

# **PUBLIC DISCLOSURE**

September 2, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

White State Bank  
Certificate Number: 8519

209 Ives Street  
South English, Iowa 52335

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 areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

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

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- The bank originated a majority of small farm, small business, and home mortgage loans inside the assessment areas.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area reviewed.
- The overall distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different 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

White State Bank is headquartered in South English, Iowa, and is owned by Country Bancorporation, West Des Moines, Iowa. Through common ownership, the institution is affiliated with Farmers & Merchants Savings Bank, Iowa City, Iowa; Hiawatha Bank & Trust Company, Hiawatha, Iowa; and The Exchange State Bank, Springville, Iowa. Country Bancorporation also owns second-tier holding company, Lone Tree Service Company, which owns Farmers & Merchants Savings Bank. These affiliations have not generated any lending relationships that impacted White State Bank's CRA evaluation. In September 2022, affiliated Peoples Savings Bank, Crawfordsville, Iowa merged into White State Bank, resulting in the acquisition of two full-service branch offices in Crawfordsville and Wayland, Iowa. No branches have been closed during the review period. White State Bank received a Satisfactory rating at its previous Federal Deposit Insurance Corporation Performance Evaluation, dated September 30, 2019, based on Interagency Small Institution Examination Procedures.

The institution offers various agricultural, commercial, residential real estate, and consumer loan products, with no particular lending focus targeting a single product. The bank also provides a variety of deposit-related products that include checking, savings, money market, certificate of deposit, and individual retirement accounts. Alternative banking products and services include debit cards, direct deposit, internet and mobile banking, mobile deposit, electronic statements, and electronic bill payment.

Assets totaled approximately \$98.9 million as of June 30, 2025, representing an increase of 154.5 percent since the June 30, 2019, Consolidated Reports of Condition and Income (Call Report). Total deposits equaled approximately \$87.2 million, representing a 172.0 percent increase, and total loans equaled approximately \$37.0 million, representing a 55.4 percent increase during the same timeframe. These increases are predominantly associated with the 2022 merger; however, post-merger activities reflect moderate increases attributed to organic growth. White State Bank and the acquired People Savings Bank had comparable loan portfolio compositions; consequently, loan concentrations have remained generally consistent over the evaluation period. From June 2019 to June 2025, a slight decline in commercial lending volume was countered by moderate increases in agricultural and residential real estate lending volume. The following table illustrates the composition of the loan portfolio as of June 30, 2025.

<b>Loan Portfolio Distribution as of 6/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	277	0.7
Secured by Farmland	9,158	24.8
Secured by 1-4 Family Residential Properties	8,968	24.3
Secured by Multifamily (5 or more) Residential Properties	1,072	2.9
Secured by Nonfarm Nonresidential Properties	3,025	8.2
<b>Total Real Estate Loans</b>	<b>22,500</b>	<b>60.9</b>
Commercial and Industrial Loans	6,589	17.8
Agricultural Production and Other Loans to Farmers	5,709	15.5
Consumer Loans	2,145	5.8
Obligations of State and Political Subdivisions in the U.S.	10	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>36,953</b>	<b>100.00</b>
<i>Source: Call Report</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. At the prior CRA evaluation, White State Bank had defined an assessment area for the South English office encompassing portions of Iowa and Keokuk counties. Following the 2022 merger, management adopted two contiguous geographic areas encapsulating the Crawfordsville and Wayland offices. The Crawfordsville assessment area encompasses a portion of Washington County, which is part of the Iowa City, Iowa Metropolitan Statistical Area. The Wayland assessment area encompasses a portion of Henry County. For evaluation purposes, examiners separately analyzed lending performance in all three areas. Lending data is presented collectively for the South English and Wayland assessment areas given their similarities in nature and composition, as well as location in the nonmetropolitan portion of Iowa. This combined area will be presented as the Nonmetropolitan Assessment Area. Conversely, the Crawfordsville assessment area will be analyzed and presented separately as the Metropolitan Assessment Area given its capture by the metropolitan statistical area. Refer to subsequent sections for detailed information on each assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated September 30, 2019, to the current evaluation date of September 2, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate White State Bank’s CRA performance. These procedures include a Lending Test, which is further described in the Appendices. Examiners conducted full-scope reviews of the

