 community development services totaling at least 2,244 hours of community development services to 377 different organizations that provide a multitude of services throughout the assessment area. This represents 88.7% of all community development services and 81.0% of total reported service hours, compared to the percentage of total deposits at 85.3% and the percentage of branch offices at 80.3% in Ohio. Community development service hours provided in Ohio equate to 1.03 ANP. Peoples is a leader in providing community development services in Ohio. At the assessment area level, Peoples is a leader in

providing community development services to Nonmetropolitan Ohio, the Cleveland-Elyria MSA, and the Akron MSA. Peoples provides a relatively high level of community development services in the Cincinnati and Columbus metropolitan areas, but provides few, if any, in the Dayton MSA.

Peoples' directors, officers, and staff provided their financial expertise to the community by engaging in activities that promoted or facilitated affordable housing and services for low- and moderate-income individuals, economic development, and revitalization of low- and moderate-income areas.

Because Peoples was considered responsive to the credit and community development needs in Ohio, consideration was given to several community development services that benefited regional areas in Ohio (primarily counties in southeastern Ohio and Franklin County). At least ten employees provided 62 community development services totaling at least 193 hours of community development services to 54 different organizations. These employees served as either board members, promoted Peoples' Dreams2Keys, or provided technical assistance including, but not limited to, fund raising, credit counseling, and reviewing financials for a revolving loan fund. The majority of services provided (75.0%) were considered financial literacy training.

Community contacts indicated the critical need for affordable housing and opportunities for financial institutions to provide access to capital to small businesses, workforce development, and social services targeted to low- and moderate-income individuals, particularly those impacted by the opioid crisis. The majority of community development services provided by Peoples employees addressed these needs. As a result, community development services are considered to be responsive to available service opportunities in Ohio.

NONMETROPOLITAN AREA
(Full-scope Review)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
NONMETROPOLITAN OHIO**

Nonmetropolitan Ohio consists of the entireties of Athens, Clinton, Coshocton, Gallia, Guemsey, Highland, Jackson, Knox, Meigs, Morgan, Muskingum, Noble, Pike, Scioto, Tuscarawas, Vinton, and Washington counties in Ohio. Pike and Scioto counties were added to the assessment area as of January 1, 2018 due to the acquisition of ASB. Due to changes in MFI levels resulting from changes in U.S. Census data, this assessment area was comprised of the following tracts for this evaluation:

Tract Income Level	2016	2017	2018	2019
	Number of Tracts	Number of Tracts	Number of Tracts	Number of Tracts
Low	3	3	4	4
Moderate	44	39	49	43
Middle	93	95	108	113
Upper	11	12	14	15
Unknown	0	2	2	2
Total	151	151	177	177

Between 2016 and 2017, the assessment area lost five moderate-income census tracts and gained two middle-income census tracts, one upper-income census tract, and two unknown-income census tracts. There was no change to the number of low-income census tracts. As a result of the ABS acquisition, the assessment area increased by 16 census tracts between 2017 and 2018, consisting of a gain of one low-income census tract, ten moderate-income census tracts, 13 middle-income census tracts, and two upper-income census tracts. There was no change to the number of unknown-income census tracts. Between 2018 and 2019, the assessment area lost six moderate-income census tracts and gained five middle-income census tracts and one upper-income tract. There was no change to the number of low- and unknown-income census tracts.

There were 22 middle-income census tracts (23.7%) in 2016, 24 middle-income census tracts (25.3%) in 2017, 45 middle-income census tracts (41.7%) in 2018, and 48 middle-income census tracts (42.5%) in 2019 that were designated as distressed due to poverty and/or unemployment or remote rural underserved tracts. The designations by county are shown in the following table.

Distressed and Underserved Middle Income Tracts												
Area	Distressed Middle Income Tracts (Poverty)				Distressed Middle Income Tracts (Unemployment)				Underserved Tracts (Remote Rural)			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Athens County	8	7	7	7								
Coshocton County							6	6				
Gallia County	6	4	4				4	5				
Jackson County	2	5				5	5	6				
Meigs County	2	4	4		2	4	4	4				
Morgan County				2		2	2	2				
Noble County						2	2	2	3	2	2	2
Pike County*			4	4			4	4				
Scioto County*			9	9			9	9				
Vinton County	1		2				2	3				

*Pike and Scioto counties added to assessment area in 2018

As of June 30, 2019, Peoples ranked second out of 52 institutions with 14.1% of the deposit market share in this assessment area. National Cooperative Bank National Association had the largest deposit market share with 16.0%. The Park National Bank; The Huntington National Bank; JPMorgan Chase Bank, National Association; and The Ohio Valley Bank Company comprise the remaining top six financial institutions with 9.3%, 6.2%, 6.0%, and 4.7%, respectively, of the deposit market share. Deposits in this assessment area accounted for 62.6% of Peoples' total deposits. This was the highest percentage of deposits within Peoples' CRA footprint; as such, Peoples has a significant presence in this market.

From August 1, 2016 through June 30, 2019, Peoples originated 2,122 HMDA-reportable loans, 920 CRA-reportable small business loans, and 154 CRA-reportable small farm loans, which represents 56.7%, 48.4%, and 59.9%, respectively of these loan types originated during the evaluation period. These are the largest HMDA and CRA markets for loans originated during the evaluation period.

Peoples ranked third among 383 HMDA reporters in Nonmetropolitan Ohio in 2018. The top two HMDA lenders in the assessment area were The Huntington National Bank and The Park National Bank. Peoples ranked ninth of 91 CRA reporters in Nonmetropolitan Ohio in 2018. The top five CRA lenders in the assessment area were Chase Bank USA, US Bank National Association, American Express National Bank, Synchrony Bank, and PNC Bank National Association. These lenders tend to be issuers of credit cards and their CRA loans primarily consist of commercial credit card accounts.

Community Contacts

Interviews with three community contacts were made as part of this evaluation to provide additional information regarding the credit needs and to provide context to demographic and economic conditions of the local community. The first contact was with a representative from a non-profit agency focused on coordinating community services targeted to low- and moderate-income individuals and families, who stated that even though the economy is good, there are still people in need of emergency assistance for food and clothing, financial support, access to medical care (i.e., free immunizations including for Amish children attending public schools and other preventive care), mental health and substance abuse counseling, and adult literacy training.

Although area unemployment is low, the contact indicated there is still a need for manual-skill jobs and associated workforce development programs. There is also a need for financial literacy training in the schools to help children develop good financial habits. The contact is a retired dairy farmer and confirmed that the area has experienced a significant decline in the number of dairy farms due to low milk prices and cropland that has been converted to urban uses.

The second contact was with a representative from a community action organization serving portions of southeastern Appalachian Ohio, who stated the organization's main priority is to help alleviate poverty. The organization offers numerous programs including, but not limited to, affordable housing, home energy and emergency assistance, home weatherization, non-emergency transportation, community housing improvement program, family home visiting support for pregnant women/new parents, and tutoring services for school-aged children. While economic conditions have improved in rural Appalachian Ohio, widespread poverty continues to exist. The contact stated this area has a high percentage of residents who are unbanked or underbanked and prefer to rely on riskier alternatives like check cashing and payday lenders that are perceived by residents as being more convenient and approachable than a traditional bank. The contact indicated banks tend to have costs and fees that lower-income individuals find difficult to avoid. The contact said there is a need for financial institutions to offer transparency, lower costs, and personalized service to low-income individuals in order to encourage them into the financial mainstream and create financial stability for themselves. The contact stated local banks are involved in the community.

The third contact was with a representative from a community action agency serving southern Appalachian Ohio, stated the agency offers several programs targeted to low- and moderate-income individuals and families, such as Head Start; home energy assistance; housing assistance; foreclosure mitigation; and transportation assistance for seniors, the disabled, and other individuals in rural areas. The contact stated food deserts are a growing problem in rural America and food is scarce for many individuals and families in this area. The area has a low population density, a large population of senior citizens, and a high percentage of residents living below the poverty line. When the only local grocery store closed, those without a vehicle lost access to fresh, nutritious food. Even when a small grocery store opened after months of community efforts, many residents live more than 20 miles away from the new store; rural areas are considered food deserts when there are no grocery stores within a ten-mile drive. The contact stated there is a need for banks and community leaders to support healthy food education and financing initiatives. However, the contact noted local banks are actively involved in the community.

Population Characteristics

According to 2015 U.S. Census data, the population in the assessment area was 763,414, of which 2.1% live in low-income tracts and 23.7% live in moderate-income tracts. In addition, 77.7% of the population was 18 years of age or older, which is the legal age to enter into a contract. The population of those age 65 and over was 16.3% in the assessment area compared to 15.1% in Ohio. The larger senior population may indicate the assessment area likely has a smaller working- and consumer-age population and reduced economic activity.

According to the Ohio Development Services Agency,¹⁶ between 2010 and 2018, only Athens and Knox counties experienced increases in population, while the population in Clinton and Muskingum counties remained fairly stable. The remaining counties experienced declines in population, shrinking by 5.3% in Scioto County to 0.4% in Tuscarawas County between 2010 and 2018. The following table shows the population change in the assessment area; overall, the population decreased by 1.3% during this time period.

Population Change					
Area	2010 Population	2015 Population	Percent Change Between 2010 and 2015	2018 Population	Percent Change Between 2015 and 2018
Athens County	64,757	64,974	0.3%	65,818	1.3%
Clinton County	42,040	41,892	-0.4%	42,057	0.4%
Coshocton County	36,901	36,724	-0.5%	36,629	-0.3%
Gallia County	30,934	30,565	-1.2%	29,979	-1.9%
Guernsey County	40,087	39,626	-1.1%	39,022	-1.5%
Highland County	43,589	43,170	-1.0%	43,058	-0.3%
Jackson County	33,225	32,854	-1.1%	32,384	-1.4%
Knox County	60,921	61,004	0.1%	61,893	1.5%
Meigs County	23,770	23,473	-1.2%	23,106	-1.6%
Morgan County	15,054	14,913	-0.9%	14,604	-2.1%
Muskingum County	86,074	86,016	-0.1%	86,183	0.2%
Noble County	14,645	14,508	-0.9%	14,354	-1.1%
Pike County	28,709	28,396	-1.1%	28,067	-1.2%
Scioto County	79,499	78,017	-1.9%	75,502	-3.2%
Tuscarawas County	92,582	92,697	0.1%	92,176	-0.6%
Vinton County	13,435	13,234	-1.5%	13,139	-0.7%
Washington County	61,778	61,351	-0.7%	60,155	-1.9%
Total Population	768,000	763,414	-0.6%	758,126	-0.7%
Ohio	11,536,504	11,575,977	0.3%	11,689,442	1.0%

The largest cities in Nonmetropolitan Ohio are Zanesville, Athens, Portsmouth, New Philadelphia, and Mount Vernon, respectively. Between 2010 and 2018, only Athens, New Philadelphia, and Portsmouth experienced population growth. The remaining municipalities experienced population losses, shrinking by 3.5% in Marietta and Middleport to 0.5% in Zanesville. The following table shows the population change in the assessment area's major municipalities during this time period.

¹⁶ Ohio Development Services Agency – County Trends:
https://www.development.ohio.gov/reports/reports_countytrends_map.htm

Population Change in Major Municipalities				
Municipality	County	2010 Population	2018 Population	Percent Change Between 2010 and 2018
Athens city	Athens County	23,832	24,688	3.5%
Wilmington city	Clinton County	12,520	12,401	-1.0%
Coshocton city	Coshocton County	11,216	11,054	-1.5%
Green township	Gallia County	5,625	5,453	-3.2%
Cambridge city	Guernsey County	10,635	10,360	-2.7%
Hillsboro city	Highland County	6,605	6,527	-1.2%
Jackson city	Jackson County	6,397	6,242	-2.5%
Mount Vernon city	Knox County	16,990	16,701	-1.7%
Middleport village	Meigs County	2,530	2,444	-3.5%
McConnelsville village	Morgan County	1,784	1,762	-1.2%
Zanesville city	Muskingum County	25,487	25,364	-0.5%
Olive township	Noble County	4,099	4,069	-0.7%
Waverly village	Pike County	4,406	4,270	-3.2%
Portsmouth city	Scioto County	20,226	20,340	0.6%
New Philadelphia city	Tuscarawas County	17,288	17,417	0.7%
Richland township	Vinton County	1,748	1,713	-2.0%
Marietta city	Washington County	14,085	13,604	-3.5%

According to *Amish America*,¹⁷ Ohio has a large Amish community in eastern Ohio. While the Amish community is not centered in Peoples' CRA footprint in Nonmetropolitan Ohio, a significant number of Amish are located in Tuscarawas and Coshocton counties and, to a lesser extent, in Knox County. Farming has declined due to population growth and land scarcity; as a result, only a minority of Amish remain in dairy farming and crop cultivation. Consequently, small business ownership is popular among the Amish, consisting of furniture and handicrafts shops, restaurants, manufacturers, and homebuilders, etc. From a banking perspective, the Amish tend to favor smaller local banks for their deposit and lending needs. Overall, the Amish population does not represent a significant portion of Peoples' credit market and should not impact Peoples' ability to originate loans and provide other banking products and services in this assessment area.

Income Characteristics

The 2015 MFI (\$52,190) in the assessment area was less than Ohio's MFI (\$62,817). The assessment area's MFI increased by 5.8% from 2015 to 2016. As shown below, the MFI increased by 3.8% from 2016 to 2017 and by 6.2% from 2017 to 2018, but decreased slightly by 0.7% from 2018 to 2019.

¹⁷ Amish America: <https://amishamerica.com/ohio-amish/>

**Borrower Income Levels
Ohio State Nonmetropolitan**

FFIEC Estimated Median Family Income			Low		Moderate		Middle		Upper	
Year	\$	% Change	0	- 49.99%	50%	- 79.99%	80%	- 119.99%	120%	- & above
2016	\$55,400		0	- \$27,699	\$27,700	- \$44,319	\$44,320	- \$66,479	\$66,480	- & above
2017	\$57,600	3.8%	0	- \$28,799	\$28,800	- \$46,079	\$46,080	- \$69,119	\$69,120	- & above
2018	\$61,400	6.2%	0	- \$30,699	\$30,700	- \$49,119	\$49,120	- \$73,679	\$73,680	- & above
2019	\$61,000	-0.7%	0	- \$30,499	\$30,500	- \$48,799	\$48,800	- \$73,199	\$73,200	- & above

Rural Appalachian counties had the highest poverty rates, ranging from 30.7% in Athens County to 12.3% in Tuscarawas County between 2016 to 2018. In addition, Athens, Scioto, Gallia, Vinton, and Meigs counties had poverty rates greater than 20.0%. Clinton and Knox counties, the only counties not within the Appalachian region, had poverty rates below the state average in the three-year period, and Tuscarawas County was the only rural Appalachian county with poverty rates below the state average. Area poverty rates shown below illustrate a concerning trend of poverty and economic stagnations among rural residents in Appalachian Ohio.

Poverty Rates			
Assessment Area: Non-metropolitan Ohio			
Area	Years		
	2016	2017	2018
Athens County	28.8	28.8	30.7
Clinton County	13.4	13.0	11.8
Coshocton County	12.7	15.7	15.4
Gallia County	20.6	19.0	22.1
Guernsey County	18.6	18.2	18.8
Highland County	19.8	16.8	15.4
Jackson County	18.1	17.9	16.8
Knox County	12.7	10.7	13.8
Meigs County	21.1	19.9	17.8
Morgan County	18.7	20.5	17.0
Muskingum County	14.8	14.8	16.6
Noble County	15.1	16.2	18.1
Pike County	20.5	20.0	20.5
Scioto County	22.1	21.4	22.6
Tuscarawas County	12.7	12.8	12.3
Vinton County	20.8	19.8	19.0
Washington County	13.7	14.6	15.9
Ohio	14.5	13.9	13.8
National	14.0	13.4	13.1

According to 2015 U.S. Census data, 18.8% of the 294,476 households in this assessment area are below the poverty level, 3.2% are receiving public assistance, and 13.4% have rent costs greater than 30.0% of their monthly income.

Housing Characteristics

According to the 2015 U.S. Census data, there are 336,626 housing units and 195,209 families in the assessment area. From an income perspective, 1.6% of the housing units and 1.0% of families are in the assessment area's low-income tracts, while 22.0% of the housing units and 20.0% of families in the assessment area are in moderate-income tracts. In addition, 30.1% of the housing units in low-income tracts are owner-occupied, 50.8% are rental, and 19.0% are vacant, while 50.7% of housing units in moderate-income tracts are owner-occupied, 35.2% are rental, and 14.1% are vacant. Therefore, based on the low number of families and housing units and the high percentage of rental/vacant units, there appear to be limited credit-related opportunities for Peoples to make home purchase loans in low-income tracts and provide various aspects of affordable housing, particularly in low-income tracts.

The 2015 U.S. Census data shows the median age of housing stock was 49 years old, and 28.9% of the assessment area's 336,626 housing units are at least 65 years old (built before 1950), which indicates there are opportunities to make home improvement loans. The median housing value in the assessment area was \$104,672 with an affordability ratio of 39.5. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. As indicated in the following table, between 2010 and 2015, median housing values increased in less than half the counties in the assessment area. The greatest increase in median housing values occurred in Guernsey and Meigs counties and the greatest decrease occurred in Vinton and Clinton counties. During this same time period, housing became more affordable across the assessment area, most likely because of the overall decrease in housing values and/or MFI keeping pace with home prices. Overall, median gross rents increased across the assessment area, particularly in Noble, Guernsey, and Jackson counties. The following table reflects housing characteristics from the U.S. Census data between 2010 and 2015 in the assessment area.

Area	Housing Costs Change							
	Median Housing Value		Percent Change	2010 Affordability Ratio	2015 Affordability Ratio	Median Gross Rent		Percent Change
	2010	2015				2010	2015	
Athens County	\$114,100	\$117,700	3.2%	27.7	28.8	\$657	\$705	7.3%
Clinton County	\$125,600	\$120,000	-4.5%	36.8	39.0	\$640	\$707	10.5%
Coshocton County	\$94,800	\$96,500	1.8%	41.6	43.2	\$514	\$565	9.9%
Gallia County	\$98,100	\$94,900	-3.3%	38.1	39.3	\$523	\$601	14.9%
Guernsey County	\$90,800	\$95,600	5.3%	41.4	42.8	\$510	\$595	16.7%
Highland County	\$106,200	\$103,500	-2.5%	37.5	38.5	\$607	\$643	5.9%
Jackson County	\$88,600	\$91,200	2.9%	38.4	43.3	\$549	\$637	16.0%
Knox County	\$134,700	\$132,500	-1.6%	33.9	36.6	\$643	\$699	8.7%
Meigs County	\$80,700	\$84,900	5.2%	41.4	44.5	\$498	\$541	8.6%
Morgan County	\$86,000	\$88,300	2.7%	40.7	42.0	\$510	\$549	7.6%
Muskingum County	\$111,100	\$108,600	-2.3%	35.6	37.9	\$567	\$641	13.1%
Noble County	\$88,600	\$87,100	-1.7%	44.6	47.9	\$503	\$595	18.3%
Pike County	\$96,400	\$95,000	-1.5%	37.3	42.4	\$615	\$665	8.1%
Scioto County	\$85,000	\$90,200	6.1%	38.6	39.8	\$520	\$550	5.8%
Tuscarawas County	\$110,900	\$111,100	0.2%	37.9	40.8	\$590	\$674	14.2%
Vinton County	\$87,300	\$81,000	-7.2%	39.2	50.2	\$535	\$600	12.1%
Washington County	\$110,800	\$110,700	-0.1%	37.6	39.3	\$554	\$600	8.3%
Ohio	\$136,400	\$129,900	-4.8%	34.7	38.1	\$678	\$730	7.7%

According to 2015 U.S. Census data, 35.5% of renters in the assessment area have rent costs more than \$700 a month and nearly 44.5% of units for rent (88,527) have renters who are considered to be cost-burdened or have rent costs greater than 30.0% of their monthly income. Increasing rental costs may make it more difficult for potential first-time homebuyers to save enough to make a sufficient down payment in the rising interest rate environment.

Building permits are a leading indicator of future activity in the construction sector. As indicated in the following table, building permits across the assessment area did not reflect statewide and national trends between 2016 and 2018.

Building Permits					
Area	2016	2017	Percent Change between 2016 and 2017	2018	Percent Change between 2017 and 2018
Athens County	22	26	18.2%	6	-76.9%
Clinton County	48	47	-2.1%	54	14.9%
Coshocton County	3	3	0.0%	9	200.0%
Gallia County	6	5	-16.7%	7	40.0%
Guernsey County	34	35	2.9%	39	11.4%
Highland County	6	12	100.0%	12	0.0%
Jackson County	69	62	-10.1%	62	0.0%
Knox County	148	132	-10.8%	133	0.8%
Meigs County	14	14	0.0%	10	-28.6%
Morgan County	36	36	0.0%	30	-16.7%
Muskingum County	32	64	100.0%	33	-48.4%
Noble County	25	27	8.0%	22	-18.5%
Pike County	58	89	53.4%	66	-25.8%
Scioto County	163	4	-97.5%	4	0.0%
Tuscarawas County	67	90	34.3%	66	-26.7%
Vinton County	0	0	0.0%	0	0.0%
Washington County	15	15	0.0%	13	-13.3%
Ohio	22,816	23,917	4.8%	24,221	1.3%
United States	1,206,642	1,281,977	6.2%	1,328,827	3.7%

However, the overall decrease in the number of permits could indicate a decreasing demand for home purchase loans during the evaluation period.

Labor, Employment, and Economic Characteristics

According to ARC,¹⁸ the following counties in the assessment area are designated as either transitional, at-risk, or distressed based on several economic indicators, including poverty rates, per capita market income, and unemployment rates. As indicated in the following table, rural Appalachian counties in the assessment area continue to experience economic stagnation and higher levels of unemployment and poverty.

While rural Appalachian counties in this assessment area appear to be making improvements in economic status, these counties are still experiencing economic stagnation and higher levels of unemployment and poverty, particularly in Scioto and Guernsey counties.

¹⁸ Appalachian Regional Commission (ARC) – County Economic Status and Distressed Areas by State, FY 2020:
https://www.arc.gov/appalachian_region/CountyEconomicStatusandDistressedAreasinAppalachia.asp

County Economic Status in the Appalachian Region, FY 2020		
Area	Economic Status	Distressed Areas
Athens County	Distressed	0
Coshocton County	At-Risk	1
Gallia County	At-Risk	1
Guernsey County	At-Risk	4
Highland County	At-Risk	2
Jackson County	At-Risk	2
Meigs County	Distressed	0
Morgan County	At-Risk	2
Muskingum County	Transitional	4
Noble County	At-Risk	0
Pike County	At-Risk	0
Scioto County	At-Risk	8
Tuscarawas County	Transitional	2
Vinton County	At-Risk	1
Washington County	Transitional	1
<i>Source: Appalachian Regional Commission</i>		

According to the Centers of Disease Control and Prevention,¹⁹ the following nine counties in this assessment area are vulnerable to high rates of different types of illnesses as a result of the opioid epidemic: Pike, Jackson, Meigs, Scioto, Vinton, Gallia, Athens, Clinton, and Highland, respectively. As a result, these counties are particularly susceptible to reduced labor market activity and stunted economic growth potential.

According to Dun & Bradstreet, the majority of businesses (89.0%) in the assessment area have revenue under \$1.0 million. There are approximately 309,200 paid employees in this assessment area who are working in either the private sector or government, according to the Ohio Development Services Agency. By percentage of employees, the largest job category in the assessment area is trade/transportation/utilities, followed by education and health services, manufacturing, local government, and leisure/hospitality sectors, respectively.

The following table illustrates the average unemployment rates related to this assessment area.

¹⁹ Centers for Disease Control and Prevention: <https://www.cdc.gov/pwld/vulnerable-counties-data.html>

Unemployment Rates			
Assessment Area: Non-metropolitan Ohio			
Area	Years - Annualized		
	2016	2017	2018
Athens County	6.4	6.0	5.8
Clinton County	5.8	5.5	5.3
Coshocton County	7.1	6.8	6.2
Gallia County	6.8	6.6	6.1
Guernsey County	7.1	6.0	5.5
Highland County	6.3	5.9	5.5
Jackson County	7.9	7.1	6.6
Knox County	4.6	4.5	4.3
Meigs County	8.5	8.1	7.3
Morgan County	8.3	6.7	6.0
Muskingum County	6.0	5.6	5.3
Noble County	8.7	7.2	6.7
Pike County	7.5	6.9	6.5
Scioto County	7.7	7.0	6.8
Tuscarawas County	5.8	5.0	4.6
Vinton County	7.1	6.8	6.2
Washington County	7.0	6.2	5.6
Ohio	5.0	5.0	4.5
National	4.9	4.4	3.9
<i>Not Seasonally Adjusted</i>			

Unemployment rates across the assessment area ranged from 8.7% in Noble County to 4.3% in Knox County between 2016 and 2018. Noble County had the highest unemployment rate in 2016 and Meigs County had the highest unemployment rates in 2017 and 2018. Knox County had the lowest unemployment rates in 2016, 2017, and 2018. Other than Knox County and Tuscarawas County in 2017, unemployment rates across the assessment area were higher than the state and national unemployment rates. Appalachian counties tend to have a less diverse economy compared to the nation as a whole, because there are typically fewer employment alternatives outside of coal mining and manufacturing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NONMETROPOLITAN OHIO

Lending Test

Peoples' performance under the lending test in this assessment area is good. Peoples' lending activity demonstrates a good responsiveness to the credit needs of the community. Peoples is a leader in making community development loans in this assessment area. Peoples has a good distribution among borrowers of different income levels and to businesses of different revenue sizes, and a good geographic distribution of loans; however, there was a moderate level of lending gaps. Peoples makes extensive use of flexible lending practices in serving credit needs in this assessment area. Lastly, Peoples exhibits an excellent record of serving the credit needs of low-income individuals and areas and businesses with gross annual revenues of \$1 million or less.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in this assessment area. Greatest consideration was given to the evaluation of HMDA lending (home purchase, refinance, and home improvement, respectively) followed by small business and small farm lending based on the overall volume of loans. Details of Peoples' residential mortgage and small business/small farm lending and information regarding peer lending is in Appendices D, E and F.

