

PUBLIC DISCLOSURE

November 3, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Breda Savings Bank
Certificate Number: 5792

105 Main St
Breda, Iowa 51436

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

1100 Walnut St, 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.

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

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its loans inside the assessment area.
- The geographic distribution of loans was not considered as the assessment area does not contain any low- or moderate-income census tracts.
- Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Breda Savings Bank operates from its sole office in Breda, Iowa. The bank is owned by Van Financial Corporation, Breda, Iowa, and has no other affiliates or subsidiaries. Breda Savings Bank received a rating of Satisfactory at the October 22, 2019, FDIC Performance Evaluation based on Interagency Small Bank Procedures.

Breda Savings Bank offers various loan products and services, including agricultural, commercial, home mortgage, and consumer. The bank’s lending primarily focuses on agricultural, commercial, and home mortgage loans. Deposit products include checking, savings, certificates of deposit, and individual retirement accounts. Alternative bank services include online and mobile banking, and a cash-dispensing ATM located in the office lobby.

According to the September 30, 2025, Consolidated Reports of Condition and Income (Call Report), Breda Savings Bank reported total assets of \$98.5 million, total loans of \$60.6 million, and total deposits of \$77.7 million. The loan portfolio concentrations remained generally consistent over the review period. Total loans increased 57.7 percent, total assets increased 60.4 percent, and total deposits increased 91.0 percent since the prior evaluation. Management stated that the increases are attributed to organic growth, pandemic stimulus funds, and participation loans. The following table illustrates the composition of the loan portfolio.

Loan Portfolio Distribution as of 09/30/2025		
Loan Category	\$(000s)	%
Construction and Land Development	3,579	5.9
Secured by Farmland	18,194	30.0
1-4 Family Residential	12,253	20.2
Commercial Real Estate	9,712	16.0
Total Real Estate Loans	43,738	72.1
Commercial and Industrial	5,380	8.9
Agricultural	10,819	17.8
Consumer	702	1.2
Total Loans	60,639	100.0
<i>Source: Reports of Condition and Income</i>		

There are no financial, legal, or other impediments that would limit the bank’s ability to meet the credit needs of its assessment area.

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. Breda Savings Bank designated one assessment area in west central Iowa. The assessment area consists of Carroll County census tracts 9601, 9602, 9603 and 9604; Crawford County census tract 701; and Sac County census tracts 802 and 803. Census tract 9604 in Carroll County was added to the assessment area since the previous CRA evaluation.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area consists of six middle income census tracts and one upper income census tract. The census tract income classification for CT 9603 in Carroll County changed from middle to upper since the previous examination, which used the 2015 American Community Survey. All other census tract income classifications remained the same. The bank’s sole office is located in middle-income census tract 9602, which lies near the northern border of Carroll County. The following sections discuss demographic and economic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	85.7	14.3	0.0
Population by Geography	23,138	0.0	0.0	73.0	27.0	0.0
Housing Units by Geography	11,132	0.0	0.0	74.5	25.5	0.0
Owner-Occupied Units by Geography	7,475	0.0	0.0	72.9	27.1	0.0
Occupied Rental Units by Geography	2,163	0.0	0.0	69.2	30.8	0.0
Vacant Units by Geography	1,494	0.0	0.0	90.6	9.4	0.0
Businesses by Geography	3,325	0.0	0.0	80.3	19.7	0.0
Farms by Geography	527	0.0	0.0	90.3	9.7	0.0
Family Distribution by Income Level	6,199	16.5	18.5	19.9	45.1	0.0
Household Distribution by Income Level	9,638	22.2	17.9	15.2	44.7	0.0
Median Family Income - Nonmetropolitan Iowa		\$71,763	Median Housing Value			\$137,658
			Median Gross Rent			\$616
			Families Below Poverty Level			5.2%

Source: 2020 U.S. 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 100.0%*

According to 2020 U.S. Census data, non-classifiable establishments represent the largest portion of business and farm operations in the assessment area at 20.2 percent; followed by agriculture, forestry, fishing, and hunting at 13.7 percent; and other services at 8.8 percent. In addition, 71.5 percent of assessment area farms and businesses have less than five employees and 92.3 percent operate from one location.