institution’s two distinct lending areas. The evaluation attributed greater weight to results from the Nonmetropolitan Assessment Area given its concentration of loan and deposit activities and inclusion of two of the bank’s three offices. The following table reflects the distribution of loans, deposits, and branches by assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Nonmetropolitan	125,931	91.1	63,981	70.9	2	66.7
Metropolitan	12,334	8.9	26,312	29.1	1	33.3
<b>Total</b>	<b>138,265</b>	<b>100.0</b>	<b>90,293</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: Bank Data (outstanding and paid-off loans originated 10/1/2019-8/11/2025); FDIC Summary of Deposits (6/30/2024).*

**Activities Reviewed**

Examiners determined that the institution’s major product lines are agricultural, commercial, and residential real estate loans. This conclusion considered the bank’s business strategy, loan portfolio composition, and lending activity during the evaluation period. Therefore, small farm, small business, and home mortgage lending were reviewed at the current evaluation. Small business lending was not reviewed in the Metropolitan Assessment Area due to negligible activity given related demand, industry demographic composition, and that this loan type is not a primary business focus in this area. When drawing overall conclusions, examiners attributed greater weight to small farm lending in the Nonmetropolitan Assessment Area, followed by equal weighting of small business and home mortgage lending. For the Metropolitan Assessment Area, examiners granted equal weighting to small farm and home mortgage lending.

For the Assessment Area Concentration review, examiners evaluated lending performance based on all small farm, small business, and home mortgage loans originated or renewed in 2024. Management recognized 2024 loan activity as representative of the institution’s performance during the broader evaluation period. For the Geographic Distribution review, examiners evaluated lending performance based on all loans located inside the Nonmetropolitan Assessment Area. For the Borrower Profile analysis, examiners sampled small farm loans originated or renewed inside the Nonmetropolitan Assessment Area. Conversely, due to smaller universe sizes, examiners analyzed all small business and home mortgage loans inside the Nonmetropolitan Assessment Area, and all small farm and home mortgage loans inside the Metropolitan Assessment Area for this factor. The following table provides universe and sample information.

<b>Loan Products Reviewed</b>						
<b>Loan Category</b>	<b>Universe</b>		<b>Universe Inside Assessment Areas</b>		<b>Sample or Universe For Borrower Profile Analysis</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	100	10,420	91	8,945	45	4,342
Small Business	49	7,281	27	1,634	26	1,631
Home Mortgage	30	3,047	20	1,859	20	1,859

*Source: Bank Data*

For small business and small farm conclusions, 2024 D&B data provided a standard of comparison. When arriving at home mortgage conclusions, 2020 U.S. Census data provided a standard of comparison. Examiners obtained the data necessary for this evaluation from institution loan records, individual customer loan files, interviews with bank management, and information gathered as part of the examination process. Examiners analyzed lending performance by assessing the number and dollar volume of small farm, small business, and home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of farms, businesses, and individuals served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

White State Bank demonstrated reasonable performance under the Lending Test. The bank’s reasonable Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance primarily supports this conclusion. The following sections describe each performance criterion and how they support the overall rating.

#### Loan-to-Deposit Ratio

White State Bank’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, assessment area credit needs, and other pertinent information. The bank’s net loan-to-deposit ratio averaged 51.0 percent over the 24 calendar quarters from September 30, 2019, to June 30, 2025. The ratio ranged from a low of 38.3 percent as of June 30, 2024, to a high of 73.2 percent as of September 30, 2019. Examiners compared White State Bank’s average net loan-to-deposit ratio with those of four similarly-situated institutions. Comparable institutions were largely selected based on similarities in lending focus, asset size, structure, and markets served. As illustrated in the following table, White State Bank’s average net loan-to-deposit ratio lies in the middle of the group. For the period reviewed, the ratios of the other banks ranged from a low of 32.5 percent to a high of 93.2 percent.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2025 (\$000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>White State Bank, South English, Iowa</b>	<b>98,910</b>	<b>51.0</b>
Chelsea Savings Bank, Belle Plaine, Iowa	192,833	39.1
Montezuma State Bank, Montezuma, Iowa	54,176	50.2
Federation Bank, Washington, Iowa	148,955	60.5
Farmers Trust & Savings Bank, Williamsburg, Iowa	190,669	80.1
<i>Source: Call Reports 9/30/2019 – 6/30/2025</i>		