Lending Activity

Lending levels reflect a good responsiveness to the credit needs in the assessment area. Peoples originated 2,122 HMDA loans and 1,074 CRA loans and had a moderate level of lending gaps in this assessment area during the evaluation period. The percentage of Peoples' lending in Nonmetropolitan Ohio is 54.2%, while the percentage of total deposits is greater at 62.6%.

The number of HMDA-reportable home purchase, refinance, and home improvement loans increased 69.3% in this assessment area from 2017 to 2018 due to the inclusion of HELOCs and areas added due to the American Savings merger. HELOCs represented 314 (40.7%) of the 772 HMDA-reportable loans in 2018 and 65 loans were originated in Pike and Scioto counties, which were added to this assessment area because of the merger. This increased volume did not negatively impact Peoples' performance.

Distribution by Borrower Income and Revenue Size of the Business

Peoples' distribution by borrower income is good for home purchases, refinances, and home improvement loans. The distribution by revenue size of businesses and farms of different sizes is good.

Home Purchase Lending

Peoples made 166 home purchase loans totaling \$17.7 million in 2019. Also, Peoples originated four (2.4%) home purchase loans totaling \$361,000 (2.0%) to borrowers with unknown-income designations.

Peoples made 16 (9.6%) home purchase loans totaling \$925,000 (5.2%) to low-income borrowers, which was well below the percentage of families at 23.8%. Compared to proxy, the borrower distribution of home purchase loans to low-income borrowers is poor.

Peoples made 52 (31.3%) home purchase loans totaling \$4.5 million (25.5%) to moderate-income borrowers, which substantially exceeded the percentage of families at 18.1%. Given Peoples' strong performance compared to proxy, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 42 home purchase loans totaling \$4.2 million to middle-income borrowers. This represents 25.3% of home purchase loans by volume and 23.7% by dollar amount compared to the percentage of families at 21.0%.

Peoples made 52 home purchase loans totaling \$7.7 million to upper-income borrowers. This represents 31.3% of home purchase loans by volume and 43.5% by dollar amount compared to the percentage of families at 37.1%.

Peoples made 305 home purchase loans totaling \$34.6 million in 2018. Also, Peoples originated eight (2.6%) home purchase loans totaling \$1.2 million (3.4%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 14.6% by volume and 13.5% by dollar amount.

Peoples made 27 (8.9%) home purchase loans totaling \$1.8 million (5.2%) to low-income borrowers, which was well below the percentage of families at 24.0% by volume and significantly below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 7.8% and 4.4%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is good. High rates of poverty likely limit the ability of low-income borrowers to easily access loans. This level of origination supports that performance in good to these borrowers.

Peoples made 99 (32.5%) home purchase loans totaling \$9.3 million (26.9%) to moderate-income borrowers, which substantially exceeded the percentage of families at 18.3%. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 23.9% and 18.2%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 70 home purchase loans totaling \$7.9 million to middle-income borrowers. This represents 23.0% of home purchase loans by volume and 22.7% by dollar amount compared to the percentage of families at 21.0%. The 2018 aggregate of all lenders made 24.5% by volume and 23.6% by dollar amount to middle-income borrowers.

Peoples made 101 home purchase loans totaling \$14.4 million to upper-income borrowers. This represents 33.1% of home purchase loans by volume and 41.7% by dollar amount compared to the percentage of families at 36.7%. The 2018 aggregate of all lenders made 29.2% by volume and 40.3% by dollar amount to upper-income borrowers.

Peoples made 249 home purchase loans totaling \$27.1 million in 2017. Also, Peoples originated 14 (5.6%) home purchase loans totaling \$1.3 million (4.7%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 16.4% by volume and 14.7% by dollar amount.

Peoples made 18 (7.2%) home purchase loans totaling \$1.2 million (4.5%) to low-income borrowers, which was well below the percentage of families at 23.2% by volume and significantly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 6.7% and 3.5%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is good,

especially with the high rates of poverty, this level of origination supports that performance is good to these borrowers.

Peoples made 71 (28.5%) home purchase loans totaling \$6.0 million (22.1%) to moderate-income borrowers, which substantially exceeded the percentage of families at 18.6%. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 22.6% and 16.6%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 74 home purchase loans totaling \$8.0 million to middle-income borrowers. This represents 29.7% of home purchase loans by volume and 29.7% by dollar amount compared to the percentage of families at 21.4%. The 2017 aggregate of all lenders made 24.0% by volume and 23.0% by dollar amount to middle-income borrowers.

Peoples made 72 home purchase loans totaling \$10.5 million to upper-income borrowers. This represents 28.9% of home purchase loans by volume and 38.9% by dollar amount compared to the percentage of families at 36.8%. The 2017 aggregate of all lenders made 30.3% by volume and 42.1% by dollar amount to upper-income borrowers.

Peoples made 167 home purchase loans totaling \$18.5 million in 2016. Also, Peoples originated four (2.4%) home purchase loans totaling \$343,000 (1.9%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 16.5% by volume and 15.2% by dollar amount.

Peoples made 15 (9.0%) home purchase loans totaling \$845,000 (4.6%) to low-income borrowers, which was well below the percentage of families at 22.8% by volume and dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 6.4% and 4.4%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is good, especially with the high levels of poverty that limit Peoples' opportunity to make loans to low-income borrowers.

Peoples made 50 (29.9%) home purchase loans totaling \$4.1 million (22.2%) to moderate-income borrowers, which substantially exceeded the percentage of families at 18.9%. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 22.7% and 16.9%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 34 home purchase loans totaling \$3.6 million to middle-income borrowers. This represents 20.4% of home purchase loans by volume and 19.4% by dollar amount compared to the percentage of families at 21.6%. The 2016 aggregate of all lenders made 23.0% by volume and 22.1% by dollar amount to middle-income borrowers.

Peoples made 64 home purchase loans totaling \$9.6 million to upper-income borrowers. This represents 38.3% of home purchase loans by volume and 52.0% by dollar amount compared to the

percentage of families at 36.7%. The 2016 aggregate of all lenders made 31.3% by volume and 42.4% by dollar amount to upper-income borrowers.

Overall, Peoples' home purchase lending performance varied compared to proxy and generally exceeded the aggregate of all lenders; therefore, borrower distribution of home purchase lending is good.

Refinance Lending

Peoples made 158 refinance loans totaling \$14.0 million in 2019. Also, Peoples originated four (2.5%) refinance loans totaling \$339,000 (2.4%) to borrowers with unknown-income designations.

Peoples made 14 (8.9%) refinance loans totaling \$1.0 million (7.3%) to low-income borrowers, which was well below the percentage of families at 23.8%. Compared to proxy, the borrower distribution of refinance loans to low-income borrowers is poor.

Peoples made 32 (20.3%) refinance loans totaling \$2.2 million (15.6%) to moderate-income borrowers, which exceeded by volume and was slightly below by dollar amount to the percentage of families at 18.1%. Compared to proxy, the borrower distribution of refinance loans to low-income borrowers is excellent.

Peoples made 33 refinance loans totaling \$2.0 million to middle-income borrowers. This represents 20.9% by volume and 14.3% by dollar amount compared to the percentage of families at 21.0%.

Peoples made 75 refinance loans totaling \$8.4 million to upper-income borrowers. This represents 47.5% by volume and 60.3% by dollar amount compared to the percentage of families at 37.1%.

Peoples made 294 refinance loans totaling \$27.2 million in 2018. Also, Peoples originated 13 (4.4%) refinance loans totaling \$1.2 million (4.3%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 8.4% by volume and 9.6% by dollar amount.

Peoples made 40 (13.6%) refinance loans totaling \$1.9 million (7.2%) to low-income borrowers, which was below the percentage of families at 24.0% by volume and well below by dollar amount. However, the percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 10.3% and 6.2%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is excellent, especially with the high levels of poverty that could limit Peoples' opportunity to make loans to low-income borrowers.

Peoples made 64 (21.8%) refinance loans totaling \$4.7 million (17.2%) to moderate-income borrowers, which exceeded the percentage of families at 18.3% by volume and was slightly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 21.3% and 16.1%, respectively. Given Peoples' strong performance

compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to moderate-income borrowers is excellent, especially considering the high levels of poverty.

Peoples made 68 refinance loans totaling \$6.0 million to middle-income borrowers. This represents 23.1% of refinance loans by volume and 22.0% by dollar amount compared to the percentage of families at 21.0%. The 2018 aggregate of all lenders made 23.4% by volume and 21.6% by dollar amount to middle-income borrowers.

Peoples made 109 refinance loans totaling \$13.4 million to upper-income borrowers. This represents 37.1% of refinance loans by volume and 49.3% by dollar amount, which exceeded the percentage of families at 36.7%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 36.5% and 46.6%, respectively.

Peoples made 144 refinance loans totaling \$21.8 million in 2017. Also, Peoples originated seven (4.9%) refinance loans totaling \$6.0 million (27.5%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 17.2% by volume and 20.7% by dollar amount.

Peoples made nine (6.3%) refinance loans totaling \$459,000 (2.1%) to low-income borrowers, which was below the percentage of families at 23.2% by volume and well below by dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 6.6% and below by dollar amount at 3.6%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is good.

Peoples made 20 (13.9%) refinance loans totaling \$1.5 million (6.8%) to moderate-income borrowers, which was below the percentage of families at 18.6% by volume and well below by dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 17.6% and below by dollar amount at 12.3%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to moderate-income borrowers is good.

Peoples made 42 (29.2%) refinance loans totaling \$4.2 million (19.3%) to middle-income borrowers, compared to the percentage of families at 21.4%. The 2017 aggregate of all lenders made 22.9% by volume and 20.0% by dollar amount to middle-income borrowers.

Peoples made 66 refinance loans totaling \$9.6 million to upper-income borrowers. This represents 45.8% of refinance loans by volume and 44.2% by dollar amount compared to the percentage of families at 36.8%. The 2017 aggregate of all lenders made 35.7% by volume and 43.4% by dollar amount to upper-income borrowers.

Peoples made 135 refinance loans totaling \$16.2 million in 2016. Also, Peoples originated five (3.7%) refinance loans totaling \$1.3 million (8.2%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 21.4% by volume and 24.9% by dollar amount.

Peoples made six (4.4%) refinance loans totaling \$484,000 (3.0%) to low-income borrowers, which was significantly below the percentage of families at 22.8% by volume and dollar amount. The percentage of loans by volume and dollar amount was slightly below the 2016 aggregate of all lenders at 5.5% and 3.1%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is adequate.

Peoples made 29 (21.5%) refinance loans totaling \$2.3 million (14.3%) to moderate-income borrowers, which exceeded the percentage of families at 18.9% by volume and was slightly below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 15.0% and 9.8%, respectively. Given Peoples' performance compared to the aggregate of all lenders and strong performance compared to proxy, the borrower distribution of refinance loans to moderate-income borrowers is excellent.

Peoples made 36 (26.7%) refinance loans totaling \$3.4 million (21.3%) to middle-income borrowers, compared to the percentage of families at 21.6%. The 2016 aggregate of all lenders made 20.9% by volume and 17.5% by dollar amount to middle-income borrowers.

Peoples made 59 refinance loans totaling \$8.6 million to upper-income borrowers. This represents 43.7% of refinance loans by volume and 53.2% by dollar amount compared to the percentage of families at 36.7%. The 2016 aggregate of all lenders made 37.3% by volume and 44.7% by dollar amount to upper-income borrowers.

Overall, Peoples' home refinance lending performance varied compared to the percentage of families and aggregate of all lenders; therefore, borrower distribution of home refinance lending is good.

Home Improvement Lending

Peoples made 92 home improvement loans totaling \$3.6 million in 2019. Also, Peoples originated two (2.2%) home improvement loans totaling \$154,000 (4.3%) to borrowers with unknown-income designations.

Peoples made ten (10.9%) home improvement loans totaling \$222,000 (6.3%) to low-income borrowers, which was well below the percentage of families at 23.8% by volume and dollar amount. Given Peoples' performance compared to proxy, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made 17 (18.5%) home improvement loans totaling \$498,000 (14.0%) to moderate-income borrowers, which exceeded the percentage of families at 18.1% by volume and was slightly below by dollar amount. Given Peoples' strong performance compared to proxy by volume, the borrower distribution of home improvement loans to moderate-income borrowers is excellent.

Peoples made 19 home improvement loans totaling \$755,000 to middle-income borrowers. This represents 20.7% of home improvement loans by volume and 21.2% by dollar amount compared to the percentage of families at 21.0%.

Peoples made 44 home improvement loans totaling \$1.9 million to upper-income borrowers. This represents 47.8% of home improvement loans by volume and 54.2% by dollar amount compared to the percentage of families at 37.1%.

Peoples made 173 home improvement loans totaling \$6.9 million in 2018. Also, Peoples originated two (1.2%) home improvement loans totaling \$80,000 (1.2%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 2.9% by volume and 3.9% by dollar amount.

Peoples made 18 (10.4%) home improvement loans totaling \$525,000 (7.6%) to low-income borrowers, which was well below the percentage of families at 24.0% by volume and dollar amount. However, the percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 9.1% and 6.7%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is good, especially with the high levels of poverty that could limit Peoples' opportunity to make loans to low-income borrowers.

Peoples made 39 (22.5%) home improvement loans totaling \$1.4 million (20.0%) to moderate-income borrowers, which exceeded the percentage of families at 18.3% by volume and dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 19.7% and 17.9%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to moderate-income borrowers is excellent.

Peoples made 47 home improvement loans totaling \$1.9 million to middle-income borrowers. This represents 27.2% of home improvement loans by volume and 27.7% by dollar amount compared to the percentage of families at 21.0%. The 2018 aggregate of all lenders made 23.8% by volume and 23.0% by dollar amount to middle-income borrowers.

Peoples made 67 home improvement loans totaling \$3.0 million to upper-income borrowers. This represents 38.7% of home improvement loans by volume and 43.6% by dollar amount compared to the percentage of families at 36.7%. The 2018 aggregate of all lenders made 44.6% by volume and 48.6% by dollar amount to upper-income borrowers.

Peoples made 63 home improvement loans totaling \$5.6 million in 2017. Also, Peoples originated one (1.6%) home improvement loan totaling \$85,000 (1.5%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 3.5% by volume and 3.3% by dollar amount.

Peoples made five (7.9%) home improvement loans totaling \$389,000 (6.9%) to low-income borrowers, which was well below the percentage of families at 23.2% by volume and dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 8.7% and substantially exceeded by dollar amount at 3.4%. Given Peoples' strong performance compared to proxy by volume and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is good. As high rates of poverty likely limit the

ability of low-income borrowers to easily access loans, this level of originations supports that performance is good to these borrowers.

Peoples made 13 (20.6%) home improvement loans totaling \$1.0 million (18.3%) to moderate-income borrowers, which exceeded the percentage of families at 18.6% by volume and was slightly below by dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 21.0% and exceeded by dollar amount at 14.0%. Given Peoples' strong performance compared to proxy by volume and the aggregate of all lenders, the borrower distribution of home improvement loans to moderate-income borrowers is excellent.

Peoples made 15 home improvement loans totaling \$1.2 million to middle-income borrowers. This represents 23.8% of home improvement loans by volume and 21.0% by dollar amount compared to the percentage of families at 21.4%. The 2017 aggregate of all lenders made 24.7% by volume and 22.7% by dollar amount to middle-income borrowers.

Peoples made 29 home improvement loans totaling \$2.9 million to upper-income borrowers. This represents 46.0% of home improvement loans by volume and 52.3% by dollar amount compared to the percentage of families at 36.8%. The 2018 aggregate of all lenders made 42.1% by volume and 56.6% by dollar amount to upper-income borrowers.

Peoples made 45 home improvement loans totaling \$4.4 million in 2016. Peoples also originated one (2.2%) home improvement loan totaling \$45,000 (1.0%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 5.2% by volume and 5.6% by dollar amount.

Peoples made one (2.2%) home improvement loan totaling \$24,000 (0.5%) to low-income borrowers, which was significantly below the percentage of families at 22.8% by volume and dollar amount. The percentage of loans by volume and dollar amount was below the 2016 aggregate of all lenders at 9.2% and 3.1%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made 14 (31.1%) home improvement loans totaling \$887,000 (19.9%) to moderate-income borrowers, which substantially exceeded the percentage of families at 18.9% by volume and exceeded proxy by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 18.8% and 11.6%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to moderate-income borrowers is excellent.

Peoples made 12 home improvement loans totaling \$1.1 million to middle-income borrowers. This represents 26.7% of home improvement loans by volume and 24.1% by dollar amount compared to the percentage of families at 21.6%. The 2016 aggregate of all lenders made 23.0% by volume and 20.7% by dollar amount to middle-income borrowers.

Peoples made 17 home improvement loans totaling \$2.4 million to upper-income borrowers. This represents 37.8% of home improvement loans by volume and 54.4% by dollar amount compared

to the percentage of families at 36.7%. The 2016 aggregate of all lenders made 43.8% by volume and 59.1% by dollar amount to upper-income borrowers.

Overall, Peoples' home improvement lending performance varied compared to the percentage of families and aggregate of all lenders; therefore, borrower distribution of home improvement lending is good. A community contact indicated the need for home improvement loans. There is also a high percentage of aged housing units in the area. Therefore, Peoples is being responsive to the need for providing home improvement loans, especially to low- and moderate income borrowers.

Small Business Lending

Peoples made 192 small business loans totaling \$29.1 million to businesses of different sizes in 2019, and 122 (63.5%) of these loans totaling \$12.5 million (43.1%) were made to businesses with revenues of \$1.0 million or less. This was below the percentage of small businesses in the assessment area at 89.8%. Therefore, the distribution of small business loans to businesses of different sizes is adequate.

In 2019, Peoples made an adequate percentage of small dollar loans (64.1%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 317 small business loans totaling \$46.1 million to businesses of different sizes in 2018, and 182 (57.4%) of these loans totaling \$15.9 million (34.5%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 89.4%. The percentage of loans by volume exceeded the 2018 aggregate of all lenders at 45.6% and was comparable by dollar amount at 34.9%. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2018, Peoples made a good percentage of small dollar loans (66.9%) in amounts of \$100,000 or less compared to 93.1% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 262 small business loans totaling \$39.4 million to businesses of different sizes in 2017, and 137 (52.3%) of these loans totaling \$10.3 million (26.2%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.4%. The percentage of loans by volume exceeded the 2017 aggregate of all lenders at 48.6% and was slightly below by dollar amount at 33.6%. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2017, Peoples made a good percentage of small dollar loans (64.9%) in amounts of \$100,000 or less compared to 92.8% of small dollar loans made by the aggregate of all lenders. This

indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 149 small business loans totaling \$20.9 million to businesses of different sizes in 2016, and 87 (58.4%) of these loans totaling \$7.7 million (36.8%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 89.6%. The percentage of loans by volume exceeded the 2016 aggregate of all lenders at 46.2% and was slightly below by dollar amount at 30.3%. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2016, Peoples made an adequate percentage of small dollar loans (65.8%) in amounts of \$100,000 or less compared to 92.7% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Overall, Peoples' small business lending performance was typically below the percentage of small businesses and slightly below the aggregate of all lenders; however, Peoples displayed a consistent willingness to make small dollar loans; therefore, borrower distribution of small business lending is good.

Small Farm Lending

Peoples made 17 small farm loans totaling \$1.8 million to farms of different sizes in 2019 and 14 (82.4%) of these loans totaling \$1.5 million (83.6%) were made to farms with revenues of \$1.0 million or less. This was slightly below the percentage of small farms in the assessment area at 99.2%; therefore, the distribution of small farm loans to farms of different sizes is good.

In 2019, Peoples made an adequate percentage of small dollar loans (47.1%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made 57 small farm loans totaling \$5.3 million to farms of different sizes in 2018 and 50 (87.7%) of these loans totaling \$3.8 million (72.0%) were made to farms with revenues of \$1 million or less. This was slightly below the percentage of small farms in the assessment area at 99.0%. The percentage of loans by volume and dollar amount significantly exceeded the 2018 aggregate of all lenders at 50.8% and 59.8%, respectively. Therefore, the distribution of small farm loans to farms of different sizes is excellent, considering Peoples' performance relative to the aggregate of all lenders.

In 2018 Peoples made a good percentage of small dollar loans (66.7%) in amounts of \$100,000 or less compared to 89.3% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made 58 small farm loans totaling \$5.7 million to farms of different sizes in 2017, and 53 (91.4%) of these loans totaling \$4.5 million (79.2%) were made to farms with revenues of \$1 million or less. This was slightly below the percentage of small farms in the assessment area at 99.3%. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 57.0% and 74.3%, respectively. Therefore, the distribution of small farm loans to farms of different sizes is excellent considering Peoples' strong performance relative to the aggregate of all lenders.

In 2017, Peoples made an adequate percentage of small dollar loans (62.1%) in amounts of \$100,000 or less compared to 85.1% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made 22 small farm loans totaling \$2.2 million to farms of different sizes in 2016, and 18 (81.8%) of these loans totaling \$1.3 million (59.1%) were made to farms with revenues of \$1 million or less. This was slightly below the percentage of small farms in the assessment area at 99.4%. The percentage of loans by volume exceeded the 2016 aggregate of all lenders at 61.5% and was slightly below by dollar amount at 69.2%. Therefore, the distribution of small farm loans to farms of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2016, Peoples made a good percentage of small dollar loans (63.6%) in amounts of \$100,000 or less compared to 85.8% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Overall, Peoples' small farm lending performance was generally below the percentage of farms and exceeded the aggregate of all lenders by volume and dollar amount. Peoples also displayed a consistent willingness to make small dollar loans; therefore, borrower distribution of small farm lending is good.

Geographic Distribution of Loans

Peoples' geographic distribution of home purchase, refinance, home improvement, small business, and small farm loans reflects a good penetration throughout the assessment area. The following gaps in lending were noted in the assessment area.

Tract Income Level	Percentage of Lending Penetration			
	2016	2017	2018	2019
Low	33.3%	66.7%	75.0%	75.0%
Moderate	72.7%	84.6%	85.7%	79.1%
Middle	80.6%	84.2%	89.8%	77.0%
Upper	72.7%	83.3%	85.7%	73.3%
Unknown	0.0%	100.0%	50.0%	100.0%
Total	76.8%	84.1%	87.6%	77.4%

Overall, lending gaps are moderate. Gaps were highest in low-income tracts. Peoples did not

penetrate a majority of low-income tracts in 2016, but penetrated a majority of moderate-income tracts in 2016, 2017, 2018, and 2019.

Home Purchase Lending

Peoples made 166 home purchase loans totaling \$17.7 million in 2019. Peoples made two (1.2%) home purchase loans totaling \$69,000 (0.4%) in low-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 0.8% by volume and was below by dollar amount. Given Peoples' strong performance compared to proxy by volume, the geographic distribution of home purchase loans in low-income tracts is excellent.

Peoples made 31 (18.7%) home purchase loans totaling \$2.9 million (16.1%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 18.3% by volume and slightly below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of home purchase loans in moderate-income tracts is excellent.

Peoples made 113 home purchase loans totaling \$12.5 million in middle-income tracts. This represents 68.1% of home purchase loans by volume and 70.6% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.7%.

Peoples made 20 home purchase loans totaling \$2.3 million in upper-income tracts. This represents 12.0% of home purchase loans by volume and 12.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 9.2%.

Peoples made 305 home purchase loans totaling \$34.6 million in 2018. Peoples made one (0.3%) home purchase loans totaling \$182,000 (0.5%) in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.8% by volume and below by dollar amount. The percentage of loans by volume was slightly below the 2018 aggregate of all lenders at 0.4% and substantially exceeded by dollar amount at 0.2%. Compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in low-income geographies is good, especially considering the relatively low owner-occupancy rate in these tracts.

Peoples made 73 (23.9%) home purchase loans totaling \$6.9 million (19.8%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 20.8% by volume and was slightly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 20.8% and 16.8%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is excellent.

Peoples made 196 home purchase loans totaling \$23.3 million in middle-income tracts. This represents 64.3% of home purchase loans by volume and 67.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 69.7%. The 2018 aggregate of all lenders made 67.9% by volume and 69.6% by dollar amount in middle-income tracts.

