

PUBLIC DISCLOSURE

October 20, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Citizens State Bank
Certificate Number: 14269

800 Broadway
Marysville, Kansas 66508

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

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

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

The Citizens State Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and the credit needs of the assessment area.
- A majority of its small farm, small business, and home mortgage loans are in the institution's assessment area.
- The geographic distribution of loans was not evaluated since the assessment area does not contain any low- or moderate-income census tracts.
- The distribution of borrowers reflects a reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

The Citizens State Bank is a community bank headquartered in Marysville, Kansas. The bank operates from three full-service locations in Hanover, Marysville, and Waterville, Kansas; and one drive-up location in Marysville, Kansas. The bank continues to be wholly owned by Community Bancshares of Marysville, Inc. The bank has no lending affiliates or subsidiaries. No merger or acquisition activities have occurred, and no branches have been closed or opened since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation on November 7, 2022, based on Intermediate Small Institution Examination Procedures.

The Citizens State Bank offers agricultural, commercial, home mortgage, and consumer loans, although agricultural lending continues to be the institution's primary focus. The bank participates in the Federal Home Loan Bank's First-time Homeowner Down Payment Assistance Program, that provides low- and moderate-income families down payment assistance to purchase a home. As part of this program, the bank originated 11 loans totaling \$600,000 in 2022, 3 loans totaling \$194,000 in 2023, and 7 loans totaling \$439,000 in 2024.

The bank's deposit products include checking, savings, money market, certificates of deposit, and individual retirement accounts. Alternative banking services include online banking, bill pay,

mobile banking, and mobile deposits. The bank also operates three ATMs within its assessment area.

According to the June 30, 2025 Reports of Condition and Income, the institution reported total assets of \$417.2 million, total loans of \$323.7 million, and total deposits of \$348.0 million. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 6/30/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	\$1,669	0.5
Secured by Farmland	\$86,623	27.8
Secured by 1-4 Family Residential Properties	\$31,654	9.8
Secured by Multifamily (5 or more) Residential Properties	\$8,128	2.5
Secured by Nonfarm Nonresidential Properties	\$47,850	14.8
Total Real Estate Loans	\$175,924	54.3
Commercial and Industrial Loans	\$29,794	9.2
Agricultural Production and Other Loans to Farmers	\$92,590	28.6
Consumer Loans	\$3,862	1.2
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	\$20,685	6.4
Lease Financing Receivable (net of unearned income)	\$859	0.3
Less: Unearned Income	(\$13)	-
Total Loans	\$323,701	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the assessment area’s credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The bank designated all of Marshall and Washington counties in northeastern Kansas as its sole assessment area. Both of these counties are located in the nonmetropolitan area of Kansas. The assessment area has not changed since the prior evaluation. The following shows demographic and economic information from the 2020 U.S. Census and 2024 D&B data for the assessment area

Economic and Demographic Data

According to 2020 U.S. Census data, all six census tracts in the bank’s assessment area are designated as middle-income. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	100.0	0.0	0.0
Population by Geography	15,568	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	7,865	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,108	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,432	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,325	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,607	0.0	0.0	100.0	0.0	0.0
Farms by Geography	463	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,001	14.9	20.1	25.6	39.5	0.0
Household Distribution by Income Level	6,540	19.7	18.2	21.7	40.4	0.0
Kansas Non-MSA Median Family Income		\$65,183	Median Housing Value			\$96,405
			Median Gross Rent			\$519
			Families Below Poverty Level			4.8%
<i>Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%</i>						

The 2024 D&B data indicates that agriculture, forestry, fishing, and hunting represent the largest portion of the businesses in the assessment area at 22.4 percent; followed by non-classifiable establishments at 10.8 percent; and other services at 10.2 percent. The data also indicates that area businesses are generally small with 76.7 percent having four or fewer employees, and 88.4 percent operating from a single location.

The 2024 Federal Financial Institutions Examination Council’s (FFIEC) median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the nonmetropolitan area of Kansas are presented in the following table.

Median Family Income Ranges in Nonmetropolitan Kansas				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080
<i>Source: FFIEC</i>				

Competition

The Citizens State Bank operates in a moderately competitive environment. According to FDIC Deposit Market Share data, as of June 30, 2025, there are 12 financial institutions operating from 21 locations within the bank's assessment area. The Citizens State Bank ranked first with 35.0 percent of the deposit market share.

Community Contact

To help gain insight into the area economy, demographic trends, business environment, and credit needs within the local community, examiners interview individuals that are familiar with the area. This information not only helps in identifying credit needs and opportunities, but also in determining whether local financial institutions are responsive to those needs.

For this evaluation, examiners relied on an existing contact with an individual knowledgeable of the area's economy. According to the contact, agricultural loans are the primary credit need. The contact stated the economy is stable; however, land values continue to rise making farm expansion more difficult. Additionally, farm input costs have risen, grain prices have been falling, and cattle prices are increasing. The contact stated that banks are willing to lend money to farmers through a variety of government programs, such as Federal joint and guaranteed financing and Kansas Development Finance Authority bonds for beginning farmers. The contact stated that community credit needs are being met.