The bank’s loan-to-deposit ratio is reasonable when viewed in light of additional factors. In September 2022, White State Bank completed the merger of assets and liabilities related to the Peoples Savings Bank acquisition. Approximately \$40.9 million in deposits and \$11.5 million in new loans were transferred to White State Bank’s balance sheet. As of its final Call Report, Peoples Savings Bank had

a net loan-to-deposit ratio of 26.2 percent. The merger nearly doubled White State Bank’s total assets, which were reported at \$48.9 million as of June 30, 2022. The merger, in combination with cyclical fluctuations due to organic market changes over the broader period, resulted in deposits heavily outpacing loans. Between September 30, 2019, and June 30, 2025, White State Bank experienced a 50.0 percent increase in net loans while total deposits increased by 163.8 percent. Post-merger activities reflect a slight gain in loans with net loans growing by 8.5 percent and total deposits growing by 4.7 percent.

Agricultural lending remains a predominant business focus for White State Bank given its office locations within small, rural communities. Several factors have impacted the agricultural economy and subsequent loan demand during the evaluation period. According to a community contact, COVID-19 pandemic stimulus payments, as well as the more recent rise in commodity prices, reduced agricultural loan demand during the evaluation period. Cash infusions have allowed farms and businesses to pay down existing debts and fund operations with cash, rather than bank financing. Both the community contact and bank management commented on the highly competitive market for agricultural credit.

White State Bank’s focus is on attaining quality credits, and management expresses a willingness to lend to any qualified applicant. As evidence, the bank has denied a nominal number of credit applications in the previous 12 months. The bank’s credit underwriting standards are industry standard, and do not include adverse or restrictive criteria. Marketing efforts are largely limited to an informational website. White State Bank’s loan-to-deposit ratio is reasonable given the addition of a high level of deposits and smaller increase in lending, reduced agricultural loan demand as substantiated by a community contact, and general competition.

**Assessment Area Concentration**

As shown in the following table, the institution originated and renewed a collective majority of small farm, small business, and home mortgage loans inside its assessment areas by number and dollar volume. Notably, the small business distribution is heavily impacted by five large dollar loans accounting for 48.8 percent of the total dollar volume. These credits involve three affiliate participations and two credits to a commercial borrower just outside of the bank’s Metropolitan Assessment Area.

<b>Lending Inside and Outside of the Assessment Areas</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	
	Small Farm	91	91.0	9		9.0	100	8,945	85.8	
Small Business	27	55.1	22	44.9	49	1,634	22.4	5,647	77.6	7,281
Home Mortgage	20	66.7	10	33.3	30	1,859	61.0	1,188	39.0	3,047
<b>Total</b>	<b>138</b>	<b>77.1</b>	<b>41</b>	<b>22.9</b>	<b>179</b>	<b>12,438</b>	<b>59.9</b>	<b>8,310</b>	<b>40.1</b>	<b>20,748</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%.*

**Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion. The institution’s record of lending, by number of loans, in the one moderate-income census tract of the Nonmetropolitan Assessment Area supports this conclusion. The Metropolitan Assessment Area does not include

any low- or moderate-income census tracts; therefore, this criterion was not evaluated in this area. Refer to comments under the Nonmetropolitan Assessment Area for additional details.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes, and individuals of different income levels. The bank's overall reasonable lending performance in both assessment areas supports this conclusion. Examiners focused on the percentage of loans to farms and businesses with gross annual revenues of \$1.0 million or less, and on the percentage of home mortgage loans to low- and moderate-income borrowers. Refer to comments under each assessment area for a more specific analysis.

### **Response to Complaints**

The institution 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 evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

## **NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN NONMETROPOLITAN ASSESSMENT AREA**

The Nonmetropolitan Assessment Area is a composite of the bank's South English and Wayland assessment areas. The collective area encompasses Henry County census tracts 9701 and 9702; Iowa County census tracts 9603 and 9604; and Keokuk County census tracts 801, 802, and 803. White State Bank operates two offices within this nonmetropolitan area.