Peoples made 35 home purchase loans totaling \$4.3 million in upper-income tracts. This represents 11.5% of home purchase loans by dollar amount and 12.3% by dollar amount compared to the

percentage of owner-occupied units in these tracts at 8.6%. The 2018 aggregate of all lenders made 10.8% by volume and 13.3% by dollar amount in upper-income tracts.

Peoples made 249 home purchase loans totaling \$27.1 million in 2017. Peoples made one (0.4%) home purchase loans totaling \$130,000 (0.5%) in unknown-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 0.1% by volume and dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 0.1% and 0.1%, respectively.

Peoples made one (0.4%) home purchase loans totaling \$39,000 (0.1%) in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.8% by volume and significantly below by dollar amount. The percentage of loans by volume was below the 2017 aggregate of all lenders at 0.6% and well below by dollar amount at 0.4%. Compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in low-income geographies is adequate.

Peoples made 54 (21.7%) home purchase loans totaling \$4.5 million (16.8%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 19.2% by volume and was slightly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 19.0% and 15.2%, respectively. Given Peoples' strong performance compared to proxy by volume and the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is excellent.

Peoples made 161 home purchase loans totaling \$18.1 million in middle-income tracts. This represents 64.7% of home purchase loans by volume and 66.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.8%. The 2017 aggregate of all lenders made 70.5% by volume and 72.1% by dollar amount in middle-income tracts.

Peoples made 32 home purchase loans totaling \$4.3 million in upper-income tracts. This represents 12.9% of home purchase loans by volume and 15.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.1%. The 2017 aggregate of all lenders made 9.8% by volume and 12.3% by dollar amount in upper-income tracts.

Peoples made 167 home purchase loans totaling \$18.5 million in 2016. Peoples made no home purchase loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.4% by volume and dollar amount. This was well below the 2016 aggregate of all lenders by volume and dollar amount at 0.4% and 0.2%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in low-income geographies is poor.

Peoples made 33 (19.8%) home purchase loans totaling \$2.7 million (14.9%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 24.5% by volume and was below by dollar amount. The percentage of loans by volume and dollar amount was slightly below the 2016 aggregate of all lenders at 23.7% and 19.0%, respectively. Given Peoples' performance compared to proxy and the 2016 aggregate of all lenders, the geographic

distribution of home purchase loans in moderate-income tracts is good, especially considering the lower owner-occupancy rate.

Peoples made 109 home purchase loans totaling \$12.6 million in middle-income tracts. This represents 65.3% by volume and 68.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 66.9%. The 2016 aggregate of all lenders made 63.8% by volume and 65.8% by dollar amount in middle-income tracts.

Peoples made 25 home purchase loans totaling \$3.1 million in upper-income tracts. This represents 15.0% of home purchase loans by volume and 16.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.2%. The 2016 aggregate of all lenders made 12.1% by volume and 15.0% by dollar amount in upper-income tracts.

Overall, Peoples' home purchase lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of home purchase lending is good.

Refinance Lending

Peoples made 158 refinance loans totaling \$14.0 million in 2019. Peoples made two (1.3%) refinance loans totaling \$88,000 (0.6%) in low-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 0.8% by volume and was slightly below by dollar amount. Given Peoples' strong performance compared to proxy by volume, the geographic distribution of refinance loans in low-income tracts is excellent.

Peoples made 25 (15.8%) refinance loans totaling \$2.0 million (14.5%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 18.3% by volume and dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of refinance loans in moderate-income tracts is good.

Peoples made 108 refinance loans totaling \$9.7 million in middle-income tracts. This represents 68.4% by volume and 69.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.7%.

Peoples made 23 refinance loans totaling \$2.1 million in upper-income tracts. This represents 14.6% by volume and 15.1% by dollar amount compared to the percentage of owner-occupied units in these tracts at 9.2%.

Peoples made 294 refinance loans totaling \$27.2 million in 2018. Peoples made three (1.0%) refinance loans totaling \$114,000 (0.4%) in low-income tracts, which substantially exceeded the percentage of owner-occupied units in these tracts at 0.8% by volume and was below by dollar amount. The percentage of loans substantially exceeded the 2018 aggregate of all lenders by volume and dollar amount at 0.3% and 0.2%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in low-income tracts is excellent.

Peoples made 58 (19.7%) refinance loans totaling \$5.4 million (20.0%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 20.8%. The

percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 18.1% and 14.7%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is good.

Peoples made 203 refinance loans totaling \$18.8 million in middle-income tracts. This represents 69.0% by volume and 69.0% by dollar amount compared to the percentage of owner-occupied units in these tracts at 69.7%. The 2018 aggregate of all lenders made 70.5% by volume and 72.6% by dollar amount in middle-income tracts.

Peoples made 30 refinance loans totaling \$2.9 million in upper-income tracts. This represents 10.2% by volume and 10.5% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.6%. The 2018 aggregate of all lenders made 10.9% by volume and 12.2% by dollar amount in upper-income tracts.

Peoples made 144 refinance loans totaling \$21.8 million in 2017. Peoples made no refinance loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.8%. This was also well below the 2017 aggregate of all lenders by volume and dollar amount at 0.5% and 0.2%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in low-income tracts is poor.

Peoples made 30 (20.8%) refinance loans totaling \$2.7 million (12.2%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 19.2% by volume and was below by dollar amount. The percentage of loans by volume exceeded the 2017 aggregate of all lenders at 17.1% and was slightly below by dollar amount at 13.6%. Given Peoples' strong performance compared to proxy and the aggregate of all lenders by volume, the geographic distribution of refinance loans in moderate-income tracts is excellent.

Peoples made 101 refinance loans totaling \$12.6 million in middle-income tracts. This represents 70.1% by volume and 57.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.8%. The 2017 aggregate of all lender made 72.5% by volume and 72.4% by dollar amount in middle-income tracts.

Peoples made 13 refinance loans totaling \$6.6 million in upper-income tracts. This represents 9.0% of refinance loans by volume and 30.0% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.1%. The 2017 aggregate of all lenders made 9.7% by volume and 12.3% by dollar amount in upper-income tracts.

Peoples made 135 refinance loans totaling \$16.2 million in 2016. Peoples made no refinance loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.4% by volume and dollar amount. This was well below the 2016 aggregate of all lenders by volume and dollar amount at 0.4% and 0.4%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in low-income tracts is poor.

Peoples made 41 (30.4%) refinance loans totaling \$5.8 million (35.9%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 24.5% by volume and dollar amount. The percentage of loans by volume and dollar amount exceeded the 2016 aggregate

of all lenders at 20.4% and 16.9%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is excellent.

Peoples made 84 refinance loans totaling \$9.1 million in middle-income tracts. This represents 62.2% by volume and 56.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 66.9%. The 2016 aggregate of all lenders made 66.5% by volume and 67.6% by dollar amount in middle-income tracts.

Peoples made ten refinance loans totaling \$1.3 million in upper-income tracts. This represents 7.4% of refinance loans by volume and 7.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.2%. The 2016 aggregate of all lenders made 12.8% by volume and 15.1% by dollar amount in upper-income tracts.

Overall Peoples' refinance lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of refinance lending is good.

Home Improvement Lending

Peoples made 92 home improvement loans totaling \$3.6 million in 2019. Peoples made no home improvement loans in low-income tracts, which was below the percentage of owner-occupied units in these tracts at 0.8% by volume and dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of home improvement loans in low-income tracts is poor.

Peoples made 19 (20.7%) home improvement loans totaling \$790,000 (22.2%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 18.3% by volume and dollar amount. Given Peoples' strong performance compared to proxy, the geographic distribution of home improvement loans in moderate-income tracts is excellent.

Peoples made 66 home improvement loans totaling \$2.6 million in middle-income tracts. This represents 71.7% by volume and 71.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.7% in middle-income tracts.

Peoples made seven home improvement loans totaling \$215,000 in upper-income tracts. This represents 7.6% by volume and 6.0% by dollar amount compared to the percentage of owner-occupied units in these tracts at 9.2% in upper-income tracts.

Peoples made 173 home improvement loans totaling \$6.9 million in 2018. Peoples made no home improvement loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.8%. This was also well below the 2018 aggregate of all lenders by volume and dollar amount at 0.6% and 0.8%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made 29 (16.8%) home improvement loans totaling \$1.1 million (16.3%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 20.8%. The percentage of loans by volume and dollar amount was slightly below the 2018

aggregate of all lenders at 19.1% and 17.5%, respectively. Given Peoples' performance compared to the aggregate of all lenders, the geographic distribution of home improvement loans in moderate-income tracts is good.

Peoples made 125 home improvement loans totaling \$5.1 million in middle-income tracts. This represents 72.3% by volume and 73.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 69.7%. The 2018 aggregate of all lenders made 68.4% by volume and 68.8% by dollar amount in middle-income tracts.

Peoples made 19 home improvement loans totaling \$722,000 in upper-income tracts. This represents 11.0% of home improvement loans by volume and 10.4% by loan amount compared to the percentage of owner-occupied units in these tracts at 8.6%. The 2018 aggregate of all lenders made 11.8% by volume and 12.9% by dollar amount in upper-income tracts.

Peoples made 63 home improvement loans totaling \$5.6 million in 2017. Peoples made no home improvement loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.8%. This was also well below the 2018 aggregate of all lenders by volume and dollar amount at 0.6% and 0.1%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made 12 (19.0%) home improvement loans totaling \$1.1 million (19.5%) in moderate-income tracts, which was comparable to the percentage of owner-occupied units in these tracts at 19.2% by volume and exceeded by dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 20.9% and exceeded by dollar amount at 17.8%. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of home improvement loans in moderate-income tracts is excellent.

Peoples made 48 home improvement loans totaling \$4.1 million in middle-income tracts. This represents 76.2% by volume and 73.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 71.8%. The 2017 aggregate of all lenders made 70.7% by volume and 72.5% by dollar amount in middle-income tracts.

Peoples made three home improvement loans totaling \$414,000 in upper-income tracts. This represents 4.8% by volume and 7.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 8.1%. The 2017 aggregate of all lenders made 7.8% by volume and 9.6% by dollar amount in upper-income tracts.

Peoples made no home improvement loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 0.4%. This was also well below the 2016 aggregate of all lenders by volume and dollar amount at 0.3% and 0.1%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made eight (17.8%) home improvement loans totaling \$640,000 (14.4%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 24.5%. The percentage of loans by volume and dollar amount was slightly below the 2016 aggregate of all lenders at 23.5% and 17.7%, respectively. Given Peoples' performance compared to the

aggregate of all lenders, the geographic distribution of home improvement loans in moderate-income tracts is good.

Peoples made 30 home improvement loans totaling \$3.2 million in middle-income tracts. This represents 66.7% by volume and 72.1% by dollar amount compared to the percentage of owner-occupied units in these tracts. The 2016 aggregate of all lenders made 66.2% by volume and 67.8% by dollar amount in middle-income tracts.

Peoples made seven home improvement loans totaling \$601,000 in upper-income tracts. This represents 15.6% of home improvement loans by volume and 13.5% by loan amount compared to the percentage of owner-occupied units in these tracts at 8.2%. The 2016 aggregate of all lenders made 9.7% and 14.4% by dollar amount in upper-income tracts.

Overall, Peoples' home improvement lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of home improvement lending is good. Given the need for home improvement loans as indicated by a community contact and the high percentage of aged housing units in the area, Peoples is responsive to the need for originating home improvement loans, especially in moderate-income areas.

Small Business Lending

Peoples made 192 small business loans totaling \$29.1 million in 2019. Peoples made three (1.6%) loans totaling \$55,000 (0.2%) in unknown-income tracts, which exceeded the percentage of businesses in these tracts at 1.1% by volume and was well below by dollar amount.

Peoples made four (2.1%) loans totaling \$1.3 million (4.4%) in low-income tracts, which was slightly below the percentage of businesses in these tracts at 2.2% by volume and exceeded by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of small business loans in low-income tracts is good.

Peoples made 53 (27.6%) loans in moderate-income tracts totaling \$8.5 million (29.2%), which substantially exceeded the percentage of businesses in these tracts at 23.2%. Given Peoples' strong performance compared to proxy, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 113 loans in middle-income tracts totaling \$15.9 million. This represents 58.9% by volume and 54.8% by dollar amount compared to the percentage of businesses in these tracts at 63.9%.

Peoples made 19 loans in upper-income tracts totaling \$3.3 million. This represents 9.9% of small business loans by volume and 11.4% by dollar amount compared to the percentage of businesses in these tracts at 9.6%.

Peoples made 317 small business loans totaling \$46.1 million in 2018. Peoples made three (0.9%) loans totaling \$61,000 (0.1%) in unknown-income tracts, which was slightly below the percentage of businesses in these tracts at 1.1% by volume and was well below by dollar amount. The

percentage of loans exceeded the 2018 aggregate of all lenders by volume at 0.7% and was well below by dollar amount at 0.3%.

Peoples made six (1.9%) loans in low-income tracts totaling \$1.3 million (2.9%), which was slightly below the percentage of businesses in these tracts at 2.1% by volume and exceeded by dollar amount. The percentage of loans was slightly below the 2018 aggregate of all lenders by volume at 2.0% and exceeded the aggregate of all lenders by dollar amount at 1.9%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is good.

Peoples made 92 (29.0%) loans in moderate-income tracts totaling \$10.6 million (23.0%), which exceeded the percentage of businesses in these tracts at 25.7% by volume and was slightly below by dollar amount. The percentage of loans exceeded the 2018 aggregate of all lenders by volume at 23.5% and was slightly below by dollar amount at 26.2%. Given Peoples' strong performance compared to proxy and the aggregate of all lenders by volume, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 166 loans in middle-income tracts totaling \$24.5 million. This represents 52.4% of small business loans by volume and 53.3% by dollar amount compared to the percentage of businesses in these tracts at 61.8%. The 2018 aggregate of all lenders made 60.7% by volume and 58.3% by dollar amount in middle-income tracts.

Peoples made 50 loans in upper-income tracts totaling \$9.6 million. This represents 15.8% of small business loans by volume and 20.7% by dollar amount compared to the percentage of businesses in these tracts at 9.3%. The 2018 aggregate of all lenders made 11.6% by volume and 12.8% by dollar amount in upper-income tracts.

Peoples made 262 small business loans totaling \$39.4 million in 2017. Peoples made four (1.5%) loan in unknown-income tracts totaling \$963,000 (2.4%), which exceeded the percentage of businesses in these tracts at 1.2%. The percentage of loans exceeded the 2017 aggregate of all lenders by volume and dollar amount at 0.8% and 0.9%, respectively.

Peoples made one (0.4%) loan in low-income tracts totaling \$750,000 (1.9%), which was well below the percentage of businesses in these tracts at 1.0% by volume and exceeded by dollar amount. The percentage of loans was well below the 2017 aggregate of all lenders by volume at 0.9% and exceeded by dollar amount at 1.0%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is adequate.

Peoples made 82 (31.3%) loans in moderate-income tracts totaling \$10.1 million (25.8%), which exceeded the percentage of businesses in these tracts at 25.0% by volume and dollar amount. The percentage of loans substantially exceeded the 2017 aggregate of all lenders at 23.4% and 23.8%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 137 loans in middle-income tracts totaling \$16.5 million. This represents 52.3% of small business loans by volume and 42.0% by dollar amount compared to the percentage of businesses in these tracts at 64.1%. The 2017 aggregate of all lenders made 62.7% by volume and 59.9% by dollar amount in middle-income tracts.

Peoples made 38 small business loans in upper-income tracts totaling \$11.0 million. This represents 14.5% of small business loans by volume and 27.9% by dollar amount compared to the percentage of businesses in these tracts at 8.7%. The 2017 aggregate of all lenders made 10.7% by volume and 13.7% by dollar amount in upper-income tracts.

Peoples made 149 small business loans totaling \$20.9 million in 2016. Peoples made one (0.7%) loan in low-income tracts totaling \$175,000 (0.8%), which was below the percentage of businesses in these tracts at 1.1% by volume and was slightly below by dollar amount. The percentage of loans was slightly below the 2017 aggregate of all lenders by volume at 0.9% and exceeded by dollar amount at 0.7%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is good.

Peoples made 51 (34.2%) small business loans in moderate-income tracts totaling \$5.7 million (27.5%), which exceeded the percentage of businesses in these tracts at 26.7% by volume and dollar amount. The percentage of loans exceeded the 2016 aggregate of all lenders by volume and dollar amount at 23.2% and 24.7%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 83 loans in middle-income tracts totaling \$12.2 million. This represents 55.7% of small business loans by volume and 58.3% by dollar amount compared to the percentage of businesses in these tracts at 64.2%. The 2016 aggregate of all lenders made 67.4% by volume and 65.7% by dollar amount in middle-income tracts.

Peoples made 14 loans in upper-income tracts totaling \$2.8 million. This represents 9.4% of small business loans by volume and 13.3% by dollar amount compared to the percentage of businesses in these tracts at 8.0%. The 2016 aggregate of all lenders made 8.4% by volume and 0.7% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small business lending is good.

Small Farm Lending

Peoples made 17 small farm loans totaling \$1.8 million in 2019. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 0.2%. Given Peoples' performance compared to proxy, the geographic distribution of small farm loans in low-income tracts is poor.

Peoples made no small farm loans in moderate-income tracts, which was significantly below the percentage of farms in these tracts at 10.5%. Given Peoples' performance compared to proxy, the geographic distribution of small farm loans in moderate-income tracts is very poor.

Peoples made 12 loans in middle-income tracts totaling \$1.4 million. This represents 70.6% of small farm loans by volume and 75.1% by dollar amount compared to the percentage of farms in these tracts at 79.8%.

Peoples made five loans in upper-income tracts totaling \$455,000. This represents 29.4% of small farm loans by volume and 24.9% by dollar amount compared to the percentage of farms in these tracts at 9.5%.

Peoples made 57 small farm loans totaling \$5.3 million in 2018. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 0.2%. However, the 2018 aggregate of all lenders only made 0.2% by volume and 0.0% by dollar amount. Therefore, given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in low-income tracts is adequate.

Peoples made seven (12.3%) loans in moderate-income tracts totaling \$1.2 million (22.5%), which was slightly below the percentage of small farms in these tracts at 12.5% by volume and exceeded by dollar amount. The percentage of loans substantially exceeded the 2018 aggregate of all lenders by volume and dollar amount at 8.5% and 12.8%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is excellent.

Peoples made 30 loans in middle-income tracts totaling \$2.3 million. This represents 52.6% of small farm loans by volume and 44.2% by dollar amount compared to the percentage of farms in these tracts at 79.0%. The 2018 aggregate of all lenders made 79.1% by volume and 74.9% by dollar amount in middle-income tracts.

Peoples made 20 loans in upper-income tracts totaling \$1.8 million. This represents 35.1% of small farm loans by volume and 33.4% by dollar amount compared to the percentage of farms in these tracts at 8.3%. The 2018 aggregate of all lenders made 10.5% by volume and 11.8% by dollar amount in upper-income tracts.

Peoples made 58 small farm loans totaling \$5.7 million in 2017. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 0.1%. However, the 2017 aggregate of all lenders only made 0.2% by volume and 0.1% by dollar amount. Therefore, given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in low-income tracts is adequate.

Peoples made five (8.6%) loans in moderate-income tracts totaling \$530,000 (9.4%), which was slightly below the percentage of farms in these tracts at 10.9% by volume and dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 7.8% and 4.9%, respectively. Given Peoples' performance compared to proxy and strong

performance compared to the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is excellent.

Peoples made 34 loans in middle-income tracts totaling \$3.2 million. This represents 58.6% of small farm loans by volume and 56.7% by dollar amount compared to the percentage of farms in these tracts at 80.9%. The 2017 aggregate of all lenders made 80.7% by volume and 82.2% by dollar amount in middle-income tracts.

Peoples made 19 small farm loans in upper-income tracts totaling \$1.9 million. This represents 32.8% of small farm loans by volume and 33.9% by dollar amount compared to the percentage of farms in these tracts at 8.0%. The 2017 aggregate of all lenders made 10.3% by volume and 12.7% by dollar amount in upper-income tracts.

Peoples made 22 small farm loans totaling \$2.2 million in 2016. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 0.1%. However, the 2016 aggregate of all lenders also made no small farm loans in these three low income tracts. Given Peoples' performance compared to proxy and the aggregate of all lenders and the apparent limited opportunities to make farm loans, the geographic distribution of small farm loans in low-income tracts is adequate.

Peoples made no small farm loans in moderate-income tracts, which was substantially below the percentage of farms in these tracts at 15.1% by volume and dollar amount. The percentage of loans was substantially below the 2016 aggregate of all lenders at 8.6% by volume and 8.0% by dollar amount. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is very poor.

Peoples made 15 loans in middle-income tracts totaling \$1.3 million. This represents 68.2% of small farm loans by volume and 58.6% by dollar amount compared to the percentage of farms in these tracts at 76.8%. The 2016 aggregate of all lenders made 79.9% by volume and 76.1% by dollar amount in middle-income tracts.

Peoples made seven loans in upper-income tracts totaling \$910,000. This represents 31.8% of small farm loans by volume and 41.4% by dollar amount compared to the percentage of farms in these tracts at 8.1%. The 2016 aggregate of all lenders made 11.5% by volume and 15.9% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small farm lending is good.

Community Development Loans

Peoples originated or renewed 23 community development loans totaling approximately \$12.7 million during the evaluation period, as shown in the following table.

Purpose of CD Loan	#	\$
Community Services	12	\$7,761,976
Revitalization/Stabilization	6	\$1,768,875
Economic Development	3	\$1,619,000
Affordable Housing	2	\$1,515,000
Total	23	\$12,664,851

Community development lending represents 12.9% of Peoples' total community development loans by dollar amount compared to 62.6% of total deposits and 54.2% of total loans in this assessment area. This ranks as Peoples' third-highest percentage of community development lending by dollar amount during the evaluation period; however, this ranks as Peoples' highest percentage of community development lending by volume (35.4%). In this assessment area, Peoples ranks second out of 52 institutions with 14.1% of the deposit market share. Peoples was able to respond to the opportunities for community development lending and is a leader in making community development loans in Nonmetropolitan Ohio.

The community development loans were made for a variety of purposes:

- To refinance two affordable housing projects providing 96 units of affordable housing for low- and moderate-income individuals.
- To help repurpose two sites for new businesses or possible industrial parks to help with job retention, business expansion, and attracting new businesses into the area. One of these sites will be home to a new cryptocurrency firm leading to 100 new jobs and \$100 million in technological infrastructure opening in distressed middle-income area.
- To renovate an existing building donated by Peoples to help a non-profit providing philanthropic resources within Appalachian Ohio to relocate its headquarters to a distressed middle-income area.
- To provide working capital to several non-profits that provide a multitude of wrap around services for low- and moderate-income children and adults (e.g., neglected children, seniors, transitional housing and life skills training, and substance abuse counseling).
- To renovate an unused blighted downtown building in a moderate income area into a police department and consolidated administrative offices.
- To construct a new fieldhouse for a school located in a distressed middle income area and primarily serves low- and moderate-income students.
- To provide working capital to a counseling center located in a moderate-income community that primarily serves low- and moderate-income people.

These loans resulted in improved outcomes for low- and moderate-income individuals and families and helped to provide needed services or stabilize the economy. Community contacts stressed the critical need for affordable housing, drug treatment, and other social services targeted to lower-

income individuals and families as a result of the opioid crisis. Therefore, the community development loans made Nonmetropolitan Ohio exhibit an excellent responsiveness to credit needs of lower-income individuals and lower-income and distressed geographies.

Flexible Lending Programs

Peoples originated 184 loans in three government-guaranteed loan programs totaling \$16.5 million in this assessment area during the evaluation period. Peoples made 42 Dreams2Keys loans totaling \$3.3 million, 87 HomeReady loans totaling \$8.0 million, and 54 USDA Rural Development loans totaling \$5.1 million. The following tables show the percentage by volume and dollar amount of the flexible lending programs and the distribution of lending within the assessment area by census tract and borrower income.

Geographic Distribution of Flexible Loan Programs												
	Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
Loan Program	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)
Dreams2keys	2.4%	1.1%	0.8%	26.2%	26.4%	20.8%	66.7%	68.4%	69.7%	4.8%	4.1%	8.6%
HomeReady Fixed Rate	0.0%	0.0%	0.8%	40.2%	38.9%	20.8%	51.7%	52.3%	69.7%	8.0%	8.8%	8.6%
USDA Rural Development	0.0%	0.0%	0.8%	29.6%	23.4%	20.8%	57.4%	62.8%	69.7%	13.0%	13.8%	8.6%
Totals	0.5%	0.2%	0.8%	33.9%	31.5%	20.8%	56.8%	58.8%	69.7%	8.7%	9.5%	8.6%

Peoples originated one Dreams2Keys loan in low-income tracts and 11 loans in moderate-income tracts. The percentage of these loans in low- and moderate-income geographies exceeded the percentage of owner-occupied units by volume and dollar amount.

Peoples originated 35 HomeReady loans in moderate-income tracts. The percentage of these loans exceeded the percentage of owner-occupied units by volume and dollar amount.

Peoples originated 16 USDA Rural Development loans in moderate-income tracts. The percentage of these loans exceeded the percentage of owner-occupied units by volume and dollar amount.