The FFIEC-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for nonmetropolitan Iowa are presented in the next table.

Estimated Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2023	\$86,300	< \$43,150	\$43,150 to < \$69,040	\$69,040 to < \$103,560	≥ \$103,560
2024	\$86,700	< \$43,350	\$43,350 to < \$69,360	\$69,360 to < \$104,040	≥ \$104,040
<i>Source: FFIEC</i>					

Competition

The assessment area is very competitive regarding the market for financial services. According to June 30, 2025, FDIC Deposit Market Share data, 21 banks operate 44 offices within the counties that are included in the assessment area. These institutions range from small community banks to larger financial institutions operating branch locations. Breda Savings Bank ranked 10th with 3.0 percent of the deposit market share. Management also indicated they experienced competition from Farm Credit Services and credit unions.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify credit needs. This information helps determine whether local financial institutions are responsive to these needs and shows credit opportunities that are available. Examiners referenced one previously conducted interview with an economic development organization who was familiar with the assessment area.

The contact stated that agriculture is the primary driver of the economy, which is stable mostly due to larger farm operations in the area. The larger farm operations are not having as many challenges as the smaller farm operations. Agriculture, local government, healthcare, and manufacturing provide the majority of employment opportunities in the area. The contact stated the population is aging and expects the population to continue aging. Similarly, the majority of homes in the area are older. According to the contact, the primary credit needs are agricultural lending and home mortgage loans, specifically for affordable housing. The contact noted that local banks are meeting the credit needs of the area.

Credit Needs

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small farm, small business, and home mortgage loans are the primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 22, 2019, to the current evaluation dated November 3, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate Breda Savings Bank's CRA performance. These procedures include the Lending Test, which is further described in the Appendices.

Activities Reviewed

Examiners determined Breda Savings Bank's major product lines are small farm, small business, and home mortgage loans. This conclusion was based on the bank's business strategy, management comments, bank records regarding the number and dollar volume of loans originated or renewed during the evaluation period, and review of Call Report data. Given the portfolio composition, small farm lending received the greatest weight when drawing conclusions, followed by small business and home mortgage loans.

Because of the overall lower number of loans originated, examiners reviewed bank data on all small farm, small business, and home mortgage loans originated during the calendar years of 2023 and 2024. For the Assessment Area Concentration criterion, the universe of all three loan types were analyzed. This includes 29 small farm loans totaling \$3.2 million, 32 small business loans totaling \$3.0 million, and 13 home mortgage loans totaling \$3.3 million. For the Borrower Profile criterion, examiners reviewed only loans located inside the assessment area. This review included 27 small farm loans totaling \$3.1 million, 24 small business loans totaling \$1.8 million, and 8 home mortgage loans totaling \$1.5 million.

The 2023 and 2024 D&B data provided a standard of comparison for small business and small farm lending. The 2020 U.S. Census data provided a standard of comparison for home mortgage lending. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of individuals, businesses, and farms served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Breda Savings Bank demonstrated reasonable performance under the Lending Test. The bank's Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance support this conclusion.

Loan-to-Deposit Ratio

Breda Savings Bank's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The net loan-to-deposit ratio averaged 75.5 percent over the past 23 quarters, from December 31, 2019, to June 30, 2025. This represents a slight decrease since the prior evaluation when the average ratio was 76.2 percent. The ratio ranged from a low of 60.0 percent on September 30, 2021, to a high of 101.7 percent on December 31, 2019. Quarterly ratios slightly rose and fell throughout the review period, with a small increase in the last 12-18 months. The bank's average net loan-to-deposit ratio was compared to that of three similarly-situated institutions operating in or near the bank's assessment area with similarities in lending focus and asset size. As shown in the next table, Breda Savings Bank's ratio compares favorably and is higher than the similarly-situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 06/30/2025 \$(000s)	Average Net Loan-to- Deposit Ratio (%)
Breda Savings Bank, Breda, Iowa	97,176	75.5
Farmers State Bank, Lake View, Iowa	35,538	36.2
The First National Bank of Manning, Manning, Iowa	77,935	53.2
Farmers State Bank, Yale, Iowa	69,643	53.7
<i>Source: Reports of Condition and Income 12/31/2019 through 06/30/2025</i>		