### **Economic and Demographic Data**

According to 2020 U.S. Census data, the Nonmetropolitan Assessment Area is comprised of one moderate- and six middle-income census tracts. A comparison of 2015 American Community Survey data with the 2020 U.S. Census evidences no changes in the number or boundaries of geographies since the prior evaluation. However, two census tracts transitioned between income categories, one middle-income tract changed to moderate income and one upper-income tract changed to middle income. Additionally, as of 2025, all six middle-income census tracts in the Nonmetropolitan Assessment Area have been designated as underserved. A nonmetropolitan middle-income geography qualifies as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs. Keokuk County census tracts have been designated as underserved middle-income geographies since 2019; as of 2022, however, census tract 802 no longer qualified as it transitioned to moderate income with the 2020 U.S. Census. White State Bank's South English

office is located in moderate-income Keokuk County census tract 802; the Wayland office is located in middle-income Henry County census tract 9701. The following table illustrates select demographic characteristics of the Nonmetropolitan Assessment Area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	22,971	0.0	10.5	89.5	0.0	0.0
Housing Units by Geography	10,291	0.0	12.4	87.6	0.0	0.0
Owner-Occupied Units by Geography	7,123	0.0	12.7	87.3	0.0	0.0
Occupied Rental Units by Geography	2,216	0.0	10.4	89.6	0.0	0.0
Vacant Units by Geography	952	0.0	14.8	85.2	0.0	0.0
Businesses by Geography	2,303	0.0	8.6	91.5	0.0	0.0
Farms by Geography	549	0.0	11.5	88.5	0.0	0.0
Family Distribution by Income Level	5,990	19.2	17.7	25.8	37.4	0.0
Household Distribution by Income Level	9,339	22.0	17.9	19.9	40.2	0.0
Median Family Income – Nonmetropolitan Iowa	\$71,763	Median Housing Value		\$ 118,019		
		Median Gross Rent		\$679		
		Families Below Poverty Level		8.5%		
<i>Source: 2020 U.S. Census and 2024 D&amp;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>						

According to 2024 D&B data, agriculture, forestry, fishing, and hunting industries represent the largest portion of agricultural and commercial operations in the assessment area at 19.3 percent, followed by non-classifiable establishments at 18.1 percent, and other services (except public administration) at 11.6 percent. Additionally, 76.2 percent of assessment area farms and businesses have four or fewer employees, and 93.9 percent operate from a single location.

The FFIEC-estimated median family income was used to analyze home mortgage loans under the Borrower Profile criterion. The median family income levels for nonmetropolitan Iowa are presented in the following table.

<b>Estimated Median Family Income Ranges</b>					
<b>Year</b>	<b>Median Family Income</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
2024	\$86,700	< \$43,350	\$43,350 to < \$69,360	\$69,360 to < \$104,040	≥ \$104,040
<i>Source: FFIEC</i>					

### **Competition**

The Nonmetropolitan Assessment Area is moderately competitive with regard to financial services. According to Call Report data, 18 financial institutions operate 28 offices within Henry, Iowa, and Keokuk counties. These institutions range in size from small community banks to larger financial institutions with branch locations within the three counties. White State Bank ranks 11<sup>th</sup> amongst these institutions with 5.0 percent of deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in understanding economic conditions and identifying credit needs. This information helps to determine whether local financial institutions are responsive to community credit needs and provides context regarding available lending opportunities. For this evaluation, examiners referenced a previously-conducted interview with a representative of an economic development organization serving a portion of the Nonmetropolitan Assessment Area.

The community contact stated the local economy is primarily dependent upon agriculture. A strong agricultural economy combined with pandemic cash infusions has resulted in strong cash flows for area farmers. In turn, these funds have been used to pay down existing loans, and loan demand has substantially declined. Further, high land/rent prices and other inputs are barriers to new entrants as they need a few million dollars to start. As such, beginning farmers have difficulties meeting financing requirements based on high market prices, while retiring farmers are selling to larger operations. Future agricultural loan demand may increase based on changes in economic conditions, according to the contact. Livestock feeders have struggled with lower-than-expected margins, and rising commodity input prices have slightly reduced profitability for crop farmers. The community representative reported there is little agricultural loan demand at this time, which is further compounded by strong competition among numerous institutions that specialize in various loan programs. Additionally, the operating environment for small businesses in rural communities is difficult, primarily due to labor shortages and growing consumer preference for online shopping. There is limited opportunity to extend small business loans because of low demand and difficulties meeting standard underwriting criteria.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, agricultural and home mortgage loans are primary credit needs of the Nonmetropolitan Assessment Area. Call Reports filed by area financial institutions also support this assertion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NONMETROPOLITAN ASSESSMENT AREA**