Borrower Distribution of Flexible Loan Programs												
	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers		
Loan Program	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)
Dreams2keys	28.6%	15.8%	24.0%	54.8%	59.6%	18.3%	9.5%	13.6%	21.0%	7.1%	11.0%	36.7%
HomeReady Fixed Rate	17.2%	15.2%	24.0%	51.7%	47.8%	18.3%	24.1%	26.0%	21.0%	6.9%	11.0%	36.7%
USDA Rural Development	11.1%	6.6%	24.0%	48.1%	43.9%	18.3%	38.9%	46.9%	21.0%	1.9%	2.6%	36.7%
Totals	18.0%	12.6%	24.0%	51.4%	48.9%	18.3%	25.1%	30.1%	21.0%	5.5%	8.4%	36.7%

Peoples originated 12 Dreams2Keys loans to low-income borrowers and 23 loans to moderate-income borrowers. The percentage of these loans to low-income borrowers exceeded the percentage of families by volume and was below by dollar amount. The percentage of loans to moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples originated 15 HomeReady loans to low-income borrowers and 45 loans to moderate-income borrowers. The percentage of these loans to low-income borrowers was below the

percentage of families by volume and dollar amount. The percentage of loans to moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples originated six USDA Rural Development loans to low-income borrowers and 26 loans to moderate-income borrowers. The percentage of these loans to low-income borrowers was below the percentage of families by volume and dollar amount. The percentage of these loans to moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples was able to assist low- and moderate-income borrowers purchase homes and borrowers purchasing properties in low- and moderate-income areas through the use of these down payment assistance programs.

Peoples originated 21 SBA 7(a) loans totaling \$5.1 million, representing 20.7% of SBA lending by dollar amount. These loans provide funds to start-ups and existing small businesses with access to capital with more flexible repayment terms than conventional commercial financing for multiple purposes.

Peoples makes extensive use of flexible lending practices in serving the credit needs of Nonmetropolitan Ohio. These programs are designed to improve affordable housing for low- and moderate-income individuals and provide small businesses with access to capital to help existing companies retain and expand their businesses or attract new small businesses to the area. As community contacts noted affordable housing as a significant need in this area, the qualitative impact of these programs on low- and moderate-income borrowers and geographies and small businesses enhanced Peoples' overall lending test performance.

Investment Test

Peoples holds four qualified prior period investments with a current book value of approximately \$2.2 million. The following table reflects the total number of qualified community development investments by purpose, number, and dollar amount.

Purpose of CD Investment	#	\$
Affordable Housing	3	\$1,504,165
Community Services	1	\$671,511
Total	4	\$2,175,676

The community services investment was a municipal school bond that provided needed capital to a school serving a majority student body eligible for the free- and reduced-lunch program. The remaining three investments supported affordable housing facilitated by use of mortgage-backed securities loan pools. Community contacts stressed the critical need for affordable housing and wraparound social services targeted to low- and moderate-income individuals and families.

Peoples also made 145 donations totaling \$626,334. Donations in Nonmetropolitan Ohio supported a wide array of organizations and non-profits to fund outreach activities, affordable housing, educational programs, and initiatives aimed at responding to community needs, improving the financial stability of individuals and families, and revitalizing underserved

communities. The following table reflects the total number community development donations by purpose, number, and dollar amount.

Purpose of CD Donation	#	\$
Community Services	119	\$485,499
Revitalization/Stabilization	9	\$47,305
Affordable Housing	8	\$47,030
Economic Development	9	\$46,500
Total	145	\$626,334

In particular, a \$120,000 grant was made to capital growth fund to help provide project financing to small businesses in rural Appalachian Ohio and a \$100,000 donation was made to assist a local hospital with construction of a new cancer center that primarily services low- and moderate-income individuals. As community contacts stressed the critical need for affordable housing, home improvements, drug treatment, and other social services targeted to lower-income individuals and families as a result of the opioid crisis, Peoples exhibits a good responsiveness to credit and community development needs in this assessment area.

Nearly 10.0% of total qualified community development investments and donations are in Nonmetropolitan Ohio compared to the percentage of total deposits at 62.6%, total loans at 54.2% and the total percentage of branch offices at 45.1%. This is Peoples' third-highest percentage of qualified community development investment activity by dollar amount. However, during this evaluation period, Peoples did not make any new community development investments in this assessment area. Considering the level of qualified investments along with the responsiveness to credit and community development needs, Peoples makes an adequate level of qualified community development investments in Nonmetropolitan Ohio, particularly those not routinely provided by private investors, rarely in a leadership position.

Service Test

Retail services are readily accessible and changes in branch locations improved the accessibility of its delivery systems. Peoples is a leader in providing community development services.

Retail Services

Since the previous evaluation, Peoples closed two branches with full-service ATMs in moderate-income tracts and one branch with a full-service ATM in a middle-income tract in 2017. Peoples acquired four branches due to the acquisition of ASB, consisting of two branches and one stand-alone full-service ATM in low-income tracts, one branch and a stand-alone full-service ATM in a middle-income tract, and one branch and a stand-alone full-service ATM in an upper-income tract due to the acquisition of ASB. Therefore, Peoples' record of opening and closing offices improved the accessibility of its delivery systems, particularly in low-income geographies and to low- and moderate-income households. Peoples' delivery services are readily accessible to Peoples' geographies and individuals of different income levels in its assessment area. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including moderate-income geographies or to low- and moderate-income households, and are consistent with the services and hours discussed in the Institution assessment. Lastly, Peoples

operated an LPO in New Philadelphia in a middle-income tract until it closed effective May 23, 2017.

Peoples had 32 branch offices in Nonmetropolitan Ohio. There are 24 branches with full-service ATMs, eight branches without ATMs, and 12 cash-only ATMs. Additionally, 24 branches provide drive-through services, 22 branches provide extended hours, and 28 provide weekend hours of service. Peoples' branch offices in this assessment area represent 45.1% of its branch offices.

The following table illustrates the percentage of branch offices in low-, moderate-, middle-, and upper-income census tracts in comparison to the number and percentage of census tracts and the percentage of households and businesses in those tracts in 2019, based on 2015 U.S. Census data. Peoples had one branch office in low-income, ten in moderate-income, 16 in middle-income, and one in upper-income census tracts in 2016, based on 2010 U.S. Census data.

Geographic Distribution of Branches

Exam: Peoples Bank 2020

Analysis Year: 2019

2019 OH Nonmetropolitan

Tract Income Level	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	2	6.3%	2	0	1	1	1			
	DTO	0		0	0	0		4	2.3%	1.4%	2.1%
	LS	0		0	0						
Moderate	Total	14	43.8%	0	2	10	9	12			
	DTO	0		0	0	0		43	24.3%	21.6%	23.0%
	LS	0		0	0						
Middle	Total	13	40.5%	1	1	11	11	13			
	DTO	0		0	0	0		113	63.8%	67.7%	64.1%
	LS	0		0	0						
Upper	Total	2	6.3%	1	0	2	1	1			
	DTO	0		0	0	0		15	8.5%	8.6%	9.7%
	LS	0		0	0						
Unknown	Total	1	3.1%	0	0	0	0	1			
	DTO	0		0	0	0		2	1.1%	0.7%	1.1%
	LS	0		0	0						
Totals	Total	32	100.0%	4	3	24	22	28			
	DTO	0		0	0	0		177	100.0%	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

The distribution of branches exceeded the percentage of low- and moderate-income census tracts, percentage of households, and total businesses in these tracts. Therefore, branch distribution in low- and moderate-income tracts is excellent.

Community Development Services

Peoples is a leader in providing community development services in this assessment area. During the evaluation period, at least 53 employees provided 344 services totaling at least 1,127 hours community development services to 173 different organizations that provide a multitude of services throughout the assessment area.

This represents 28.7% of all community development services and 50.3% of total reported service hours. This ranks as Peoples' second-highest percentage of community development services by total reported service hours which is greater than the percentage of total deposits at 62.6% and the branch offices at 45.1%. In addition, the available community development service hours in this assessment area equate to 0.56 ANP.

Affordable Housing			Services to LMI			Economic Development			Revitalization/Stabilization		
# Services	# Hours	# Orgs	# Services	# Hours	# Orgs	# Services	# Hours	# Orgs	# Services	# Hours	# Orgs
41	79	31	28	603	20	13	328	10	5	117	5

Financial Literacy Education*					
How to Do Your Banking		Saving with Mandy and Randy		Ely Chapman	
# Services	# Orgs	# Services	# Orgs	# Services	# Orgs
170	69	67	34	20	4

*Number of employees and hours not available

Employees provided financial expertise through leadership positions in multiple community organizations that offer services to low- and moderate-income individuals and families and promote affordable housing, community and economic development, and area revitalization and stabilization. Community development services include 274 hours serving on boards and committees and 853 hours providing technical expertise. Hours providing financial literacy education were not available.

Community contacts stressed the critical need for affordable housing and home improvements, and drug treatment and a multitude of wraparound social services targeted to lower-income individuals and families as a result of the opioid crisis and high poverty rates. Community contacts also expressed the need for financial literacy training for low- and moderate-income children and adults. The majority of community development services addressed these needs. Employees provided technical expertise, including, but not limited to, fund raising for organizations that provide a multitude of wraparound social services and various aspects of affordable housing. The majority of services provided supports financial literacy training to low- and moderate-income children and financial workshops for small businesses. As a result, these community development services are considered to be responsive to low- and moderate-income areas and individuals and available service opportunities in the Nonmetropolitan Ohio assessment area.

METROPOLITAN AREA
(Full-scope Review)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE
CINCINNATI OH-KY-IN MSA #17140**

The Cincinnati OH-KY-IN MSA (Cincinnati MSA) consists of Brown, Clermont, Hamilton, and Warren counties in Ohio. Peoples' delineated assessment area excludes Butler County in Ohio; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton counties in Kentucky; and Dearborn, Ohio, and Union counties in Indiana. Hamilton County was added to the delineated assessment area as of January 1, 2018 as a result of the acquisition of American Savings Bank. Due to changes in MFI levels resulting from changes in U.S. Census data, this assessment area was comprised of the following tracts for this evaluation:

Tract Income Level	2016	2017	2018	2019
	Number of Tracts	Number of Tracts	Number of Tracts	Number of Tracts
Low	0	0	43	41
Moderate	13	17	76	73
Middle	45	39	100	101
Upper	23	24	80	84
Unknown	1	2	5	5
Total	82	82	304	304

Between 2016 and 2017, the assessment area gained four moderate-income census tracts, lost six middle-income census tracts, gained one upper-income census tract, and gained one unknown-income census tract. Between 2017 and 2018, the assessment area increased by 222 census tracts as a result of the acquisition consisting of a gain of 43 low-income census tracts, 59 moderate-income census tracts, 61 middle-income census tracts, 56 upper-income census tracts, and three unknown-income census tracts. Between 2018 and 2019, the assessment area lost two low-income census tracts, lost three moderate-income census tracts, gained one middle-income census tract, and gained four upper-income tracts. There was no change to the number of unknown-income census tracts.

As of June 30, 2019, Peoples ranked 13th out of 47 institutions with 0.3% of the deposit market share in this delineated CRA assessment area. U.S. Bank National Association had the largest deposit market share with 57.4%, followed by Fifth Third Bank National Association, PNC Bank National Association, The Huntington Bank, and First Financial Bank with 26.9%, 4.7%, 2.1%, and 1.8%, respectively. Peoples ranked 14th out of 62 institutions with 0.3% of the deposit market share in the entire MSA. Deposits in this assessment area accounted for 13.5% of Peoples' total deposits. While this was the second-highest percentage of deposits within Peoples' CRA footprint, this is a competitive market with significant competition from a number of large national banks. Peoples has a small presence in this market.

From August 1, 2016 through June 30, 2019, Peoples originated 525 HMDA-reportable loans, 268 CRA-reportable small business loans, and 83 CRA-reportable small farm loans, which represents 14.0%, 14.1%, and 32.3%, respectively of these loan types originated during the evaluation period. These are the second-largest HMDA and CRA markets for loans originated during the evaluation

period.

Peoples ranked 31st among 476 HMDA reporters in the MSA in 2018. The top five HMDA lenders in the assessment area were Union Bank, U.S. Bank National Association, The Huntington National Bank, Wells Fargo Bank National Association, and Fifth Third Bank National Association. Peoples ranked 22nd of 118 CRA reporters in the MSA in 2018. The top five CRA lenders in the assessment area were American Express National Bank, U.S. Bank National Association, PNC Bank National Association, Chase Bank USA National Association, and CitiBank National Association. These lenders tend to be issuers of credit cards and their CRA loans primarily consist of commercial credit card accounts.

Community Contacts

Interviews with two community contacts were conducted as part of this evaluation to provide additional information regarding the credit needs and to help give context to demographic and economic conditions of the local community. The first contact, a representative from an economic development agency, stated there is a lack of support to small business owners from large banks and that most assistance comes from smaller community banks and credit unions. The contact indicated more access to capital is needed to help fund community development projects. Typically, rehabilitation of dilapidated housing stock and commercial buildings is cost-prohibitive and a major cost of revitalizing an area. The contact stated that while local banks are involved in the community, there is still a need for them to provide more funding and lower interest rates to support community development projects and provide small business owners with small dollar working capital loans needed to retain or expand their businesses.

The second contact, a representative from an affordable housing agency, explained while the neighborhood is experiencing revitalization, the area is also undergoing gentrification. As a result, affordable housing is a significant need in the community, as the area's Section 8 housing choice voucher program has over 1,000 families needing assistance with wait lists as long as two or three years. The housing choice voucher program is the federal government's major program for assisting very low-income families to afford decent housing in the private market. The contact stated that there appears to be little incentive for landlords to offer affordable rates when they are able to get market rates in higher-rent areas. The contact stated there is a need for banks to provide credit counseling to low- and moderate-income individuals. These individuals need a chance to build their credit scores and gain access to checking accounts and credit cards and realize there is an alternative to payday lenders. Another need for lower income individuals is reliable transportation. While the area has regional transit, it does not serve all areas of the county. As smaller banks are acquired by large financial institutions, branches located in lower-income communities may be closed or relocated. As a result, it can be challenging for people in these communities to go to a bank branch that may no longer be as accessible to public transportation. The contact stated there is a need for financial institutions to maintain a branch presence in lower-income communities, because communities with banks tend to stimulate more local economic development and homeownership in their communities.

Population Characteristics

According to 2015 U.S. Census data, the population in the assessment area was 1,268,642, of which 8.8% live in low-income tracts and 20.3% live in moderate-income tracts. In addition, 76.0% of the population was 18 years of age or older, the legal age to enter into a contract. The population of those age 65 and over was 13.6% in the assessment area compared to 15.1% in Ohio, with Brown County having the largest percentage of residents age 65 and over at 16.1% and Warren County having the smallest percentage at 12.4%. The following table shows the population change in the assessment area; overall, the population increased by 3.2% during this time period.

Area	Population Change				
	2010 Population	2015 Population	Percent Change Between 2010 and 2015	2018 Population	Percent Change Between 2015 and 2019
Brown County	44,846	44,247	-1.3%	43,602	-1.5%
Clermont County	197,363	200,285	1.5%	205,466	2.6%
Hamilton County	802,374	804,194	0.2%	816,684	1.6%
Warren County	212,693	219,916	3.4%	232,173	5.6%
Total Population	1,257,276	1,268,642	0.9%	1,297,925	2.3%
Ohio	11,536,504	11,575,977	0.3%	11,689,442	1.0%

According to the Ohio Development Services Agency,²⁰ Cincinnati, Ohio (Hamilton County) is the most populous city in this assessment area with 302,605 residents and its population increased 1.9% between 2010 and 2018. Also, Cincinnati is the third-largest city in Ohio and the 65th largest city in the U.S. in 2018.²¹ Mason, Ohio is the most populous city in Warren County with 33,586 residents, and its population increased by 8.9% between 2010 and 2018. Milford, Ohio is the largest city in Clermont County with 6,860 residents and its population increased by 2.4% between 2010 and 2018. Lastly, the village of Georgetown, Ohio is the largest municipality in Brown County with 4,280 residents and its population decreased by 1.2% between 2010 and 2018.

Income Characteristics

The 2015 MFI (\$70,584) in the assessment area was greater than Ohio's MFI (\$62,817). The assessment area's MFI decreased by 2.6% from 2015 to 2016. As shown below, MFI increased by 6.5% from 2016 to 2017 and increased by 4.4% from 2017 to 2018, but decreased by 0.4% from 2018 to 2019.

Borrower Income Levels
Cincinnati, OH-KY-IN MSA

FFIEC Estimated Median Family Income			Low		Moderate		Middle		Upper	
Year	\$	% Change	0	-	50%	-	80%	-	120%	& above
2016	\$68,800		0	-	\$34,399	\$34,400	\$55,040	\$82,559	\$82,560	& above
2017	\$73,600	6.5%	0	-	\$36,799	\$36,800	\$58,880	\$88,319	\$88,320	& above
2018	\$77,000	4.4%	0	-	\$38,499	\$38,500	\$61,599	\$92,399	\$92,400	& above
2019	\$76,700	-0.4%	0	-	\$38,349	\$38,350	\$61,359	\$92,039	\$92,040	& above

Between 2016 and 2017, the poverty rates slightly increased in Brown and Hamilton counties and

²⁰ Ohio Development Services Agency: https://www.development.ohio.gov/reports/reports_countytrends_map.htm

²¹ Biggest U.S. Cities: <https://www.biggestuscities.com/>

decreased in Clermont and Warren counties. Between 2017 and 2018, poverty rates significantly decreased in Brown County. Rates also decreased in Clermont and Hamilton counties, but increased in Warren County. Overall, poverty rates were higher in Brown and Hamilton counties compared to Ohio and the national rates during this period.

Poverty Rates			
Assessment Area: Cincinnati, OH-KY-IN MSA #17140			
Area	Years		
	2016	2017	2018
Brown County, Ohio	16.7	16.9	11.8
Clermont County, Ohio	10.6	8.7	8.2
Hamilton County, Ohio	16.0	16.2	15.4
Warren County Ohio	5.4	4.7	5.2
Ohio	14.5	13.9	13.8
National	14.0	13.4	13.1

According to 2015 U.S. Census data, 14.5% of the 501,481 households in this assessment area are below the poverty level, 3.0% are receiving public assistance, and 16.5% have rent costs greater than 30.0% of their monthly income.

Housing Characteristics

According to the 2015 U.S. Census data, there are 561,065 housing units and 318,255 families in the assessment area. From an income perspective, 11.0% of the housing units and 7.5% of families are in the assessment area's low-income tracts, while 21.7% of the housing units and 18.7% of families in the assessment area are in moderate-income tracts. In addition, 19.2% of the housing units in low-income tracts are owner-occupied, 56.7% are rental, and 24.1% are vacant, while 44.9% of housing units in moderate-income tracts are owner-occupied, 42.5% are rental, and 12.6% are vacant. Therefore, based on the lower number families and housing units and the high percentage of rental/vacant units, there appear to be limited credit-related opportunities for Peoples to make home purchase loans in low- and moderate-income tracts and provide various aspects of affordable housing, particularly in low-income tracts.

The 2015 U.S. Census data shows the median age of housing stock was 53 years old and 25.9% of assessment area's 561,065 housing units are at least 65 years old (built before 1950), indicating there are opportunities to make home improvement loans. The median housing value in the assessment area was \$152,993 with an affordability ratio of 35.7. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. As indicated in the following table, median housing values decreased between 2010 and 2015, with the greatest decrease in housing value occurring in Brown County. During this same time period, housing became more affordable most likely because housing values fell and MFI increased. Conversely, median gross rents increased across the assessment area, particularly in Clermont and Hamilton counties. The following table presents housing characteristics from the U.S. Census data between 2010 and 2015 in the assessment area.

Housing Costs Change								
County	Median Housing Value		Percent Change	2010 Affordability Ratio	2015 Affordability Ratio	Median Gross Rent		Percent Change
	2010	2015				2010	2015	
Brown County, Ohio	\$124,100	\$113,800	-8.3%	37.0	40.0	\$624	\$649	4.0%
Clermont County, Ohio	\$162,000	\$155,500	-4.0%	36.1	39.1	\$698	\$764	9.5%
Hamilton County, Ohio	\$148,200	\$142,000	-4.2%	32.6	34.5	\$652	\$709	8.7%
Warren County, Ohio	\$194,700	\$190,900	-2.0%	36.6	39.0	\$890	\$923	3.7%
Ohio	\$136,400	\$129,900	-4.8%	34.7	38.1	\$678	\$730	7.7%

According to 2015 U.S. Census data, 52.0% of renters in the assessment area have rent costs more than \$700 a month and nearly 45.9% of units for rent (180,073) have renters who are considered to be cost-burdened or have rent costs greater than 30.0% of their monthly income. Increasing rental costs may make it more difficult for potential first-time homebuyers to save enough to make a sufficient down payment in the rising interest rate environment.

Building permits are a leading indicator of future activity in the construction sector. As indicated in the following table, building permits across the assessment area did not reflect statewide and national trends between 2016 and 2018. The number of building permits in the assessment area significantly outpaced Ohio and the nation between 2016 and 2017 and lagged behind between 2017 and 2018.

Building Permits					
Area	2016	2017	Percent Change between 2016 and 2017	2018	Percent Change between 2017 and 2018
Brown County, Ohio	70	71	1.4%	92	29.6%
Clermont County, Ohio	488	952	95.1%	579	-39.2%
Hamilton County, Ohio	1,340	1,618	20.7%	1,473	-9.0%
Warren County Ohio	1,287	1,539	19.6%	1,472	-4.4%
Cincinnati, OH-KY-IN MSA	5,867	6,465	10.2%	6,076	-6.0%
Ohio	22,816	23,917	4.8%	24,221	1.3%
United States	1,206,642	1,281,977	6.2%	1,328,827	3.7%

However, the overall increase in the number of permits could indicate an increasing demand for home purchase loans during the evaluation period.

Labor, Employment, and Economic Characteristics

According to ARC,²² the economic status designations for Brown and Clermont counties for fiscal year 2020 are transitional and competitive, respectively, with no distressed areas based on poverty rates, per capita market income, and unemployment rates. Therefore, these rural Appalachian counties appear to be making improvements in economic status.

²² Appalachian Regional Commission (ARC) – County Economic Status and Distressed Areas by State, FY 2020: https://www.arc.gov/appalachian_region/CountyEconomicStatusandDistressedAreasinAppalachia.asp

According to the Centers of Disease Control and Prevention,²³ Brown County is vulnerable to high rates of different types of illnesses as a result of the opioid epidemic. As a result, Brown County may be particularly susceptible to reduced labor market activity and stunted economic growth potential.

According to Dun & Bradstreet, the majority of businesses (89.4%) in the assessment area have revenue under \$1 million. There are approximately 627,200 paid employees in this assessment area who are working in either the private sector or government, according to the Ohio Development Services Agency. By percentage of employees, the largest job category in the assessment area is professional and business, followed by education and health services, trade/transportation/utilities, leisure/hospitality, and manufacturing sectors, respectively.

The following table illustrates the average unemployment rates related to this assessment area.

Unemployment Rates			
Assessment Area: Cincinnati, OH-KY-IN MSA #17140			
Area	Years - Annualized		
	2016	2017	2018
Brown County, Ohio	5.8	5.7	5.4
Clermont County, Ohio	4.4	4.4	4.1
Hamilton County, Ohio	4.4	4.4	4.1
Warren County Ohio	4.2	4.1	3.9
Cincinnati, OH-KY-IN MSA	4.4	4.3	4.0
Ohio	5.0	5.0	4.5
National	4.9	4.4	3.9
<i>Not Seasonally Adjusted</i>			

Unemployment rates across the assessment area were lower than Ohio's unemployment rate during this time period, except in Brown County. Unemployment rates in Clermont and Hamilton counties were higher than the national unemployment rate in 2018 and higher all three years in Brown County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CINCINNATI OH-KY-IN MSA #17140

Lending Test

Peoples' performance under the lending test in this assessment area is good. Peoples' lending activity demonstrates a good responsiveness to the credit needs of the community. Peoples makes an adequate level of community development loans in this assessment area. Peoples has a good distribution among borrowers of different income levels and to businesses of different revenue sizes and a good geographic distribution of loans; however, there was a significant level of lending gaps. Peoples makes use of flexible lending practices in serving credit needs in this assessment

²³ Centers for Disease Control and Prevention: <https://www.cdc.gov/pwld/vulnerable-counties-data.html>

area. Lastly, Peoples exhibits an adequate record of serving the credit needs of low-income individuals and areas and businesses with gross annual revenues of \$1 million or less.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in this assessment area. Greatest consideration was given to the evaluation of HMDA lending (home purchase, refinance, and home improvement), followed by small business and small farm lending based on the overall volume of loans. HMDA-reportable loan products were combined in 2016 and 2017 in order to conduct a meaningful analysis and evaluated separately in 2018. In 2019, home purchase and refinance loans were evaluated separately and home improvement lending was not considered. Details of Peoples' residential mortgage and small business/small farm lending and information regarding peer lending is in Appendices D, E and F.

Lending Activity

Lending levels reflect a good responsiveness to the credit needs in the assessment area. Peoples originated 525 HMDA loans and 351 CRA loans and had a significant level of lending gaps in this assessment area during the evaluation period. The percentage of Peoples' lending in the Cincinnati MSA is 14.8%, while the percentage of total deposits is greater at 13.5%. Lastly, no substantial concentration of loans was identified in excluded counties within this MSA.