Assessment Area Concentration

Breda Savings Bank extended a majority of small farm, small business, and home mortgage loans, by number, inside its assessment area for both years reviewed. The majority of loans in 2024, by dollar volume, were within the assessment area. However, in 2023, only 32.4 percent of small business loans and 34.8 percent of home mortgage loans, by dollar volume, originated within the assessment area. Examiners noted that one large small business loan as well as multiple small business loans made to a single borrower were located outside the assessment area in 2023. Additionally, there was one large home mortgage loan originated outside the assessment area impacting the percentage.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm										
2023	14	87.5	2	12.5	16	1,581	96.6	57	3.4	1,637
2024	13	100.0	0	0.0	13	1,542	100.0	0	0.0	1,542
Subtotal	27	93.1	2	6.9	29	3,123	98.2	57	1.8	3,180
Small Business										
2023	10	66.7	5	33.3	15	453	32.4	944	67.6	1,397
2024	14	82.4	3	17.6	17	1,373	85.2	239	14.8	1,612
Subtotal	24	75.0	8	25.0	32	1,826	60.7	1,183	39.3	3,009
Home Mortgage										
2023	4	66.7	2	33.3	6	531	34.8	997	65.2	1,528
2024	4	57.1	3	42.9	7	966	55.8	765	44.2	1,731
Subtotal	8	61.5	5	38.5	13	1,497	45.9	1,762	54.1	3,259
Total	59	79.7	15	20.3	74	6,446	68.2	3,002	31.8	9,448
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%</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

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of differing sizes, as well as individuals of varying income levels. The bank's reasonable small farm lending performance primarily supports this conclusion as it carried the most weight. While the bank had excellent small business lending performance, it did not raise the assessment. Further, the poor home mortgage lending performance did not lower the assessment as it carried little weight.

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different revenue sizes when considering additional factors. As shown in the following table, the bank's lending performance to operations with revenues of \$1 million or less was lower than corresponding D&B data in 2023 and 2024. However, 2022 Agriculture Census data revealed that 52.5 percent of producers in the assessment area do not list farming as their primary occupation, and 51.7 percent of the farming operations did not report interest expense. This suggests there is limited farm credit demand.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000					
2023	99.3	12	85.7	1,371	86.7
2024	99.4	12	92.3	1,242	80.5
> \$1,000,000					
2023	0.4	2	14.3	210	13.3
2024	0.4	1	7.7	300	19.5
Revenue Not Available					
2023	0.4	0	0.0	0	0.0
2024	0.2	0	0.0	0	0.0
Total					
2023	100.0	14	100.0	1,581	100.0
2024	100.0	13	100.0	1,542	100.0

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

Small Business Loans

The distribution of small business loans to operations of various revenues is excellent. As shown in the following table, the lending performance to businesses with revenues of \$1 million or less exceeds D&B data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2023	87.4	10	100.0	453	100.0
2024	87.7	13	92.9	1,002	73.0
> \$1,000,000					
2023	3.8	0	0.0	0	0.0
2024	3.2	1	7.1	371	27.0
Revenue Not Available					
2023	8.8	0	0.0	0	0.0
2024	9.1	0	0.0	0	0.0
Total					
2023	100.0	10	100.0	453	100.0
2024	100.0	14	100.0	1,373	100.0

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

Home Mortgage Loans

Breda Savings Bank’s lending performance to low- and moderate-income borrowers is poor; however, based on the limited number of home mortgage loans originated, the home mortgage borrower profile performance did not contribute significantly to the overall conclusions. Specifically, there were only eight total home mortgage loans originated in the assessment area between 2023 and 2024. Of the eight loans originated, none of the loans were made to low- and moderate- income borrowers. Management attributed the lack of lending to low-and-moderate income borrowers to low demand due to rising housing costs, the interest rate environment, and the conversion of many affordable homes into rental properties. Examiners noted that the community contact confirmed that there is a need for affordable housing loans and they are a primary credit need in the area. Therefore, the bank’s lending performance to low-and-moderate-income borrowers is poor.

Response to Complaints

The institution has not received 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.