Credit Needs

Based on information from the community contact and bank management, as well as demographic and economic data, examiners determined small farm, small business, and home mortgage loans represent the area's primary credit needs.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated November 7, 2022, to the current evaluation dated October 20, 2025. Examiners conducted this CRA evaluation using the Interagency Small Institution Examination Procedures. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria appendix.

Activities Reviewed

Examiners determined that the bank's major product lines are agricultural, commercial, and residential real estate loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. The bank's lending focus and product mix remained consistent throughout the evaluation period. Therefore, examiners reviewed small farm, small business, and home mortgage loans for this performance evaluation. Based on the bank's business focus and loan portfolio composition, examiners placed the most weight on the small farm lending performance when arriving at overall conclusions, followed by small business lending and home mortgage lending in that order.

Bank management stated that the 2024 small farm, small business, and home mortgage loans are representative of the bank's lending during the entire evaluation period. For the Lending Test, examiners reviewed all small farm, small business, and home mortgage loans originated or renewed in 2024 to evaluate the Assessment Area Concentration criterion. According to 2024 bank records, The Citizens State Bank originated or renewed 234 small farm loans totaling \$29.3 million, 89 small business loans totaling \$11.9 million, and 54 home mortgage loans totaling \$7.3 million. Additionally, examiners reviewed a sample of loans originated or renewed inside the bank's assessment area to evaluate the Borrower Profile criterion. Examiners sampled 53 small farm loans totaling \$6.4 million, 36 small business loans totaling \$3.2 million, and 30 home mortgage loans totaling \$3.6 million.

The 2024 D&B data provided a standard of comparison for the bank's small farm and small business lending performance, and the 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance. Although loans are analyzed by both number and dollar volume, examiners emphasized performance by number of loans, as it is a better indicator of the number of farms, businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Citizens State Bank demonstrated reasonable performance under the Lending Test. The bank’s overall performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria supports this conclusion.

Loan-to-Deposit Ratio

The Citizens State Bank’s average net loan-to-deposit ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s loan-to-deposit ratio exceeds that of other similarly situated institutions, which examiners selected based on their asset size, geographic location, and agricultural lending focus. The following table indicates the bank’s ratio, calculated from Reports of Condition and Income data, averaged 89.3 percent over the previous 11 calendar quarters from December 31, 2022, to June 30, 2025.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2025 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
The Citizens State Bank Marysville, Kansas	417,205	89.3
The Denison State Bank, Holton, Kansas	456,950	76.0
Aster Bank, Scandia, Kansas	423,905	52.6
<i>Source: Reports of Condition and Income 12/31/2022 through 6/30/2025</i>		

Assessment Area Concentration

As shown in the following table, the bank originated a majority of small farm, small business, and home mortgage loans, by both number and dollar volume, in the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	200	85.5	34	14.5	234	24,042	82.0	5,283	18.0	29,325
Small Business	65	73.0	24	27.0	89	6,146	51.7	5,753	48.3	11,899
Home Mortgage	47	87.0	7	13.0	54	6,143	84.0	1,170	16.0	7,313
Total	312	82.8	65	17.2	377	36,331	74.9	12,206	25.1	48,537
<i>Source: 2024 Bank Data</i>										

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of loans reflects reasonable penetration among farms and businesses of different sizes, and individuals of different income levels. While the bank's small business and home mortgage lending performance is excellent, the reasonable small farm lending performance was the driver for this conclusion as agricultural lending is the bank's primary business focus. For this criterion, examiners focused on the percentage of lending to farms and businesses with gross annual revenues of \$1 million or less, and the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Farm Lending

The distribution of sampled small farm loans reflects reasonable penetration among farms of different sizes. As shown in the following table, the bank's performance to farms with revenues of \$1 million or less lags but is still commensurate with demographic data in this same revenue category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000	97.8	45	84.9	4,525	71.2
> \$1,000,000	1.5	8	15.1	1,835	28.9
Revenue Not Available	0.7	0	0.0	0	0.0
Total	100.0	53	100.0	6,360	100.0
<i>Source: 2024 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The distribution of sampled small business loans reflects excellent penetration. The following table shows the bank's performance to businesses with revenues of \$1 million or less exceeds the demographic data for this same revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000	78.2	33	91.7	2,505	78.7
> \$1,000,000	4.6	3	8.3	680	21.4
Revenue Not Available	17.2	0	0.0	0	0.0
Total	100.0	36	100.0	3,185	100.0
<i>Source: 2024 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Lending

The distribution of sampled home mortgage loans to individuals of different income levels is excellent. As shown in the following table, the percentage of loans to moderate-income borrowers is comparable to demographic data. Additionally, the bank's performance to low-income borrowers exceeds demographic data. Given the bank's overall performance, the borrower distribution is excellent.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	14.9	7	24.1	412	11.9
Moderate	20.1	7	23.3	661	18.6
Middle	25.6	5	17.2	502	14.5
Upper	39.5	11	37.9	1,980	57.0
Total	100.1	30	100.0	3,555	100.0
<i>Source: 2020 Census, Bank Data Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

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

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

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

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