The number of HMDA-reportable home purchase, refinance, and home improvement loans increased 470.6% in this assessment area from 2017 to 2018 due to areas added by the American Savings merger and the inclusion of HELOCs. Hamilton County, which was added to this assessment area because of the American Savings merger, accounted for 94 (32.3%) of the 291 loans originated in 2018 and HELOCs represented 67 (23.0%) of the loans. This increased volume did not negatively impact Peoples' performance.

Distribution by Borrower Income and Revenue Size of the Business

Peoples' distribution by borrower income overall is good for residential mortgages. Specifically, the borrower distribution for HMDA and home improvement loans is excellent, while the borrower distribution for home purchase and refinance loans is good. The distribution by revenue size of businesses and small farms is good.

Home Purchase Lending

Peoples made 79 home purchase loans totaling \$16.7 million in 2019. Also, Peoples originated one (1.3%) home purchase loan totaling \$55,000 (0.3%) to borrowers with unknown-income designations.

Peoples made five (6.3%) home purchase loans totaling \$523,000 (3.1%) to low-income borrowers, which was well below the percentage of families at 22.8%. Compared to proxy, the borrower distribution of HMDA loans to low-income borrowers is poor.

Peoples made 23 (29.1%) home purchase loans totaling \$3.2 million (19.1%) to moderate-income borrowers, which substantially exceeded the percentage of families at 15.8%. Given Peoples' strong performance compared to proxy, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 15 home purchase loans totaling \$2.8 million to middle-income borrowers. This represents 19.0% of home purchase loans by volume and 16.8% by dollar amount compared to the percentage of families at 19.3%.

Peoples made 35 home purchase loans totaling \$10.1 million to upper-income borrowers. This represents 44.3% of home purchase loans by volume and 60.6% by dollar amount compared to the percentage of families at 42.1%.

Peoples made 194 home purchase loans totaling \$31.8 million in 2018. Also, Peoples originated five (2.6%) home purchase loans totaling \$696,000 (2.2%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 13.8% by volume and 18.5% by dollar amount.

Peoples made 14 (7.2%) home purchase loans totaling \$1.3 million (4.0%) to low-income borrowers, which was below the percentage of families at 23.0%. The percentage of loans by volume and dollar amount was slightly below the 2018 aggregate of all lenders at 9.1% and 4.7%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is adequate.

Peoples made 52 (26.8%) home purchase loans totaling \$6.0 million (18.9%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.0%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 21.2% and 14.4%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 52 home purchase loans totaling \$9.1 million to middle-income borrowers. This represents 26.8% of home purchase loans by volume and 28.7% by dollar amount compared to the percentage of families at 19.3%. The 2018 aggregate of all lenders made 19.9% by volume and 17.8% by dollar amount to middle-income borrowers.

Peoples made 71 home purchase loans totaling \$14.7 million to upper-income borrowers. This represents 36.6% of home purchase loans by volume and 46.1% by dollar amount compared to the percentage of families at 41.7%. The 2018 aggregate of all lenders made 36.0% by volume and 51.3% by dollar amount to upper-income borrowers.

Overall, Peoples' home purchase lending performance varied compared to the percentage of families and generally exceeded the aggregate of all lenders; therefore, borrower distribution of home purchase lending is good.

Refinance Lending

Peoples made 38 refinance loans totaling \$5.9 million in 2019. Also, Peoples originated three (7.9%) refinance loans totaling \$209,000 (3.6%) to borrowers with unknown-income designations.

Peoples made three (7.9%) refinance loans totaling \$198,000 (3.4%) to low-income borrowers, which was below the percentage of families at 22.8%. Compared to proxy, the borrower distribution of refinance loans to low-income borrowers is poor.

Peoples made five (13.2%) refinance loans totaling \$635,000 (10.8%) to moderate-income borrowers, which was slightly below by volume and below by dollar amount to the percentage of families at 15.8%. Compared to proxy, the borrower distribution of refinance loans to low-income borrowers is good.

Peoples made eight refinance loans totaling \$1.1 million to middle-income borrowers. This represents 21.1% by volume and 18.1% by dollar amount compared to the percentage of families at 19.3%.

Peoples made 19 refinance loans totaling \$3.8 million to upper-income borrowers. This represents 50.0% by volume and 64.2% by dollar amount compared to the percentage of families at 42.1%.

Peoples made 59 refinance loans totaling \$7.2 million in 2018. Also, Peoples originated three (5.1%) refinance loans totaling \$423,000 (5.9%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 9.4% by volume and 9.7% by dollar amount.

Peoples made 13 (22.0%) refinance loans totaling \$760,000 (10.6%) to low-income borrowers, which was slightly below the percentage of families at 23.0% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 10.4% and 5.4%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is excellent.

Peoples made ten (16.9%) refinance loans totaling \$904,000 (12.6%) to moderate-income borrowers, which exceeded the percentage of families at 16.0% by volume and was slightly below by dollar amount. The percentage of loans by volume was slightly below the 2018 aggregate of all lenders at 18.2%, and the percentage of loans by dollar amount exceeded the 2018 aggregate of all lenders at 12.3%. Given Peoples' performance compared to the aggregate of all lenders and strong performance compared to proxy, the borrower distribution of refinance loans to moderate-income borrowers is excellent.

Peoples made 15 refinance loans totaling \$1.6 million to middle-income borrowers. This represents 25.4% of refinance loans by volume and 21.9% by dollar amount compared to the percentage of families at 19.3%. The 2018 aggregate of all lenders made 21.8% by volume and 18.1% by dollar amount to middle-income borrowers.

Peoples made 18 refinance loans totaling \$3.5 million to upper-income borrowers. This represents 30.5% of refinance loans by volume and 48.9% by dollar amount compared to the percentage of families at 41.7%. The 2018 aggregate of all lenders made 40.2% by volume and 54.5% by dollar amount to upper-income borrowers.

Overall, Peoples' home refinance lending performance varied compared to the percentage of families and aggregate of all lenders; therefore, borrower distribution of home refinance lending is good.

HMDA Lending

Peoples made 51 HMDA loans totaling \$5.5 million in 2017. Also, Peoples originated two (3.9%) HMDA loans totaling \$284,000 (5.1%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 15.1% by volume and 14.3% by dollar amount.

Peoples made 11 (21.6%) HMDA loans totaling \$697,000 (12.6%) to low-income borrowers, which exceeded the percentage of families at 17.0% by volume and was below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 6.9% and 3.3%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to low-income borrowers is excellent.

Peoples made 18 (35.3%) HMDA loans totaling \$2.0 million (36.2%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.1%. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 17.3% and 11.7%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is excellent.

Peoples made seven HMDA loans totaling \$799,000 to middle-income borrowers. This represents 13.7% of HMDA loans by volume and 14.4% by dollar amount compared to the percentage of families at 21.5%. The 2017 aggregate of all lenders made 21.8% by volume and 19.2% by dollar amount to middle-income borrowers.

Peoples made 13 HMDA loans totaling \$1.8 million to upper-income borrowers. This represents 25.5% by volume and 31.7% by dollar amount compared to the percentage of families at 45.5%. The 2017 aggregate of all lenders made 38.8% by volume and 51.4% by dollar amount to upper-income borrowers.

Peoples made 25 HMDA loans totaling \$3.5 million in 2016. Also, Peoples originated two (8.0%) HMDA loans totaling \$533,000 (15.3%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 16.7% by volume and 15.2% by dollar amount.

Peoples made four (16.0%) HMDA loans totaling \$361,000 (10.4%) to low-income borrowers, which was slightly below the percentage of families at 17.0% by volume and below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 5.7% and 2.7%, respectively. Given Peoples' performance compared

to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of HMDA loans to low-income borrowers is excellent.

Peoples made six (24.0%) HMDA loans totaling \$509,000 (14.6%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.7% by volume and slightly below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2016 aggregate of all lenders at 15.4% and 10.0%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of HMDA loans to moderate-income borrowers is excellent.

Peoples made seven HMDA loans totaling \$854,000 to middle-income borrowers. This represents 28.0% of HMDA loans by volume and 24.5% by dollar amount compared to the percentage of families at 21.9%. The 2016 aggregate of all lenders made 19.0% by volume and 16.0% by dollar amount to middle-income borrowers.

Peoples made six (24.0%) HMDA loans totaling \$1.2 million (35.5%) to upper-income borrowers. This represents 24.0% by volume and 35.5% by dollar amount compared to the percentage of families at 44.3%. The 2016 aggregate of all lenders made 43.2% by volume and 56.1% by dollar amount to upper-income borrowers. .

Overall, Peoples' HMDA lending performance was generally strong compared to the percentage of families and aggregate of all lenders; therefore, borrower distribution of HMDA lending is excellent.

Home Improvement Lending

Peoples made 38 home improvement loans totaling \$1.9 million in 2018. Also, Peoples originated two (5.3%) home improvement loans totaling \$200,000 (10.5%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 4.0% by volume and 6.3% by dollar amount.

Peoples made four (10.5%) home improvement loans totaling \$128,000 (6.7%) to low-income borrowers, which was well below the percentage of families at 23.0% by volume and dollar amount. However, the percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 9.8% and 4.6%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is good.

Peoples made nine (23.7%) home improvement loans totaling \$440,000 (23.1%) to moderate-income borrowers, which substantially exceeded the percentage of families at 16.0% by volume and dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 18.2% and 12.5%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to moderate-income borrowers is excellent.

Peoples made 11 home improvement loans totaling \$439,000 to middle-income borrowers. This represents 28.9% of home improvement loans by volume and 23.0% by dollar amount compared

to the percentage of families at 19.3%. The 2018 aggregate of all lenders made 20.4% by volume and 16.1% by dollar amount to middle-income borrowers.

Peoples made 12 home improvement loans totaling \$700,000 to upper-income borrowers. This represents 31.6% of home improvement loans by volume and 36.7% by dollar amount compared to the percentage of families at 41.7%. The 2018 aggregate of all lenders made 47.6% by volume and 60.5% by dollar amount to upper-income borrowers.

While Peoples' home improvement lending performance varied compared to the percentage of families, generally, performance substantially exceeded the aggregate of all lenders; therefore, borrower distribution of home improvement lending is excellent. A community contact indicated there is a need to rehabilitate dilapidated housing stock. There is also a high percentage of aged housing units in the area. Therefore, Peoples is being responsive to the need for providing home improvement loans, especially to low- and moderate income borrowers.

Small Business Lending

Peoples made 58 small business loans totaling \$8.3 million to businesses of different sizes in 2019 and 31 (53.4%) of these loans totaling \$2.5 million (30.1%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 89.4%. Therefore, the distribution of small business loans to businesses of different sizes is adequate.

In 2019, Peoples made an adequate percentage of small dollar loans (53.4%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 105 small business loans totaling \$20.3 million to businesses of different sizes in 2018, and 51 (48.6%) of these loans totaling \$6.5 million (31.7%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.8%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 47.6% and 25.3%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2018, Peoples made an adequate percentage of small dollar loans (53.3%) in amounts of \$100,000 or less compared to 90.9% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 65 small business loans totaling \$10.9 million to businesses of different sizes in 2017 and 32 (49.2%) of these loans totaling \$1.8 million (16.5%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 90.0%. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 52.1% and below by dollar amount at 26.1%. Therefore, the

distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2017, Peoples made an adequate percentage of small dollar loans (58.5%) in amounts of \$100,000 or less compared to 91.2% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 40 small business loans totaling \$9.9 million to businesses of different sizes in 2016, and 17 (42.5%) of these loans totaling \$2.5 million (24.8%) were made to businesses with revenues of \$1 million or less. This was well below the percentage of small businesses in the assessment area at 91.2%. The percentage of loans by volume and dollar amount was slightly below the 2016 aggregate of all lenders at 47.6% and 30.3%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is adequate, considering Peoples' performance relative to the aggregate of all lenders.

In 2016, Peoples made an adequate percentage of small dollar loans (50.0%) in amounts of \$100,000 or less compared to 91.7% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Overall, Peoples' small business lending performance was typically below the percentage of small businesses and slightly below the aggregate of all lenders by volume and dollar amount. Peoples also displayed a consistent willingness to make small dollar loans. Therefore, borrower distribution of small business lending is good.

Small Farm Lending

Peoples made 14 small farm loans totaling \$1.9 million to farms of different sizes in 2019 and 13 (92.9%) of these loans totaling \$1.6 million (85.4%) were made to farms with revenues of \$1 million or less. This was slightly below the percentage of small farms in the assessment area at 97.9%. Therefore, the distribution of small farm loans to farms of different sizes is good.

In 2019, Peoples made an adequate percentage of small dollar loans (50.0%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made 28 small farm loans totaling \$5.3 million to farms of different sizes in 2018 and 20 (71.4%) of these loans totaling \$3.4 million (64.0%) were made to farms with revenues of \$1 million or less. This was below the percentage of small farms in the assessment area at 97.9%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 59.8% and 57.8%, respectively. Therefore, the distribution of small farm loans to farms of different sizes is excellent, considering Peoples' performance relative to the aggregate of all lenders.

In 2018, Peoples made an adequate percentage of small dollar loans (46.4%) in amounts of \$100,000 or less compared to 84.4% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made 31 small farm loans totaling \$5.5 million to farms of different sizes in 2017 and 29 (93.5%) of these loans totaling \$4.8 million (86.4%) were made to farms with revenues of \$1 million or less. This was slightly below the percentage of small farms in the assessment area at 99.3%. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 56.8% and 80.0%, respectively. Therefore, the distribution of small farm loans to farms of different sizes is excellent, considering Peoples' performance relative to the aggregate of all lenders.

In 2017, Peoples made an adequate percentage of small dollar loans (51.6%) in amounts of \$100,000 or less compared to 84.9% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Peoples made ten small farm loans totaling \$1.4 million to farms of different sizes in 2016 and seven (70.0%) of these loans totaling \$842,000 (60.5%) were made to farms with revenues of \$1 million or less. This was below the percentage of small farms in the assessment area at 99.6%. The percentage of loans by volume exceeded the 2016 aggregate of all lenders at 59.6% and was slightly below by dollar amount at 72.2%. Therefore, the distribution of small farm loans to farms of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2016, Peoples made an adequate percentage of small dollar loans (60.0%) in amounts of \$100,000 or less compared to 86.0% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small farms.

Overall, Peoples' small farm lending performance was generally below the percentage of farms and exceeded the aggregate of all lenders by volume and dollar amount. Also, Peoples displayed a consistent willingness to make small dollar loans. Therefore, borrower distribution of small farm lending is good.

Geographic Distribution of Loans

Peoples' geographic distribution of home purchase loans is adequate, while the geographic distribution of refinance, HMDA, home improvement, small business, and small farm loans reflects a good penetration throughout the assessment area. The following gaps in lending were noted in the assessment area.

Tract Income Level	Percentage of Lending Penetration			
	2016	2017	2018	2019
Low	N/A	N/A	9.3%	2.4%
Moderate	23.1%	52.9%	35.5%	19.2%
Middle	46.7%	59.0%	56.0%	47.5%
Upper	52.2%	54.2%	56.3%	46.4%
Unknown	0.0%	0.0%	0.0%	0.0%
Total	43.9%	54.9%	43.4%	33.6%

Overall, lending gaps are significant. Gaps were highest in low-income tracts. Peoples did not penetrate a majority of low-income tracts in 2018 and 2019, but made loans in a majority of moderate-income tracts in 2017. Peoples made loans in more than 50.0% of the tracts in 2017.

Home Purchase Lending

Peoples made 79 home purchase loans totaling \$16.7 million in 2019. Peoples made no home purchase loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 3.7%. Given Peoples' performance compared to proxy, the geographic distribution of home purchase loans in low-income tracts is poor.

Peoples made seven (8.9%) home purchase loans totaling \$1.0 million (6.1%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 17.0% by volume and well below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of home purchase loans in moderate-income tracts is adequate.

Peoples made 36 home purchase loans totaling \$6.4 million in middle-income tracts. This represents 45.6% by volume and 38.1% by dollar amount compared to the percentage of owner-occupied units in these tracts at 38.5%.

Peoples made 36 home purchase loans totaling \$9.3 million in upper-income tracts. This represents 45.6% of home purchase loans by volume and 55.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 40.7%.

Peoples made 194 home purchase loans totaling \$31.8 million in 2018. Peoples made three (1.5%) home purchase loans totaling \$190,000 (0.6%) in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 4.0% by volume and substantially below by dollar amount. The percentage of loans by volume and dollar amount was below the 2018 aggregate of all lenders at 2.8% and 1.9%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in low-income geographies is adequate.

Peoples made 29 (14.9%) home purchase loans totaling \$3.7 million (11.5%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 18.0% by volume and below by dollar amount. The percentage of loans by volume was slightly below the 2018 aggregate of all lenders at 16.8% and by dollar amount exceeded the aggregate of all lenders at 11.1%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is good.

Peoples made 92 (47.4%) home purchase loans totaling \$13.7 million (43.1%) in middle-income tracts. This represents 47.4% by volume and 43.1% by dollar amount compared to the percentage of owner-occupied units in these tracts at 39.7%. The 2018 aggregate of all lenders made 41.0% by volume and 36.2% by dollar amount in middle-income tracts.

Peoples made 70 home purchase loans totaling \$14.2 million in upper-income tracts. This represents 36.1% of HMDA loans by dollar amount and 44.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 38.2%. The 2018 aggregate of all lenders made 39.3% by volume and 50.6% by dollar amount in upper-income tracts.

Overall, Peoples' home purchase lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of home purchase lending is adequate.

Refinance Lending

Peoples made 38 refinance loans totaling \$5.9 million in 2019. Peoples made no refinance loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 3.7%. Given Peoples' performance compared to proxy, the geographic distribution of refinance loans in low-income tracts is poor.

Peoples made nine (23.7%) refinance loans totaling \$802,000 (13.7%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 17.0% by volume and was slightly below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of refinance loans in moderate-income tracts is excellent.

Peoples made 15 (39.5%) refinance loans totaling \$2.0 million (34.4%) in middle-income tracts. This represents 39.5% by volume and 34.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 38.5%.

Peoples made 14 (36.8%) refinance loans totaling \$3.0 million (51.9%) in upper-income tracts. This represents 36.8% by volume and 51.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 40.7%.

Peoples made 59 refinance loans totaling \$7.2 million in 2018. Peoples made no refinance loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 4.0%. This was also well below the 2018 aggregate of all lenders by volume and dollar amount at 2.9% and 1.9%, respectively. Compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in low-income tracts is poor.

Peoples made 17 (28.8%) refinance loans totaling \$1.3 million (17.8%) in moderate-income tracts, which exceeded the percentage of owner-occupied units in these tracts at 18.0% by volume and was comparable by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 14.4% and 10.0%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is excellent.

Peoples made 29 (49.2%) refinance loans totaling \$3.2 million (44.2%) in middle-income tracts. This represents 49.2% by volume and 44.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 39.7%. The 2018 aggregate of all lenders made 38.7% by volume and 32.4% by dollar amount in middle-income tracts.

Peoples made 13 refinance loans totaling \$2.7 million in upper-income tracts. This represents 22.0% of refinance loans by volume and 38.0% by dollar amount compared to the percentage of owner-occupied units in these tracts at 38.2%. The 2018 aggregate of all lenders made 44.0% by volume and 55.5% by dollar amount in upper-income tracts.

Overall, Peoples' refinance lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of refinance lending is good.

HMDA Lending

Peoples made 51 HMDA loans totaling \$5.5 million in 2017. Peoples made 15 (29.4%) HMDA loans totaling \$1.2 million (22.4%) in moderate-income tracts, which substantially exceeded the percentage of owner-occupied units in these tracts at 14.4%. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 11.5% and 8.1%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in moderate-income tracts is excellent.

Peoples made 27 (52.9%) HMDA loans totaling \$2.7 million (49.3%) in middle-income tracts. This represents 52.9% by volume and 49.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 46.4%. The 2017 aggregate of all lenders made 44.3% by volume and 38.6% by dollar amount in middle-income tracts.

Peoples made nine HMDA loans totaling \$1.6 million in upper-income tracts. This represents 17.6% of HMDA loans by volume and 28.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 39.2%. The 2017 aggregate of all lenders made 44.2% by volume and 53.3% by dollar amount in upper-income tracts.

Peoples made 25 HMDA loans totaling \$3.5 million in 2016. Peoples made two (8.0%) HMDA loans totaling \$203,000 (5.8%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 9.3% by volume and below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2016 aggregate of all lenders at 7.2% and 4.9%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of HMDA loans in moderate-income tracts is good.

Peoples made 20 HMDA loans totaling \$2.6 million in middle-income tracts. This represents 80.0% of HMDA loans by volume and 75.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 54.0%. The 2016 aggregate of all lenders made 46.9% by volume and 39.2% by dollar amount in middle-income tracts.

Peoples made three HMDA loans totaling \$654,000 in upper-income tracts. This represents 12.0% of HMDA loans by volume and 18.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 36.6%. The 2016 aggregate of all lenders made 45.9% by volume and 55.9% by dollar amount in upper-income tracts.

Overall, Peoples' HMDA lending performance was generally good compared to proxy and strong compared to the aggregate of all lenders; therefore, the geographic distribution of HMDA lending is good.

Home Improvement Lending

Peoples made 38 home improvement loans totaling \$1.9 million in 2018. Peoples made no home improvement loans in low-income tracts, which was well below the percentage of owner-occupied units in these tracts at 4.0%. This was also well below the 2018 aggregate of all lenders by volume and dollar amount at 5.4% and 2.5%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home improvement loans to low-income borrowers is poor.

Peoples made 15 (39.5%) home improvement loans totaling \$603,000 (31.6%) in moderate-income tracts, which substantially exceeded the percentage of owner-occupied units in these tracts at 18.0%. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 15.7% and 9.3%, respectively. Given Peoples' consistently strong performance compared to the aggregate of all lenders, the geographic distribution of home improvement loans in moderate-income tracts is excellent.

Peoples made 14 home improvement loans totaling \$643,000 in middle-income tracts. This represents 36.8% of home improvement loans by volume and 33.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 39.7%. The 2018 aggregate of all lenders made 34.8% by volume and 31.9% by dollar amount in middle-income tracts.

Peoples made nine home improvement loans totaling \$661,000 in upper-income tracts. This represents 23.7% of home improvement loans by volume 34.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 38.2%. The 2018 aggregate of all lenders made 44.0% by volume and 56.2% dollar amount in upper-income tracts.

Overall, Peoples' home improvement lending performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of home improvement lending is good. A community contact indicated there is a need to rehabilitate dilapidated housing stock. There is also a high percentage of aged housing units in the area. Therefore, Peoples is being responsive to the need for originating home improvement loans, particularly in moderate-income areas.

Small Business Lending

Peoples made one (1.7%) loan totaling \$225,000 (2.7%) in low-income tracts, which was well below the percentage of businesses in these tracts at 5.9%. Given Peoples' performance compared to proxy, the geographic distribution of small business loans in low-income tracts is poor.

Peoples made 19 (32.8%) loans in moderate-income tracts totaling \$2.2 million (26.1%), which substantially exceeded the percentage of businesses in these tracts at 19.3%. Given Peoples' strong performance compared to proxy, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 26 (44.8%) loans in middle-income tracts totaling \$4.0 million (48.0%). This represents 44.8% of small business loans by volume and 48.0% by dollar amount compared to the percentage of businesses in these tracts at 32.1%.

Peoples made 12 loans in upper-income tracts totaling \$1.9 million. This represents 20.7% of small business loans by volume and 23.1% by dollar amount compared to the percentage of businesses in these tracts at 41.9%.

Peoples made 105 small business loans totaling \$20.4 million in 2018. Peoples made one (1.0%) loan in low-income tracts totaling \$225,000 (1.1%), which was well below the percentage of businesses in these tracts at 6.0%. The percentage of loans was well below the 2018 aggregate of all lenders by volume and dollar amount at 5.8% and 6.2%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in low-income tracts is poor.

Peoples made 27 (25.7%) loans in moderate-income tracts totaling \$6.2 million (30.3%), which exceeded the percentage of businesses in these tracts at 20.2%. The percentage of loans exceeded the 2018 aggregate of all lenders by volume and dollar amount at 19.7% and 18.8%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 46 loans in middle-income tracts totaling \$8.4 million. This represents 43.8% of small business loans by volume and 41.0% by dollar amount compared to the percentage of businesses in these tracts at 32.6%. The 2018 aggregate of all lenders made 30.5% by volume and 29.4% by dollar amount in middle-income tracts.

Peoples made 31 loans in upper-income tracts totaling \$5.6 million. This represents 29.5% of small business loans by volume and 27.6% by dollar amount compared to the percentage of businesses in these tracts at 40.3%. The 2018 aggregate of all lenders made 42.6% by volume and 44.2% by dollar amount in upper-income tracts.

Peoples made 65 small business loans totaling \$10.9 million in 2017. Peoples made 13 (20.0%) loans in moderate-income tracts totaling \$1.4 million (12.6%), which exceeded the percentage of businesses in these tracts at 15.1% by volume and was slightly below by dollar amount. The percentage of loans substantially exceeded the 2017 aggregate of all lenders at 12.0% and 9.4%, respectively. Given Peoples' strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 31 loans in middle-income tracts totaling \$4.7 million. This represents 47.7% of small business loans by volume and 43.4% by dollar amount compared to the percentage of

businesses in these tracts at 45.0%. The 2017 aggregate of all lenders made 42.3% by volume and 38.7% by dollar amount in middle-income tracts.

Peoples made 21 small business loans in upper-income tracts totaling \$4.8 million. This represents 32.3% of small business loans by volume and 44.1% by dollar amount compared to the percentage of businesses in these tracts at 39.9%. The 2017 aggregate of all lenders made 45.1% by volume and 51.7% by dollar amount in upper-income tracts.

Peoples made 40 small business loans totaling \$9.9 million in 2016. Peoples made two (5.0%) small business loans in moderate-income tracts totaling \$875,000 (8.8%), which was well below the percentage of businesses in these tracts at 10.7% by volume and slightly below by dollar amount. The percentage of loans was below the 2016 aggregate of all lenders at 8.6% by volume and slightly below by dollar amount at 10.9%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is adequate.

Peoples made 17 loans in middle-income tracts totaling \$2.0 million. This represents 42.5% of small business loans by volume and 20.5% by dollar amount compared to the percentage of businesses in these tracts at 51.0%. The 2016 aggregate of all lenders made 44.2% by volume and 40.1% by dollar amount in middle-income tracts.

Peoples made 21 loans in upper-income tracts totaling \$7.0 million. This represents 52.5% of small business loans by volume and 70.7% by dollar amount compared to the percentage of businesses in these tracts at 38.3%. The 2016 aggregate of all lenders made 47.3% by volume and 49.0% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small business lending is good.

Small Farm Lending

Peoples made 14 small farm loans totaling \$1.9 million in 2019. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 1.8%. Given Peoples' performance compared to proxy, the geographic distribution of small farm loans in low-income tracts is poor.

Peoples made seven (50.0%) loans in moderate-income tracts totaling \$992,000 (51.6%), which substantially exceeded the percentage of farms in these tracts at 22.0%. Given Peoples' strong performance compared to proxy, the geographic distribution of small farm loans in moderate-income tracts is excellent.

Peoples made six loans in middle-income tracts totaling \$730,000. This represents 42.9% by volume and 38.0% by dollar amount compared to the percentage of farms in these tracts at 44.6%.

Peoples made one loan in upper-income tracts totaling \$200,000. This represents 7.1% of small farm loans by volume and 10.4% by dollar amount compared to the percentage of farms in these tracts at 31.3%.

Peoples made 28 small farm loans totaling \$5.3 million in 2018. Peoples made no small farm loans in low-income tracts, which was well below the percentage of farms in these tracts at 2.0%. The 2018 aggregate of all lenders only made 0.6% by volume and less than 0.1% by dollar amount. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in low-income tracts is adequate.

Peoples made 16 (57.1%) loans in moderate-income tracts totaling \$3.6 million (67.4%), which substantially exceeded the percentage of small farms in these tracts at 23.1%. The percentage of loans substantially exceeded the 2018 aggregate of all lenders by volume and dollar amount at 24.6% and 36.1%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is excellent.

Peoples made 11 loans in middle-income tracts totaling \$1.6 million. This represents 39.3% of small farm loans by volume and 29.5% by dollar amount compared to the percentage of farms in these tracts at 47.7%. The 2018 aggregate of all lenders made 50.3% by volume and 51.4% by dollar amount in middle-income tracts.

Peoples made one loan in upper-income tracts totaling \$165,000. This represents 3.6% of small farm loans by volume and 3.1% by dollar amount compared to the percentage of farms in these tracts at 26.9%. The 2018 aggregate of all lenders made 24.6% by volume and 12.5% by dollar amount in upper-income tracts.

Peoples made 31 small farm loans totaling \$5.5 million in 2017. Peoples made 19 (61.3%) loans in moderate-income tracts totaling \$3.3 million (60.7%), which exceeded the percentage of farms in these tracts at 29.2% by volume and dollar amount. The percentage of loans exceeded the 2017 aggregate of all lenders at 32.2% and 43.6%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is excellent.

Peoples made 11 loans in middle-income tracts totaling \$2.0 million. This represents 35.5% of small farm loans by volume and 36.3% by dollar amount compared to the percentage of farms in these tracts at 55.6%. The 2017 aggregate of all lenders made 53.4% by volume and 46.6% by dollar amount in middle-income tracts.

Peoples made one small farm loan in upper-income tracts totaling \$165,000. This represents 3.2% of small farm loans by volume and 3.0% by dollar amount compared to the percentage of farms in these tracts at 15.2%. The 2017 aggregate of all lenders made 14.4% by volume and 9.8% by dollar amount in upper-income tracts.

Peoples made 10 small farm loans totaling \$1.4 million in 2016. Peoples made no small farm loans in moderate-income tracts, which was substantially below the percentage of farms in these

tracts at 9.2% by volume and dollar amount. The percentage of loans was substantially below the 2016 aggregate of all lenders at 6.6% by volume and 1.8% by dollar amount. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small farm loans in moderate-income tracts is very poor.

Peoples made eight loans in middle-income tracts totaling \$1.3 million. This represents 80.0% of small farm loans by volume and 92.8% by dollar amount compared to the percentage of farms in these tracts at 71.9%. The 2016 aggregate of all lenders made 70.6% by volume and 82.0% by dollar amount in middle-income tracts.

Peoples made two loans in upper-income tracts totaling \$100,000. This represents 20.0% of small farm loans by volume and 7.2% by dollar amount compared to the percentage of farms in these tracts at 18.9%. The 2016 aggregate of all lenders made 22.8% by volume and 16.1% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small farm lending is good.

Community Development Loans

Peoples originated or renewed three community development loans totaling approximately \$6.3 million during the evaluation period, as shown in the following table.

Purpose of CD Loan	#	\$
Economic Development	1	\$2,300,000
Community Services	2	\$3,990,000
Total	3	\$6,290,000

Community development lending represents 6.4% of Peoples' total community development loans by dollar amount compared to 13.5% of total deposits and 14.8% of total loans in this assessment area. This ranks as Peoples' fourth-highest percentage of community development lending by dollar amount during the evaluation period. There is significant competition for community development loans and a number of large national banks in this market; Peoples ranks 13th out of 47 institutions with 0.3% of the deposit market share. Therefore, Peoples makes an adequate level community development loans in the Cincinnati assessment area.

The economic development loan was an SBA 504 loan that helped a small business construct a day care center and create 40 new jobs for low- and moderate-income individuals. The two community services loans provided working capital to the day care center that primarily serves low- and moderate-income children.

Flexible Lending Programs

Peoples originated 18 loans in three government-guaranteed loan programs totaling \$1.2 million in this assessment area during the evaluation period. The flexible lending products were combined in order to conduct a meaningful analysis. The following tables show the percentage by volume

and dollar amount of the combined flexible lending programs and the distribution of lending within the assessment area by census tract and borrower income.

Geographic Distribution of Flexible Loan Programs												
	Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)
All Flexible Mortgage Loan Programs	2.8%	1.2%	4.0%	41.7%	34.7%	18.0%	50.0%	58.1%	39.7%	5.6%	6.0%	38.2%

Peoples originated one loan in low-income tracts and 15 loans in moderate-income tracts. The percentage of these loans in low-income geographies was below the percentage of owner-occupied units by volume and dollar amount. The percentage of these loans in moderate-income geographies exceeded the percentage of owner-occupied units by volume and dollar amount.

Borrower Distribution of Flexible Loan Programs												
	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers		
	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)
All Flexible Mortgage Loan Programs	36.1%	24.4%	23.0%	52.8%	60.4%	16.0%	8.3%	11.0%	19.3%	2.8%	4.2%	41.7%

Peoples originated 13 loans to low-income borrowers and 19 loans to moderate-income borrowers. The percentage of these loans to low- and moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples was able to assist low- and moderate-income borrowers purchase homes and borrowers purchasing properties in low- and moderate-income areas through the use of these down-payment assistance programs.

Peoples originated 21 SBA 7(a) loans totaling \$7.2 million, representing 29.2% of SBA lending by dollar amount. These loans provide funds to start-ups and existing small businesses with access to capital with more flexible repayment terms than conventional commercial financing for multiple purposes.

Therefore, Peoples makes use of flexible lending practices in serving the credit needs of the Cincinnati MSA. These programs are designed to improve affordable housing for low- and moderate-income individuals and provide small businesses with access to capital to help existing companies retain and expand their businesses or attract new small businesses to the area. Further, community contacts noted affordable housing as a significant need in this area. Therefore, the qualitative impact of these programs on low- and moderate-income borrowers and geographies and small businesses enhanced Peoples' overall lending test performance.

Investment Test

Peoples holds one prior period investment with a current book value of approximately \$560,379. This investment supports affordable housing facilitated by use of a mortgage-backed securities loan pool, as community contacts stressed the critical need for affordable housing.

Peoples also made 26 donations totaling \$138,380. Donations in the Cincinnati MSA supported a wide array of organizations and non-profits to fund outreach activities, affordable housing, educational programs, and initiatives aimed at responding to community needs. A \$75,000 donation was made to a college foundation that helps support academic programs targeted toward low- and moderate-income students. Community contacts stressed the critical need for affordable housing and wraparound social services targeted to the lower-income individuals and families these donations support. The following table reflects the total number community development donations by purpose, number, and dollar amount.

Purpose of CD Donation	#	\$
Community Services	22	\$132,600
Affordable Housing	4	\$5,780
Total	26	\$138,380

Overall, Peoples made 2.5% of its total qualified community development investments in the Cincinnati assessment, which is less than the percentage of total deposits at 13.5%, total loans at 14.8%, and the total percentage of branch offices at 21.1%. This is Peoples' ninth-highest percentage of qualified community development investment activity. Therefore, Peoples exhibits a poor responsiveness to credit and community development needs in the Cincinnati assessment area.

Service Test

Peoples' retail services are accessible and Peoples provides an relatively high level of community development services.

Retail Services

Peoples acquired two branches without ATMs in upper-income tracts due to the acquisition of ASB. Peoples has not closed any branches or full-service ATMs since the previous evaluation. Peoples also acquired two LPOs in upper-income tracts that originate mortgage loans. Peoples' record of opening and closing offices has not adversely affected the accessibility of its delivery systems, in low- or moderate-income geographies and to low- and moderate-income households. Peoples' delivery services are accessible to portions of its geographies and individuals of different income levels. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including moderate-income geographies or to low- and moderate-income households, and are consistent with the services and hours discussed in the Institution assessment.

Peoples has 15 branch offices in the Cincinnati assessment area. There are 13 branches with full-service ATMs and two branches without ATMs. These branches provide drive-through and extended and/or weekend hours of service. Peoples' branch offices in this assessment area represent 21.1% of its branch offices.

The following table illustrates the percentage of branch offices in low-, moderate-, middle-, and upper-income census tracts in comparison to the number and percentage of census tracts and the

percentage of households and businesses in those tracts in 2019, based on 2015 U.S. Census data. Peoples had no branch offices in low-income, three in moderate-income, nine in middle-income, and one in upper-income census tracts in 2016, based on 2010 U.S. Census data.

Geographic Distribution of Branches

Exam: Peoples Bank 2020

Analysis Year: 2019

2019 OH Cincinnati MSA #17140

Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		41	13.5%	9.3%	5.7%
	LS	0		0	0						
Moderate	Total	5	33.3%	0	0	4	0	5			
	DTO	0		0	0	0		73	24.0%	21.2%	19.2%
	LS	0		0	0						
Middle	Total	6	40.0%	0	0	6	6	5			
	DTO	0		0	0	0		101	33.2%	36.2%	32.3%
	LS	0		0	0						
Upper	Total	4	26.7%	2	0	4	2	3			
	DTO	0		0	0	0		84	27.6%	33.0%	41.9%
	LS	0		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		5	1.6%	0.2%	0.9%
	LS	0		0	0						
Totals	Total	15	100.0%	2	0	14	8	13			
	DTO	0		0	0	0		304	100.0%	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

*Closed branches are only included in the "Closed" columns and are not included in any other totals

LPOs not included in totals.

The distribution of branches in moderate-income census tracts exceeded the percentage of census tracts, households, and total businesses in these tracts. Peoples has no branches in low-income tracts. Therefore, branch distribution in moderate-income tracts is considered excellent and the branch distribution in low-income tracts is considered poor.

Community Development Services

Peoples provides a relatively high level of community development services in this assessment area. During the evaluation period, at least 10 employees provided 67 services totaling at least 796 hours community development services to 35 different organizations that provide a multitude of services throughout the assessment area. This represents 5.6% of all community development service and 11.0% of total reported service hours, which is less than the percentage of total deposits at 13.5% and the percentage of branch offices at 21.1%. In addition, the community development service hours provided in this assessment area equate to 0.40 ANP.

Community Services			Economic Development			Affordable Housing		
# Services	# Hours	# Orgs	# Services	# Hours	# Orgs	# Services	# Hours	# Orgs
11	578	7	5	206	5	3	12	3

Financial Literacy Education*			
How to Do Your Banking		Saving with Mandy and Randy	
# Services	# Orgs	# Services	# Orgs
26	12	22	8
*Number of employees and hours not available			

Employees provided financial expertise through leadership positions in multiple community organizations that offer services to low- and moderate-income individuals and families and promote affordable housing, community and economic development. Community development services include 396 hours serving on boards and committees and 400 hours providing technical expertise. Hours providing financial literacy education were not available.

Community contacts stressed the critical need for affordable housing and a multitude of wraparound social services targeted to lower-income individuals and families. Community contacts also expressed the need for financial literacy training for low- and moderate-income children and adults. The majority of community development services addressed these needs. Employees provided technical expertise, including, but not limited to, fund raising for organizations, serving on boards for organizations that provide a multitude of wraparound social services, and various aspects of affordable housing. The majority of services provided supports financial literacy training to low- and moderate-income children and a few financial workshops for small businesses. As a result, these community development services are considered to be responsive to low- and moderate-income areas and individuals and available service opportunities in the Cincinnati assessment area.

METROPOLITAN AREAS
(Limited-scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

- **Akron OH MSA #10420**
 - As of December 31, 2019, Peoples operated four branches in the assessment area, representing 7.0% of its branches in Ohio.
 - As of June 30, 2019, Peoples had \$84.5 million in deposits in this assessment area, representing a market share of 0.7% and 3.1% of its statewide deposits.
- **Cleveland-Elyria OH MSA #17460**
 - As of December 31, 2019, Peoples operated one branches in the assessment area, representing 1.8% of its branches in Ohio.
 - As of June 30, 2019, Peoples had \$104.3 million in deposits in this assessment area, representing a market share of 0.1% and 3.9% of it statewide deposits.
- **Columbus, OH MSA #18140**
 - As of December 31, 2019, Peoples operated five branches in the assessment area, representing 8.8% of its branches in Ohio.
 - As of June 30, 2019, Peoples had \$101.5 million in deposits in this assessment area, representing a market share of 1.8% and 3.8% of it statewide deposits.
- **Dayton, OH MSA #19380**
 - Peoples operated one branch in the assessment area which closed on December 14, 2017, at which time Peoples exited this market.
 - As of June 30, 2017, Peoples had \$9.5 million in deposits in this assessment area, representing a market share of 0.8% and less than 1.0% of it statewide deposits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

Through the use of available facts and data, including performance and demographic information, each assessment area's performance was evaluated and compared with Peoples' performance in the state. The conclusions regarding performance are provided in the tables below. Please refer to the tables in Appendices G, H, and I for information regarding these areas.

Assessment Area	Lending Test	Investment Test	Service Test
Akron OH MSA	Below	Consistent	Below
Cleveland-Elyria OH MSA	Below	Consistent	Consistent
Columbus OH MSA	Below	Below	Below
Dayton OH MSA	Below	Consistent	Below

For the lending test, Peoples received an "Outstanding" rating in Ohio. Performance in these limited-scope assessment area was below Peoples' performance for the state. Lending levels reflect a good responsiveness to credit needs in the Akron, Columbus, and Dayton assessment areas and an adequate responsiveness in the Cleveland-Elyria MSA. The borrower distribution is good for HMDA loans and the distribution of businesses of different revenue sizes. The geographic distribution of loans is good, with a significant level of lending gaps in the Columbus MSA and substantial levels of lending gaps in the Akron, Cleveland-Elyria, and Dayton

assessment areas. Peoples exhibits a good record of serving low-income individuals and geographies and very small businesses in the Akron, Columbus, and Dayton assessment areas and an adequate record in the Cleveland-Elyria MSA. Lastly, Peoples is a leader in making community development loans in the Cleveland-Elyria MSA and makes an adequate level of community development loans in the Columbus MSA and makes few, if any community development loans in the Akron and Dayton assessment areas.

For the investment test, Peoples received an “Outstanding” rating in Ohio. Investment activity in the Akron, Cleveland-Elyria, and Dayton assessment areas is consistent with Peoples’ performance for the state, but below performance for the state in the Columbus MSA. The weaker performance was primarily due to a lower level of qualified investments and contributions relative to Peoples’ operational presence in the assessment area.

For the service test, Peoples received an “Outstanding” rating in Ohio. Performance in was below Peoples’ performance for the state in the Akron, Columbus, and Dayton assessment areas and consistent in the Cleveland-Elyria MSA. Retail services were readily accessible in the Cleveland-Elyria MSA, accessible in the Akron MSA, and unreasonably inaccessible to portion of the Cleveland-Elyria and Dayton assessment areas. Peoples was a leader in providing community development services in the Akron MSA and Cleveland-Elyria MSA. Peoples provides a relatively high level of community development services in the Columbus MSA and provides few, if any community development services in the Dayton MSA. The weaker performance was primarily due to providing a lower level of community development services relative to Peoples’ operational presence in the assessment area.

The performance in the limited-scope assessment areas did not change the overall state rating.

STATE OF WEST VIRGINIA

CRA RATING for State of West Virginia:²⁴ Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

The major factors supporting this rating include:

- A good responsiveness to credit needs;
- A good distribution of loans among borrowers of different income levels and businesses of different revenue sizes;
- A good geographic distribution of loans throughout the assessment area;
- A good record of serving the credit needs of low-income individuals and areas and very small businesses;
- Makes a low level of community development loans;
- Makes use of flexible lending practices in serving assessment area's credit needs;
- Makes an adequate level of qualified community development investments and grants;
- Rarely in a leadership position in providing community development investments and grants;
- Retail delivery systems that are readily accessible to all geographies and individuals of different income levels and businesses of different revenue sizes;
- A record of opening and closing banking centers that has not adversely affected the accessibility of delivery systems;
- Banking services and hours that do not vary in a way that inconveniences any portions of the assessment areas; and,
- An adequate level of providing community development services.

SCOPE OF EVALUATION

A full-scope review was conducted for the Parkersburg-Vienna MSA and a limited-scope review was conducted for Nonmetropolitan West Virginia. The time period and products evaluated for these assessment areas are consistent with the scope discussed in the Institution section of this report.

The Parkersburg-Vienna MSA received greater weight in determining the CRA rating for the state, since it had the largest lending volumes and number of banking centers and ranked third in the institution's share of lending, fourth in percentage of branches, and fifth in percentage of deposits

²⁴ For institutions with branches in two or more states in a multi-state metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multi-state metropolitan area. Refer to the multi-state metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

during the evaluation period. Nonmetropolitan West Virginia ranked eighth in Peoples' share of lending, third in percentage of deposits, and seventh in percentage of branches during the evaluation period.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF WEST VIRGINIA

Lending activity accounted for 12.6% of the Peoples' total lending activity and deposits accounted for 9.8% of the Peoples' total deposits. HMDA-reportable lending in West Virginia represented 15.8% of Peoples' total HMDA lending and CRA-reportable lending represented 8.1% of Peoples' total CRA lending. As of June 30, 2019, Peoples ranked 16th among 71 insured institutions and has a deposit market share of 1.0% in West Virginia.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF WEST VIRGINIA

Lending Test

Peoples' performance under the lending test in West Virginia is rated "High Satisfactory."

Lending Activity

Peoples originated 590 HMDA loans totaling \$59.8 million and 154 small business loans totaling \$23.9 million during the evaluation period in West Virginia.

Peoples' lending activity reflects a good responsiveness to the credit needs across its assessment area in West Virginia, taking into consideration economic conditions and competitive factors. Lending activity is good the Parkersburg-Vienna MSA and Nonmetropolitan West Virginia. No substantial concentration of loans was identified in excluded counties within Peoples' delineated footprint in the Parkersburg-Vienna MSA.

Borrower-Income, Business Revenue Size, and Geography

The overall distribution of loans among borrowers of different income levels and to businesses of different sizes in West Virginia is good. HMDA-reportable lending to borrowers of different income levels and to businesses of different sizes is good in the Parkersburg-Vienna MSA and Nonmetropolitan West Virginia.

The overall geographic distribution of loans reflects a good penetration in West Virginia. The geographic distribution of HMDA-reportable and small business loans is good in the Parkersburg-Vienna MSA and Nonmetropolitan West Virginia.

A detailed analysis for the borrower-income distribution and geographic distribution is provided with the analysis for each assessment area.

Community Development Loans

Peoples made two community development loans totaling \$75,000 in the Parkersburg-Vienna MSA and two community development loans totaling \$60,000 in Nonmetropolitan West Virginia and was considered responsive to the credit and community development needs and opportunities in its delineated assessment areas in West Virginia. Therefore, consideration was given to a community development loan totaling \$1.6 million that benefited a broader statewide area. The loan provided financing to an Economically Disadvantaged Women-Owned Small Business (EDWOSB) that enabled the business to acquire a competitor and gain a greater market share. This small business specializes in maintenance and care of airport runways and traffic control services primarily located distressed rural areas across the state. This loan helps to exhibit an adequate record of serving the credit needs of a small business.

These five community development loans totaling approximately \$1.7 million account for 1.7% of Peoples' total community development lending by dollar amount during the evaluation period. This is less than the percentage of total deposits at 9.8% and total loans at 12.6%; therefore, Peoples makes a low level of community development loans in West Virginia.

Peoples' community development lending by dollar amount in the Parkersburg-Vienna MSA and Nonmetropolitan West Virginia represents less than 0.2% of total community development lending; therefore, Peoples makes a low level of community development loans in these assessment areas.

Flexible Lending

Overall, Peoples makes use of flexible lending practices within its delineated CRA footprint in West Virginia. Peoples originated mortgage loans under several government-guaranteed loan programs. These loans tend to assist low- and moderate-income borrowers purchase homes through the use of these down-payment assistance programs. Peoples also originated several SBA 7(a) loans that provide small businesses with access to capital with more flexible repayment terms.

Investment Test

Peoples' performance under the investment test in West Virginia is rated "Low Satisfactory."

Peoples made several donations totaling \$26,200 in the Parkersburg-Vienna MSA and \$14,046 in Nonmetropolitan West Virginia. These donations primarily assisted organizations and non-profits provide affordable housing support and wraparound services to low- and moderate-income individuals and families.

Peoples also had two prior period community development investments with a current book value of approximately \$2.0 million and made three donations totaling \$1,500. The qualified prior period investments are housing development bonds that raise money for affordable housing development throughout West Virginia. The three donations supported two non-profit organizations that provide wraparound services to low- and moderate-income individuals and families across West Virginia.

Overall, Peoples made 7.3% of its total qualified community development investments in West Virginia, which is less than the percentage of total deposits at 9.8%, total loans at 12.6%, and total percentage of branch offices at 14.1%. Therefore, Peoples has an adequate level of qualified community investments and contributions in West Virginia, particularly those not routinely provided by private investors, rarely in a leadership position and exhibits an adequate responsiveness to credit and community development needs.

Additional information regarding performance under the investment test is provided in the respective analyses.

Service Test

Peoples' performance under the service test in West Virginia is rated "High Satisfactory." Retail services are readily accessible and Peoples provides an adequate level of community development services.

For details regarding the institution's performance in the individual assessment areas, refer to the respective assessment area's "Service Test" section in this report.

Retail Services

Since the previous evaluation, Peoples has not opened any new branches in West Virginia. Peoples closed a branch with a full-service ATM in a middle-income tract in 2017 and two in-store branches in middle-income tracts in 2019 in Nonmetropolitan West Virginia; there are no low- or moderate-income geographies in this assessment area. Therefore, Peoples' record of opening and closing branches has not adversely affected the accessibility of its delivery systems. For this evaluation period, Peoples has eight branches, six full-service ATMs, and two cash-only ATMs in West Virginia, representing 11.3% of Peoples' total branch offices.

Overall retail delivery systems are readily accessible to Peoples' geographies and individuals of different income levels in West Virginia. Nearly 13.0% of Peoples' branches serve low- and moderate-income geographies in West Virginia. Delivery systems are readily accessible in the Parkersburg-Vienna MSA and accessible in Nonmetropolitan West Virginia.

Banking services do not vary or inconvenience any portion of Peoples' assessment areas in West Virginia. Banking centers are generally open six days a week and provide lobby or drive-through services full days Monday through Thursday (8:00 a.m. to 5:00 p.m.) and Friday (8:00 am to 6:00 pm) and half days on Saturday (8:30 a.m. – noon). All eight offices in West Virginia offer extended hours until 6:00 pm during the week and have weekend hours. The in-store branch office in Parkersburg is open Monday through Friday (9:00 a.m. to 7:00 p.m.) and on Saturday (9:00 am to 5:00 pm) and on Sunday (noon – 5:00 p.m.).

Peoples uses alternative delivery systems to supplement its branch and ATM networks; the website, mobile banking, and telephone banking services are available to all bank customers regardless of location or income.

Community Development Services

Peoples provides an adequate level of community development services in West Virginia. During the evaluation period, at least eight employees provided 71 services totaling at least 105 hours of community development services to 37 different organizations that provide a multitude of services in West Virginia. This represents 5.9% of all community development services and 5.2% of total reported service hours, which is less than the percentage of total deposits at 9.8% and the percentage of branch offices at 11.3%. In addition, the available community development service hours in West Virginia equate to 0.04 ANP. Peoples provides an adequate level of community development services in the Parkersburg-Vienna MSA and a limited level of community development services in Nonmetropolitan West Virginia.

Peoples' directors, officers, and staff provided their financial expertise to the community by engaging in activities that promoted or facilitated services for low- and moderate-income individuals, financial literacy education, affordable housing, and economic development.

METROPOLITAN AREA
(Full-scope Review)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
PARKERSBURG-VIENNA WV #37620**

The Parkersburg-Vienna WV MSA (Parkersburg-Vienna) consists of Wood County in West Virginia. Peoples' delineated assessment area excludes Wirt County. Due to changes in MFI levels resulting from U.S. Census data changes, this assessment area was comprised of the following tracts for this evaluation:

Tract Income Level	2016	2017/2018/2019
	Number of Tracts	Number of Tracts
Low	0	0
Moderate	5	5
Middle	17	15
Upper	4	6
Unknown	0	0
Total	26	26

The assessment area lost two middle-income census tracts and gained two upper-income census tracts between 2016 and 2017. There were no changes to the number of low-, moderate- or unknown-income census tracts.

As of June 30, 2019, Peoples ranked seventh out of 11 institutions with 7.1% of the deposit market share in this assessment area. United Bank had the largest deposit market share with 33.2%, followed by WesBanco Bank, Branch Banking and Trust Company, Community Bank of Parkersburg, Williamstown Bank, and The Huntington National Bank with 14.6%, 13.8%, 11.2%, 8.3%, and 8.1%, respectively. Also, Peoples ranked seventh out of 12 institutions with 6.9% of the deposit market share in the entire MSA. Deposits in this assessment area accounted for 3.7% of Peoples' total deposits. This was the fifth-highest percentage of deposits within Peoples' CRA footprint.

From August 1, 2016 through June 30, 2019, Peoples originated 490 HMDA-reportable loans and 112 CRA-reportable small business loans, which represents 13.1% and 5.9%, respectively of these loan types originated during the evaluation period. These are the third-largest HMDA and sixth-largest CRA markets for loans originated during the evaluation period.

Peoples ranked first among 113 HMDA reporters in the MSA in 2018, followed by Community Bank of Parkersburg, The Huntington National Bank, Quicken Loans, and Wesbanco Bank. Peoples ranked 11th of 47 CRA reporters in the MSA in 2018. The top five CRA lenders in the assessment area were United Bank, American Express National Association, Branch Banking & Trust Company, Synchrony Bank, and Citibank National Association. These lenders tend to be issuers of credit cards and their CRA loans primarily consist of commercial credit card accounts.

Community Contacts

An interview was conducted with a community contact to provide additional information regarding the assessment area. The contact was with a public charity foundation focused on generating a permanent base of grant making capital that can be used on projects to improve the quality of life and address immediate needs in the community. According to the contact, Parkersburg's economy has multiple challenges. While the area has major employers that pay a livable wage and offer decent health and retirement benefits, most employment opportunities are service and hospitality jobs that tend to be part-time and do not pay a livable wage or offer benefits. The average income for these jobs ranges from \$25,000 to \$30,000 a year. The Parkersburg area suffers from systemic poverty and has the underlying issues and barriers associated with persistent poverty, such as lack of access to jobs that pay a livable wage, decent healthcare, reliable transportation, healthy food, education, and adequate housing. There is a need for a multitude of services to help low-income residents, especially hunger relief and emergency housing assistance. The contact said that Parkersburg's economy has been adversely impacted by the opioid epidemic, as the area has a high percentage of displaced workers due to the effects of widespread opioid use and addiction. The contact indicated Parkersburg has a high rate of homeownership, but the homes in low-income areas are in poor condition; as such, there is a need for home improvement-type loans. Housing prices in Parkersburg are either low or high; there is not much housing available in the moderate price range (\$200,000 - \$350,000). The median price of homes in Parkersburg tends to range from \$90,700 to \$119,000, below the national average. There has been minimal new construction in the area for the last several years; any new construction tends to be senior living apartments. Rents for these apartments is about \$1,400 per month for a three-bedroom unit. For older units, the average rent is about \$700 per month. Individuals who can afford the higher rental and mortgage rates tend to be retired professionals. In downtown Parkersburg, there is a significant number of old, dilapidated buildings. Several private investors wanted to invest, but could not attract commercial or residential tenants willing to pay higher rental rates to justify the costs of investing in these properties. The lack of amenities in the downtown area also hampers the ability to attract businesses and residents. The contact said area banks are involved in the community, as the foundation benefited from a CRA-qualified in-kind donation; for the past 20 years, a local bank provided the foundation with office space. This same bank also provided funding to help the foundation construct its headquarters in 2010.²⁵

Population Characteristics

According to 2015 U.S. Census data, the population in the assessment area was 86,559, of which 10.1% live in moderate-income tracts. In addition, 78.6% of the population was 18 years of age or older, the legal age to enter into a contract. The population of those age 65 and over was 18.1% in Wood County compared to 17.3% in West Virginia. The larger senior population may indicate the assessment area likely has a smaller working- and consumer-age population and reduced economic activity. The following table shows the population change in the assessment area;

²⁵ The community contact also indicated the COVID-19 pandemic is having a significant negative impact on the community, such as increases in unemployment and food insecurity, the strain on the social safety net, and the exacerbation of the existing opioid crisis. Since this evaluation period ended prior to the pandemic, these conditions were not considered in this performance evaluation but will likely be important performance context factors in the next CRA performance evaluation.

overall, the population decreased by 2.5% during this time period.

Area	Population Change				
	2010 Population	2015 Population	Percent Change Between 2010 and 2015	2018 Population	Percent Change Between 2015 and 2019
Wood County	86,956	86,559	-0.5%	84,203	-2.7%
West Virginia	1,852,994	1,851,420	-0.1%	1,805,832	-2.5%

Parkersburg is the most populous city in Wood County with 29,675 residents and its population decreased 5.2% between 2010 and 2018.²⁶ Also, Parkersburg is the fourth-largest city in West Virginia.²⁷

Income Characteristics

The 2015 MFI (\$52,576) in the assessment area was greater than West Virginia's MFI (\$52,866). The assessment area's MFI decreased by 3.3% from 2015 to 2016. As shown below, the MFI significantly increased by 10.7% from 2016 to 2017; however, the MFI decreased by 6.5% from 2017 to 2018 and significantly increased again by 12.3% from 2018 to 2019.

Borrower Income Levels
Parkersburg-Vienna, WV MSA

FFIEC Estimated Median Family Income			Low		Moderate		Middle		Upper	
Year	\$	% Change	0	-	50%	-	80%	-	120%	-
2016	\$50,900		0	-	\$25,449	\$25,450	\$40,719	\$40,720	\$61,079	& above
2017	\$57,000	10.7%	0	-	\$28,499	\$28,500	\$45,599	\$45,600	\$68,399	& above
2018	\$53,500	-6.5%	0	-	\$26,749	\$26,750	\$42,799	\$42,800	\$64,199	& above
2019	\$61,000	12.3%	0	-	\$30,499	\$30,500	\$48,799	\$48,800	\$73,199	& above

While poverty rates were lower in Wood County than in West Virginia between 2016 and 2018, poverty rates in Wood County and West Virginia were significantly higher than national rates during this period.

Poverty Rates			
Assessment Area: Parkersburg-Vienna, WV #37620			
Area	Years		
	2016	2017	2018
Wood County	17.2	18.2	15.0
West Virginia	17.9	18.5	17.4
National	14.0	13.4	13.1

¹ U.S. Census Bureau QuickFacts:

<https://www.census.gov/quickfacts/fact/table/irontoncityohio,flatwoodcitykentucky,ashlandcitykentucky,huntingtoncitywestvirginia,US/PST045219>

²⁷ Biggest U.S. Cities by Population – West Virginia: <https://www.biggestuscities.com/wv>

According to 2015 U.S. Census data, 16.7% of the 36,192 households in this assessment area are below the poverty level, 3.1% are receiving public assistance, and 12.9% have rent costs greater than 30.0% of their monthly income.

Housing Characteristics

According to the 2015 U.S. Census data, there are 40,265 housing units and 23,325 families in the assessment area. From an income perspective, 11.1% of the housing units and 9.0% of families in the assessment area are in moderate-income tracts. In addition, 49.0% of housing units in moderate-income tracts are owner-occupied, 35.0% are rental, and 16.0% are vacant. Therefore, based on the limited number of moderate-income tracts, a lower number of families and housing units, and a higher percentage of rental/vacant units, there appears to be limited credit-related opportunities for Peoples to make home purchase loans in moderate-income tracts and provide various aspects of affordable housing.

The 2015 U.S. Census data shows the median age of housing stock was 53 years old and 22.9% of assessment area's 40,265 housing units are at least 65 years old (built before 1950), which indicates there are opportunities to make home improvement loans. The median housing value in the assessment area was \$107,013 with an affordability ratio of 39.0. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. As indicated in the following table, median housing values increased between 2010 and 2015, while housing became less affordable most likely because MFI did not keep pace with home price growth and median gross rents increased. The following table presents housing characteristics from the U.S. Census data between 2010 and 2015 in the assessment area.

Housing Costs Change								
County	Median Housing Value		Percent Change	2010 Affordability Ratio	2015 Affordability Ratio	Median Gross Rent		Percent Change
	2010	2015				2010	2015	
Wood County, West Virginia	\$102,524	\$107,013	4.4%	41.1	39.1	\$569	\$622	9.3%
West Virginia	\$94,500	\$103,800	9.8%	40.6	40.2	\$549	\$643	17.1%

According to 2015 U.S. Census data, 33.3% of renters in the assessment area have rent costs more than \$700 a month and nearly 45.0% of units for rent (10,401) have renters who are considered to be cost-burdened or have rent costs greater than 30.0% of their monthly income. Increasing rental costs may make it more difficult for potential first-time homebuyers to save enough to make a sufficient down payment in the rising interest rate environment.

Building permits are a leading indicator of future activity in the construction sector. As indicated in the following table, building permits in Wood County did not reflect statewide and national trends between 2016 and 2018.

Area	Building Permits				
	2016	2017	Percent Change between 2016 and 2017	2018	Percent Change between 2017 and 2018
Wood County	125	125	0.0%	116	-7.2%
Parkersburg-Vienna, WV MSA	132	133	0.8%	125	-6.0%
West Virginia	2,544	2,719	6.9%	2,887	6.2%
United States	1,206,642	1,281,977	6.2%	1,328,827	3.7%

However, the overall decrease in the number of permits could indicate a decreasing demand for home purchase loans during this evaluation period.

Labor, Employment, and Economic Characteristics

According to a statewide study evaluating economic trends conducted by the West Virginia University at Parkersburg, the Parkersburg region is equipped for economic development through the natural gas industry, but still needs to diversify its economy. Parkersburg's economy has lost around 2,500 jobs from 2015 to 2017 from the natural gas industry and retail sectors. West Virginia ranks last in the nation in adults that want to work. This gap is a major economic concern that could be due to lower education levels, lacking job skills, aging population, health issues, and drug abuse. According to the study, West Virginia needs to address the opioid drug epidemic, improve education, labor force participation, and the health of the population. In Parkersburg, employment in natural resource development, construction, and professional and business services is expected to grow. Researchers consider technical college training to be key for many of the jobs that could be coming to the region. Parkersburg has a good regulatory environment, tax environment, and infrastructure, but needs to ensure businesses of all sizes the region can provide healthy, educated, drug-free workers.²⁸

According to ARC,²⁹ the economic status designation for Wood County for fiscal year 2020 is transitional, with six distressed areas based on poverty rates, per capita market income, and unemployment rates. Therefore, this rural Appalachian county appears to be making improvements in economic status, but is still experiencing economic stagnation and higher levels of unemployment and poverty.

According to Dun & Bradstreet, the majority of businesses (90.1%) in the assessment area have revenue under \$1 million. There are approximately 45,943 paid employees in this assessment area who are working in the private sector or government, according to Regional Economic Analysis Project (REAP) for West Virginia. By percentage of employees, the largest job category in the assessment area is education and health services, followed by trade/transportation/utilities, leisure/hospitality, local government, and manufacturing sectors, respectively.

The following table illustrates the average unemployment rates related to this assessment area.

²⁸ Dunlap, Brett. (2018, April 26). West Virginia University students report on Parkersburg area's economy. *The Parkersburg News and Sentinel*. Retrieved from <https://www.newsandsentinel.com/news/business/2018/04/west-virginia-university-students-report-on-parkersburg-areas-economy/>

²⁹ Appalachian Regional Commission (ARC) – County Economic Status and Distressed Areas by State, FY 2020: https://www.arc.gov/appalachian_region/CountyEconomicStatusandDistressedAreasinAppalachia.asp

Unemployment Rates			
Assessment Area: Parkersburg-Vienna, WV #37620			
Area	Years - Annualized		
	2016	2017	2018
Wood County	5.7	5.5	5.5
Parkersburg-Vienna, WV MSA	5.9	5.6	5.6
West Virginia	6.1	5.2	5.2
National	4.9	4.4	3.9
<i>Not Seasonally Adjusted</i>			

Unemployment rates in Wood County, West Virginia were lower than the MSA in 2016, 2017, and 2018 and higher than West Virginia in 2017 and 2018. However, unemployment rates in the assessment area and West Virginia were significantly higher than the national unemployment rates during this time period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PARKERSBURG-VIENNA WV MSA # 37620

Lending Test

Peoples' performance under the lending test in this assessment area is good. Peoples' lending activity demonstrates a good responsiveness to the credit needs of the community. Peoples makes a low level of community development loans in this assessment area and has a good distribution among borrowers of different income levels and to businesses of different revenue sizes. Peoples has a good geographic distribution of loans with a limited level of lending gaps. Peoples makes use of flexible lending practices in serving credit needs in this assessment area. Lastly, Peoples exhibits a good record of serving the credit needs of low-income individuals and areas and businesses with gross annual revenues of \$1 million or less.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in this assessment area. Greatest consideration was given to the evaluation of HMDA lending (home purchase and refinancing), followed by small business based on the overall volume of loans. Home improvement and small farm lending were not considered. Details of Peoples' residential mortgage and small business lending and information regarding peer lending is in Appendices D, E and F.

Lending Activity

Lending levels reflect a good responsiveness to the credit needs in the assessment area. Peoples originated 490 HMDA loans and 114 CRA loans and had a limited level of lending gaps in this assessment area. The percentage of Peoples' lending in the Parkersburg-Vienna MSA is 10.2%, while the percentage of total deposits is less than at 3.7%. Lastly, no substantial concentration of loans was identified in excluded counties within this MSA.

Distribution by Borrower Income and Revenue Size of the Business

Peoples' distribution among borrowers of different income levels is good for home purchase and refinance lending, and good for businesses of different sizes.

Home Purchase Lending

Peoples made 41 home purchase loans totaling \$5.8 million in 2019. Also, Peoples originated two (4.9%) home purchase loans totaling \$267,000 (4.6%) to borrowers with unknown-income designations.

Peoples made no home purchase loans to low-income borrowers. This was significantly below the percentage of families at 20.5%. Compared to proxy, the borrower distribution of HMDA loans to low-income borrowers is very poor.

Peoples made nine (22.0%) home purchase loans totaling \$1.0 million (17.5%) to moderate-income borrowers, which exceeded the percentage of families at 17.1%. Given Peoples' strong performance compared to proxy, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 15 home purchase loans totaling \$1.7 million to middle-income borrowers. This represents 36.6% of home purchase loans by volume and 29.9% by dollar amount compared to the percentage of families at 20.3%.

Peoples made 15 home purchase loans totaling \$2.8 million to upper-income borrowers. This represents 36.6% of home purchase loans by volume and 48.0% by dollar amount compared to the percentage of families at 42.1%.

Peoples made 75 home purchase loans totaling \$10.2 million in 2018. Also, Peoples originated three (4.0%) home purchase loans totaling \$675,000 (6.6%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 8.1% by volume and 8.7% by dollar amount.

Peoples made four (5.3%) home purchase loans totaling \$262,000 (2.6%) to low-income borrowers, which was well below the percentage of families at 20.5% by volume and significantly below by dollar amount. The percentage of loans by volume was below the 2018 aggregate of all lenders at 7.1% and slightly below by dollar amount at 3.4%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is adequate.

Peoples made ten (13.3%) home purchase loans totaling \$888,000 (8.7%) to moderate-income borrowers, which was slightly below the percentage of families at 17.1% by volume and below by dollar amount. The percentage of loans by volume and dollar amount was slightly below the 2018 aggregate of all lenders at 17.1% and 11.2%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is good.

Peoples made 17 (22.7%) home purchase loans totaling \$2.0 million (19.6%) to middle-income borrowers. This represents 22.7% by volume and 19.6% by dollar amount compared to the percentage of families at 20.3%. The 1018 aggregate of all lenders made 24.8% by volume and 21.0% by dollar amount to middle-income borrowers.

Peoples made 41 (54.7%) home purchase loans totaling \$6.4 million (62.6%) to upper-income borrowers. This represents 54.7% by volume and 62.6% by dollar amount compared to the percentage of families at 42.1%. The 2018 aggregate of all lenders made 42.9% by volume and 55.8% by dollar amount to upper-income borrowers.

Peoples made 68 home purchase loans totaling \$8.8 million in 2017. Also, Peoples originated five (7.4%) home purchase loans totaling \$1.2 million (14.2%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 9.1% by volume and 11.6% by dollar amount.

Peoples made eight (11.8%) home purchase loans totaling \$448,000 (5.1%) to low-income borrowers, which was below the percentage of families at 20.5% by volume and significantly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 8.6% and 4.5%, respectively. Compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is good, especially considering the high levels of poverty that could limit Peoples' opportunity to make loans to low-income borrowers. This level of origination supports that performance is good to these borrowers.

Peoples made 20 (29.4%) home purchase loans totaling \$2.1 million (24.0%) to moderate-income borrowers, which substantially exceeded the percentage of families at 17.1% by volume and dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2017 aggregate of all lenders at 22.1% and 16.1%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is excellent.

Peoples made 21 home purchase loans totaling \$2.8 million to middle-income borrowers. This represents 30.9% by volume and 31.8% by dollar amount compared to the percentage of families at 20.3%. The 2017 aggregate of all lenders made 22.0% by volume and 18.5% by dollar amount to middle-income borrowers.

Peoples made 14 home purchase loans totaling \$2.2 million to upper-income borrowers. This represents 20.6% by volume and 24.8% by dollar amount compared to the percentage of families at 42.1%. The 2017 aggregate of all lenders made 38.2% by volume and 49.2% by dollar amount to upper-income borrowers.

Peoples made 53 home purchase loans totaling \$6.5 million in 2016. Also, Peoples originated four (7.5%) home purchase loans totaling \$387,000 (5.9%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 13.6% by volume and 12.8% by dollar amount.

Peoples made two (3.8%) home purchase loans totaling \$96,000 (1.5%) to low-income borrowers, which was significantly below the percentage of families at 20.5%. The percentage of loans by volume was slightly below the 2016 aggregate of all lenders at 4.7% and below by dollar amount at 2.4%. Compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to low-income borrowers is adequate, especially considering the high rates of poverty.

Peoples made seven (13.2%) home purchase loans totaling \$496,000 (7.6%) to moderate-income borrowers, which was slightly below the percentage of families at 16.5% by volume and well below by dollar amount. The percentage of loans by volume was slightly below the 2016 aggregate of all lenders at 16.9% and below by dollar amount at 11.4%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of home purchase loans to moderate-income borrowers is good.

Peoples made 20 (37.7%) home purchase loans totaling \$2.2 million (33.7%) to middle-income borrowers. This represents 37.7% by volume and 33.7% by dollar amount compared to the percentage of families at 23.4%. The 2016 aggregate of all lenders made 24.0% by volume and 21.7% by dollar amount to middle-income borrowers.

Peoples made 20 home purchase loans totaling \$3.4 million to upper-income borrowers. This represents 37.7% by volume and 51.4% by dollar amount compared to the percentage of families at 39.6%. The 2018 aggregate of all lenders at 40.8% by volume and 51.7% by dollar amount to upper-income borrowers.

Overall, Peoples' home purchase lending performance varied compared to the proxy and the aggregate of all lenders by volume and dollar amount. Therefore, borrower distribution of home purchase lending is good.

Refinance Lending

Peoples made 19 refinance loans totaling \$1.8 million in 2019. Peoples made two (10.5%) refinance loans totaling \$79,000 (4.4%) to low-income borrowers, which was below the percentage of families at 22.8% by volume and significantly below by dollar amount. Given Peoples' performance compared to proxy, the borrower distribution of refinance loans to low-income borrowers is adequate.

Peoples made five refinance loans totaling \$367,000 to moderate-income borrowers. This represents 26.3% of refinance loans by volume and 20.6% by dollar amount, which substantially exceeded the percentage of families at 17.1%. Given Peoples' performance compared to proxy, the borrower distribution of refinance loans to moderate-income borrowers is excellent.

Peoples made four refinance loans totaling \$226,000 to middle-income borrowers. This represents 21.1% by volume and 12.7% by dollar amount compared to the percentage of families at 20.3% amount.

Peoples made eight refinance loans totaling \$1.1 million to upper-income borrowers. This represents 42.1% by volume and 62.4% by dollar amount compared to the percentage of families at 42.1%.

Peoples made 62 refinance loans totaling \$4.6 million in 2018. Also, Peoples originated three (4.8%) refinance loans totaling \$175,000 (3.8%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 7.6% by volume and 10.6% by dollar amount.

Peoples made seven (11.3%) refinance loans totaling \$411,000 (9.0%) to low-income borrowers, which was below the percentage of families at 20.5% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 9.7% and 5.3%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is good.

Peoples made nine (14.5%) refinance loans totaling \$692,000 (15.2%) to moderate-income borrowers, which was slightly below the percentage of families at 17.1%. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 14.1% and 11.1%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to moderate-income borrowers is excellent. Considering the high rates of poverty, this level of origination supports that performance is excellent to these borrowers.

Peoples made 19 refinance loans totaling \$1.2 million to middle-income borrowers. This represents 30.6% of refinance loans by volume and 25.9% by dollar amount compared to the percentage of families at 20.3%. The 2018 aggregate of all lenders made 21.7% by volume and 16.3% by dollar amount to middle-income borrowers.

Peoples made 24 refinance loans totaling \$2.1 million to upper-income borrowers. This represents 38.7% of refinance loans by volume and 46.1% by dollar amount compared to the percentage of families at 42.1%. The 2018 aggregate of all lenders made 46.9% by volume and 56.6% by dollar amount to upper-income borrowers.

Peoples made 38 refinance loans totaling \$5.5 million in 2017. Also, Peoples originated one (2.6%) refinance loan totaling \$166,000 (3.0%) to borrowers with unknown-income designations compared to the aggregate of all lenders that made 16.1% by volume and 22.5% by dollar amount.

Peoples made five (13.2%) refinance loans totaling \$277,000 (5.0%) to low-income borrowers, which was below the percentage of families at 20.5% by volume and significantly below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 9.1% and 4.5%, respectively. Compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is good.

Peoples made six (15.8%) refinance loans totaling \$431,000 (7.8%) to moderate-income borrowers, which was slightly below the percentage of families at 17.1% by volume and well

below by dollar amount. The percentage of loans by volume exceeded the 2017 aggregate of all lenders at 12.8%, and was slightly below at 8.6%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to moderate-income borrowers is good.

Peoples made two (5.3%) refinance loans totaling \$186,000 (3.4%) to middle-income borrowers. This represents 5.3% by volume and 3.4% by dollar amount compared to the percentage of families at 20.3%. The 2017 aggregate of all lenders made 22.4% by volume and 17.7% by dollar amount to middle-income borrowers.

Peoples made 24 refinance loans totaling \$4.5 million to upper-income borrowers. This represents 63.2% of refinance loans by volume and 80.9% by dollar amount compared to the percentage of families at 42.1%. The 2017 aggregate of all lenders made 39.5% by volume and 46.8% by dollar amount to upper-income borrowers.

Peoples made 40 refinance loans totaling \$4.2 million in 2016. Also, Peoples originated one (2.5%) refinance loan totaling \$166,000 (4.0%) to borrowers with unknown-income designations, compared to the aggregate of all lenders that made 18.6% by volume and 31.4% by dollar amount.

Peoples made one (2.5%) refinance loan totaling \$84,000 (2.0%) to low-income borrowers, which was significantly below the percentage of families at 20.6%. The percentage of loans by volume was well below the 2016 aggregate of all lenders at 5.4% and slightly below by dollar amount at 2.6%. Compared to proxy and the aggregate of all lenders, the borrower distribution of refinance loans to low-income borrowers is poor.

Peoples made four (10.0%) refinance loans totaling \$315,000 (7.6%) to moderate-income borrowers, which was below the percentage of families at 16.5% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2016 aggregate of all lenders at 9.2% and 5.3%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the borrower distribution of refinance loans to moderate-income borrowers is good.

Peoples made 11 refinance loans totaling \$713,000 to middle-income borrowers. This represents 27.5% of refinance loans by volume and 17.1% by dollar amount compared to the percentage of families at 23.4%. The 2016 aggregate of all lenders made 21.0% by volume and 13.9% dollar amount to middle-income borrowers.

Peoples made 23 refinance loans totaling \$2.9 million to upper-income borrowers. This represents 57.5% of refinance loans by volume and 69.3% by dollar amount which exceeded the percentage of families at 39.6%. The percentage of loans by volume and dollar amount exceeded the 2016 aggregate of all lenders at 45.8% and 46.8%, respectively.

Overall, Peoples' refinance lending performance mostly varied compared the proxy and generally exceeded compared to the aggregate of all lenders. Therefore, borrower distribution of refinance lending is good.

Small Business Lending

Peoples made 16 small business loans totaling \$3.2 million to businesses of different sizes in 2019, and ten (62.5%) of these loans totaling \$943,000 (29.7%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 90.1% by volume and well below by dollar amount. Therefore, the distribution of small business loans to businesses of different sizes is adequate.

In 2019, Peoples made an adequate percentage of small dollar loans (62.5%) in amounts of \$100,000 or less. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 42 small business loans totaling \$7.6 million to businesses of different sizes in 2018, and 23 (54.8%) of these loans totaling \$2.1 million (27.9%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.8% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount substantially exceeded the 2018 aggregate of all lenders at 38.2% and 17.2%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is excellent, considering Peoples' strong performance relative to the aggregate of all lenders.

In 2018, Peoples made an adequate percentage of small dollar loans (57.1%) in amounts of \$100,000 or less compared to 84.1% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 32 small business loans totaling \$6.1 million to businesses of different sizes in 2017, and 17 (53.1%) of these loans totaling \$1.6 million (26.5%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 88.3% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2017 aggregate of all lenders at 37.6% and 22.8%, respectively. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' strong performance relative to the aggregate of all lenders.

In 2017, Peoples made an adequate percentage of small dollar loans (56.3%) in amounts of \$100,000 or less compared to 88.3% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Peoples made 22 small business loans totaling \$3.2 million to businesses of different sizes in 2016, and 13 (59.1%) of these loans totaling \$1.0 million (32.6%) were made to businesses with revenues of \$1 million or less. This was below the percentage of small businesses in the assessment area at 90.1% by volume and well below by dollar amount. The percentage of loans by volume was exceeded the 2016 aggregate of all lenders at 43.8% and was slightly below by dollar amount at 40.3%. Therefore, the distribution of small business loans to businesses of different sizes is good, considering Peoples' performance relative to the aggregate of all lenders.

In 2016, Peoples made a good percentage of small dollar loans (68.2%) in amounts of \$100,000 or less compared to 85.5% of small dollar loans made by the aggregate of all lenders. This indicates Peoples' willingness to lend in smaller amounts that tend to represent amounts typically requested by small businesses.

Overall Peoples' small business lending performance was below the percentage of small businesses and exceeded the aggregate of all lenders by volume and dollar amount. Also, Peoples' displayed a consistent willingness to make small dollar loans. Therefore, borrower distribution of small business lending is good.

Geographic Distribution of Loans

Peoples' geographic distribution of home purchase, refinance, and small business loans reflects a good penetration throughout the assessment area. The following gaps in lending were noted in the assessment area.

Tract Income Level	Percentage of Lending Penetration			
	2016	2017	2018	2019
Moderate	60.0%	60.0%	100.0%	60.0%
Middle	100.0%	100.0%	100.0%	93.3%
Upper	100.0%	100.0%	100.0%	100.0%
Total	92.3%	92.3%	100.0%	88.5%

Overall, lending gaps are limited. Gaps were highest in moderate-income tracts during 2016, 2017, and 2019; however, Peoples penetrated a majority of moderate-income tracts during this time period.

Home Purchase Lending

Peoples made 41 home purchase loans totaling \$5.8 million in 2019. Peoples made one (2.4%) home purchase loan totaling \$80,000 (1.4%) in moderate-income tracts, which was well below the percentage of owner-occupied units in these tracts at 8.5% by volume and significantly below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of home purchase loans in moderate-income tracts is poor.

Peoples made 29 (70.7%) home purchase loans totaling \$4.3 million (73.3%) in middle-income tracts. This represents 70.7% by volume and 73.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%.

Peoples made 11 home purchase loans totaling \$1.5 million in upper-income tracts. This represents 26.8% of home purchase loans by volume and 25.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 24.2%.

Peoples made 75 home purchase loans totaling \$10.2 million in 2018. Peoples made six (8.0%) home purchase loans totaling \$278,000 (2.7%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 8.5% by volume and significantly

below by dollar amount. The percentage of loans by volume exceeded the 2018 aggregate of all lenders at 6.7% and was below by dollar amount at 3.7%. Given Peoples' performance compared to proxy and strong performance compared to the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is excellent, considering the relatively low owner-occupancy rates in these tracts. This supports that performance is excellent in these tracts.

Peoples made 38 home purchase loans totaling \$5.2 million in middle-income tracts. This represents 50.7% of home purchase loans by volume and 50.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%. The 2018 aggregate of all lenders made 64.1% by volume and 63.3% by dollar amount in middle-income tracts.

Peoples made 31 home purchase loans totaling \$4.8 million in upper-income tracts. This represents 41.3% of home purchase loans by volume and 46.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 24.2%. The 2018 aggregate of all lenders made 29.2% by volume and 33.1% by dollar amount in upper-income tracts.

Peoples made 68 home purchase loans totaling \$8.8 million in 2017. Peoples made two (2.9%) home purchase loans totaling \$85,000 (1.0%) in moderate-income tracts, which was well below the percentage of owner-occupied units in these tracts at 8.5% by volume and significantly below by dollar amount. The percentage of loans by volume and dollar amount was well below the 2018 aggregate of all lenders at 6.0% and 3.2%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is poor.

Peoples made 50 (73.5%) home purchase loans totaling \$6.5 million (74.6%) in middle-income tracts. This represents 73.5% of home purchase loans by volume and 74.6% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%. The 2017 aggregate of all lenders made 64.6% by volume and 63.0% by dollar amount in middle-income tracts.

Peoples made 16 (23.5%) home purchase loans totaling \$2.1 million (24.4%) in upper-income tracts. This represents 23.5% of home purchase loans by volume and 24.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 24.2%. The 2017 aggregate of all lenders made 29.5% by volume and 33.8% by dollar amount in upper-income tracts.

Peoples made 53 home purchase loans totaling \$6.5 million in 2016. Peoples made four (7.5%) home purchase loans totaling \$406,000 (6.2%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 12.5% by volume and well below by dollar amount. The percentage of loans by volume was below the 2018 aggregate of all lenders at 10.6% and slightly below by dollar amount at 6.8%. Given Peoples' performance compared to the aggregate of all lenders, the geographic distribution of home purchase loans in moderate-income tracts is adequate.

Peoples made 35 (66.0%) home purchase loans totaling \$4.4 million (66.4%) in middle-income tracts. This represents 66.0% of home purchase loans by volume and 66.4% by dollar amount

compared to the percentage of owner-occupied units in these tracts at 72.8%. The 2018 aggregate of all lenders at 69.6% by volume and 61.0% by dollar amount in middle-income tracts.

Peoples made 14 home purchase loans totaling \$1.8 million in upper-income tracts. This represents 26.4% of home purchase loans by volume and 27.4% by dollar amount compared to the percentage of owner-occupied units in these tracts at 14.7%. The 2018 aggregate of all lenders made 19.8% by volume and 22.2% by dollar amount in upper-income tracts.

Overall, Peoples' home purchase lending performance generally varied compared to proxy and the aggregate of all lenders by volume and dollar amount. Therefore, geographic distribution of home purchase lending is good.

Refinance Lending

Peoples made 19 refinance loans totaling \$1.8 million in 2019. Peoples made one (5.3%) refinance loan totaling \$59,000 (3.3%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 8.5% by volume and well below by dollar amount. Given Peoples' performance compared to proxy, the geographic distribution of refinance loans in moderate-income tracts is adequate.

Peoples made 12 refinance loans totaling \$782,000 in middle-income tracts. This represents 63.2% by volume and 43.9% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%.

Peoples made six refinance loans totaling \$941,000 in upper-income tracts. This represents 31.6% by volume and 52.8% by dollar amount compared to the percentage of owner-occupied units in these tracts at 24.2%.

Peoples made 62 refinance loans totaling \$4.6 million in 2018. Peoples made five (8.1%) refinance loans totaling \$193,000 (4.2%) in moderate-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 8.5% by volume and well below by dollar amount. The percentage of loans by volume and dollar amount exceeded the 2018 aggregate of all lenders at 5.4% and 3.4%, respectively. Given Peoples' performance compared to proxy and strong performance compared to the 2018 aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is excellent.

Peoples made 34 (54.8%) refinance loans totaling \$2.6 million (57.2%) in middle-income tracts. This represents 54.8% of refinance loans by dollar amount and 57.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%. The 2018 aggregate of all lenders made 66.4% by volume and 65.4% by dollar amount in middle-income tracts.

Peoples made 23 refinance loans totaling \$1.8 million in upper-income tracts. This represents 37.1% of refinance loans by dollar amount and 38.6% by volume, compared to the percentage of owner-occupied units in these tracts at 24.2%. The 2018 aggregate of all lenders made 37.1% by volume and 38.6% by dollar amount in upper-income tracts.

Peoples made 38 refinance loans totaling \$5.5 million in 2017. Peoples made two (5.3%) refinance loans totaling \$96,000 (1.7%) in moderate-income tracts, which was below the percentage of owner-occupied units in these tracts at 8.5% by volume and significantly below by dollar amount. The percentage of loans by volume was slightly below the 2017 aggregate of all lenders at 6.4% and well below by dollar amount at 3.8%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is good.

Peoples made 28 refinance loans totaling \$3.8 million in middle-income tracts. This represents 73.7% of refinance loans by volume and 68.6% by dollar amount compared to the percentage of owner-occupied units in these tracts at 67.4%. The 2017 aggregate of all lenders made 70.4% by volume and 68.7% by dollar amount in middle-income tracts.

Peoples made eight (21.1%) refinance loans totaling \$1.6 million (29.7%) in upper-income tracts. This represents 21.1% of refinance loans by volume and 29.7% by dollar amount compared to the percentage of owner-occupied units in these tracts at 24.2%. The 2017 aggregate of all lenders made 23.2% by volume and 27.6% by dollar amount in upper-income tracts.

Peoples made 40 refinance loans totaling \$4.2 million in 2016. Peoples made five (12.5%) refinance loans totaling \$225,000 (5.4%) in moderate-income tracts, which was comparable to the percentage of owner-occupied units in these tracts at 12.5% by volume and well below by dollar amount. The percentage of loans by volume exceeded the 2016 aggregate of all lenders at 10.0% and slightly below by dollar amount at 3.4%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of refinance loans in moderate-income tracts is good.

Peoples made 28 (70.0%) refinance loans totaling \$2.9 million (70.3%) in middle-income tracts. This represents 70.0% of refinance loans by volume and 70.3% by dollar amount compared to the percentage of owner-occupied units in these tracts at 72.8%. The 2016 aggregate of all lenders made 73.2% by volume and 77.6% by dollar amount in middle-income tracts.

Peoples made seven refinance loans totaling \$1.0 million in upper-income tracts. This represents 17.5% of refinance loans by volume and 24.2% by dollar amount compared to the percentage of owner-occupied units in these tracts at 14.7%. The 2016 aggregate of all lenders made 16.7% by volume and 16.0% by dollar amount in upper-income tracts.

Overall, Peoples' refinance lending performance varied compared to proxy and the aggregate of all lenders by volume and dollar amount. Therefore, geographic distribution of refinance lending is good.

Small Business Lending

Peoples made 16 small business loans totaling \$3.2 million in 2019. Peoples made two (12.5%) loans in moderate-income tracts totaling \$948,000 (29.9%), which exceeded the percentage of businesses in these tracts at 11.4%. Given Peoples' performance compared to proxy, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 14 (87.5%) loans in middle-income tracts totaling \$2.2 million (70.1%). This represents 87.5% by volume and 70.1% by dollar amount compared to the percentage of businesses in these tracts at 69.3%. Peoples made no loans in upper-income tracts compared to the percentage of businesses in these tracts at 19.3%.

Peoples made 42 small business loans totaling \$7.6 million in 2018. Peoples made seven (16.7%) loans in moderate-income tracts totaling \$1.5 million (19.6%), which substantially exceeded the percentage of businesses in these tracts at 11.3%. The percentage of loans substantially exceeded the 2018 aggregate of all lenders by volume and dollar amount at 9.4% and 7.6%, respectively. Given Peoples' consistently strong performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is excellent.

Peoples made 32 loans in middle-income tracts totaling \$6.0 million. This represents 76.2% of small business loans by volume and 78.8% by dollar amount compared to the percentage of businesses in these tracts at 69.1%. The 2018 aggregate of all lenders made 71.6% by volume and 64.3% by dollar amount in middle-income tracts.

Peoples made three loans in upper-income tracts totaling \$125,000. This represents 7.1% of small business loans by volume and 1.6% by dollar amount compared to the percentage of businesses in these tracts at 19.6%. The 2018 aggregate of all lenders made 18.4% by volume and 28.0% by dollar amount in upper-income tracts.

Peoples made 32 small business loans totaling \$6.1 million in 2017. Peoples made no loans in moderate-income tracts, which was significantly below the percentage of businesses in these tracts at 12.4%. This was also significantly below 2017 aggregate of all lenders by volume and dollar amount at 8.0% and 9.3%, respectively. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is very poor.

Peoples made 30 loans in middle-income tracts totaling \$5.5 million. This represents 93.8% of small business loans by volume and 90.1% by dollar amount compared to the percentage of businesses in these tracts at 69.2%. The 2017 aggregate of all lenders made 79.2% by volume and 82.2% by dollar amount in middle-income tracts.

Peoples made two small business loans in upper-income tracts totaling \$600,000. This represents 6.3% of small business loans by volume and 9.9% by dollar amount compared to the percentage of businesses in these tracts at 18.5%. The 2017 aggregate of all lenders made 11.2% by volume and 8.1% by dollar amount in upper-income tracts.

Peoples made 22 small business loans totaling \$3.2 million in 2016. Peoples made two (9.1%) small business loans in moderate-income tracts totaling \$100,000 (3.1%), which was well below the percentage of businesses in these tracts at 25.1% by volume and significantly below by dollar amount. The percentage of loans was well below the 2016 aggregate of all lenders at 31.4% by volume and was significantly below by dollar amount at 43.5%. Given Peoples' performance compared to proxy and the aggregate of all lenders, the geographic distribution of small business loans in moderate-income tracts is poor.

Peoples made 18 loans in middle-income tracts totaling \$3.0 million. This represents 81.8% of small business loans by volume and 92.3% by dollar amount compared to the percentage of businesses in these tracts at 63.1%. The 2016 aggregate of all lenders made 58.6% by volume and 51.3% by dollar amount in middle-income tracts.

Peoples made two loans in upper-income tracts totaling \$145,000. This represents 9.1% of small business loans by volume and 4.5% by dollar amount compared to the percentage of businesses in these tracts at 11.8%. The 2016 aggregate of all lenders made 10.0% by volume and 5.2% by dollar amount in upper-income tracts.

Overall, Peoples' performance varied compared to proxy and the aggregate of all lenders; therefore, the geographic distribution of small business lending is good.

Community Development Loans

Peoples originated or renewed two community development loans totaling approximately \$75,000 million during the evaluation period, as shown in the following table.

Purpose of CD Loan	#	\$
Revitalization/Stabilization	1	\$50,000
Community Services	1	\$25,000
Total	2	\$75,000

Community development lending represents 0.1% of Peoples' total community development loans by dollar amount compared to 3.7% of total deposits and 10.2% of total loans in this assessment area. This ranks as Peoples' ninth-highest percentage of community development lending by dollar amount during the evaluation period. Peoples ranks seventh out of 11 institutions with 7.1% of the deposit market share. As such, Peoples makes a low level community development loans in the Parkersburg-Vienna assessment area.

One community development loan provided working capital to a small business located in a moderate-income area, allowing it to expand its wellness and counseling services and hire six new therapists. The remaining community development loan provided working capital to a crisis prevention center that primarily provides a multitude of wraparound services, including free transportation for family visits, to low- and moderate-income children who are victims of abuse. All services are provided free of charge to clients. This loan is considered to be responsive to serving the credit needs of low-income individuals due to the high levels of poverty and unemployment in this assessment area.

Flexible Lending Practices

Peoples originated 18 loans in three government-guaranteed loan programs totaling \$1.2 million in this assessment area during the evaluation period. The flexible lending products were combined in order to conduct a meaningful analysis. The following tables show the percentage by volume and dollar amount of the combined flexible lending programs and the distribution of lending within the assessment area by census tract and borrower income.

Geographic Distribution of Flexible Loan Programs									
	Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)	% - #	\$ - %	O/O % (2018)
All Flexible Mortgage Loan Programs	11.1%	7.5%	8.5%	50.0%	43.0%	67.4%	38.9%	49.5%	24.2%

Peoples originated two loans in moderate-income tracts. The percentage of these loans in moderate-income geographies exceeded the percentage of owner-occupied units by volume and was below by dollar amount.

Borrower Distribution of Flexible Loan Programs												
	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers		
	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)	% - #	\$ - %	Families % (2018)
All Flexible Mortgage Loan Programs	22.2%	12.2%	20.5%	44.4%	41.6%	17.1%	27.8%	36.6%	20.3%	5.6%	9.7%	42.1%

Peoples originated four loans to low-income borrowers and eight loans to moderate-income borrowers. The percentage of these loans to low-income borrowers exceeded the percentage of families by volume and was below by dollar amount. The percentage of these loans to moderate-income borrowers exceeded the percentage of families by volume and dollar amount.

Peoples was able to assist low- and moderate-income borrowers purchase homes and borrowers purchasing properties in low- and moderate-income areas through the use of these down-payment assistance programs.

Peoples originated three SBA 7(a) loans totaling \$363,000, representing 1.5% of SBA lending by dollar amount. These loans provide funds to start-ups and existing small businesses with access to capital with more flexible repayment terms than conventional commercial financing for multiple purposes.

Therefore, Peoples makes use of flexible lending practices in serving the credit needs of the Parkersburg-Vienna MSA. These programs are designed to improve affordable housing for low- and moderate-income individuals and provide small businesses with access to capital to help existing companies retain and expand their businesses or attract new small businesses to the area. The qualitative impact of these programs on low- and moderate-income borrowers and geographies and small businesses enhanced Peoples' overall lending test performance.

Investment Test

Peoples made 19 donations totaling \$26,200 that assisted organizations and non-profits provide affordable housing support; wraparound services to low- and moderate-income individuals and families, including, but not limited to, access and provision of food supplies and downtown revitalization. The following table reflects the total number community development donations by purpose, number, and dollar amount.

Purpose of CD Donation	#	\$
Community Services	14	\$21,200
Revitalization/Stabilization	1	\$2,500
Affordable Housing	1	\$2,500
Total	19	\$26,200

Only 0.1% of Peoples' total qualified community development contributions were made in this assessment area, which is significantly less than the percentage of total deposits at 3.7%, total loans at 10.2%, and total percentage of branch offices at 7.1%. Therefore, Peoples has a poor level of qualified community development investments in Parkersburg-Vienna assessment area.

Service Test

Retail services are readily accessible and Peoples provides an adequate level of community development services.

Retail Services

Peoples has not opened any offices since the previous evaluation and closed a branch with a full-service ATM in a middle income tract in 2017 and closed two in-store branches in middle-income tracts in 2019. However, Peoples' record of opening and closing offices has not adversely affected the accessibility of its delivery systems in moderate-income geographies and to low- and moderate-income households. Peoples' delivery services are readily accessible to portions of Peoples' geographies and individuals of different income levels. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including moderate-income geographies or to low- and moderate-income households, and are consistent with the services and hours discussed in the Institution assessment.

Peoples has five branch offices, consisting of four branches with full-service ATMs and one in-store branch with a cash-only ATM. These branches provide drive-through services and extended and/or weekend hours of service. Peoples' branch offices in this assessment area represent 7.1% of its branch offices.

The following table illustrates the percentage of branch offices in moderate-, middle-, and upper-income census tracts in comparison to the number and percentage of census tracts and the percentage of households and businesses in those tracts in 2019, based on 2015 U.S. Census data. The geographic distribution of branches was the same in 2016, based on 2010 U.S. Census data.

Geographic Distribution of Branches

Exam: Peoples Bank 2020

Analysis Year: 2019

2019 WV Parkersburg-Vienna MSA #37620

Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0	0		0			
	LS	0		0	0						
Moderate	Total	1	20.0%	0	0	1	1	1	19.2%	10.4%	11.3%
	DTO	0		0	0	0		5			
	LS	0		0	0						
Middle	Total	4	80.0%	0	3	3	4	4	57.7%	68.6%	69.1%
	DTO	0		0	0	0		15			
	LS	0		0	0						
Upper	Total	0	0.0%	0	0	0	0	0	23.1%	21.1%	19.6%
	DTO	0		0	0	0		6			
	LS	0		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0	0		0			
	LS	0		0	0						
Totals	Total	5	100.0%	0	3	4	5	5			
	DTO	0		0	0	0		26	100.0%	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

*Closed branches are only included in the "Closed" columns and are not included in any other totals

LPOs not included in totals.

The branch distribution exceeded the percentage of moderate-income census tracts, households, and total businesses in these tracts. Therefore, branch distribution in moderate-income tracts is excellent.

Community Development Services

Peoples provides an adequate level of community development services in this assessment area. During the evaluation period, at least five employees provided 47 services totaling at least 89 hours community development services to 25 different organizations that provide a multitude of services throughout the assessment area.

This represents 3.9% of all community development services and 2.9% of total reported service hours, which is comparable to the percentage of total deposits at 3.7% and less than the percentage of branch offices at 7.1%. In addition, the community development service hours provided in this assessment area equate to 0.05 ANP.

Community Services			Affordable Housing			Economic Development		
# Services	# Hours	# Orgs	# Services	# Hours	# Orgs	# Services	# Hours	# Orgs
2	4	2	2	76	2	1	9	1

Financial Literacy Education*			
How to Do Your Banking		Saving with Mandy and Randy	
# Services	# Orgs	# Services	# Orgs
26	13	16	7
<i>*Number of employees and hours not available</i>			

Employees provided financial expertise through leadership positions in multiple community organizations that offer services to low- and moderate-income individuals and families and promote affordable housing and community and economic development. Community development services include 86 hours serving on boards and committees and three hours providing technical expertise. Based on the number of services, employees primarily provided financial literacy training to low- and moderate-income children.

NONMETROPOLITAN AREA
(Limited-scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WEST VIRGINIA

- **Nonmetropolitan West Virginia**
 - As of December 31, 2019, Peoples operated four branches in the assessment area, representing 37.5% of its branches in West Virginia.
 - As of June 30, 2019, Peoples had \$193.0 million in deposits in this assessment area, representing a market share of 22.3% and 62.3% of its statewide deposits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WEST VIRGINIA

Through the use of available facts and data, including performance and demographic information, the assessment area’s performance was evaluated and compared with Peoples’ performance in the state. The conclusions regarding performance are provided in the tables below. Please refer to the tables in Appendices G, H, and I for information regarding these areas.

Assessment Area	Lending Test	Investment Test	Service Test
Nonmetropolitan West Virginia	Consistent	Below	Below

For the lending test, Peoples received a “High Satisfactory” rating in West Virginia. Performance in this limited-scope assessment area was consistent with Peoples’ performance for the state. Lending levels reflect a good responsiveness to credit needs. The borrower and geographic distribution of loans is good with a limited level of lending gaps. Peoples exhibits a good record of serving the credit needs of low-income individuals and geographies and very small businesses. Lastly, Peoples makes a low level of community development loans in Nonmetropolitan West Virginia.

For the investment test, Peoples received a “Low Satisfactory” rating in West Virginia. Investment activity in Nonmetropolitan West Virginia was below Peoples’ performance for the state. The weaker performance was primarily due to a lower level of qualified investments and contributions relative to Peoples’ operational presence in the assessment area.

For the service test, Peoples received a “High Satisfactory” rating in West Virginia. Performance in Nonmetropolitan West Virginia was below Peoples’ performance for the state. Retail services are accessible in the assessment area’s five middle-income geographies. Peoples provides a limited level of services; the weaker performance was primarily due to providing a lower level of community development services relative to Peoples’ operational presence in the assessment area.

The performance in the limited-scope assessment area did not change the overall state rating.