### **LENDING TEST**

White State Bank demonstrated overall reasonable performance under the Lending Test in the Nonmetropolitan Assessment Area, as primarily supported by reasonable Borrower Profile performance.

### **Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's performance in all three lending products supports this conclusion.

### ***Small Farm Loans***

The geographic distribution of small farm lending reflects excellent dispersion throughout the assessment area. As shown in the following table, the institution's level of lending within the moderate-income census tract exceeds demographics.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	11.5	21	24.1	1,122	12.7
Middle	88.5	66	75.9	7,733	87.3
<b>Total</b>	<b>100.0</b>	<b>87</b>	<b>100.0</b>	<b>8,855</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Small Business Loans***

The geographic distribution of small business lending reflects excellent dispersion throughout the assessment area. As shown in the following table, the institution's level of lending within the moderate-income census tract slightly exceeds demographics. Notably, the loans within the moderate-income geography were granted to three different borrowers, while the loans granted within middle-income geographies included several repeat borrowers. The bank's level of penetration within the moderate-income geography is even greater when reviewing on a borrower level.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	8.6	3	11.5	74	4.5
Middle	91.5	23	88.5	1,557	95.5
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>1,631</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Home Mortgage Loans***

The geographic distribution of home mortgage lending reflects excellent dispersion throughout the assessment area. As shown in the following table, the institution's level of lending within the moderate-income census tract exceeds demographics.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	12.7	4	22.2	359	20.5
Middle	87.3	14	77.8	1,390	79.5
<b>Total</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>1,749</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data.</i>					
<i>Due to rounding, totals may not equal 100.0%.</i>					

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels within the Nonmetropolitan Assessment Area. The bank's reasonable performance in all three lending products supports this conclusion.

### ***Small Farm Loans***

The distribution of small farm loans among agricultural operations of different sizes reflects reasonable penetration in the assessment area. As shown in the following table, White State Bank's lending to farms with gross annual revenues of \$1.0 million or less is slightly lower than, but compares reasonably to, demographic benchmark data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000	98.7	33	80.5	2,743	64.5
> \$1,000,000	0.6	8	19.5	1,509	35.5
Revenue Not Available	0.7	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>4,252</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data.</i>					
<i>Due to rounding, totals may not equal 100.0%.</i>					

### ***Small Business Loans***

The distribution of small business loans among commercial operations of different sizes reflects reasonable penetration in the assessment area. As shown in the following table, White State Bank's lending to businesses with gross annual revenues of \$1.0 million or less compares reasonably to demographic benchmark data.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<= \$1,000,000	89.8	21	80.8	1,186	72.7
> \$1,000,000	1.7	5	19.2	445	27.3
Revenue Not Available	8.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>1,631</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Home Mortgage Loans***

The distribution of home mortgage loans to borrowers of different income levels is reasonable given additional considerations. As shown in the following table, White State Bank’s mortgage lending to low- and moderate-income borrowers is lower than comparative benchmark data. Notably, however, the 2020 U.S. Census reports that 8.5 percent of assessment area families are below the poverty level, thereby potentially limiting the demand and opportunity for mortgage lending to this subset of the low-income category. Secondly, the bank’s home mortgage lending includes one business entity with no income classification and two repeat borrowings by middle- and upper-income borrowers. Adjusting the analysis for these factors brings the institution’s lending to low- and moderate-income borrowers to levels comparable to demographics. Given these additional considerations, the bank’s borrower profile distribution of home mortgage loans is reasonable.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	19.2	1	5.6	21	1.2
Moderate	17.7	3	16.7	163	9.3
Middle	25.8	6	33.3	632	36.1
Upper	37.4	7	38.9	904	51.7
Not Applicable	0.0	1	5.6	29	1.7
<b>Total</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>1,749</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

## **METROPOLITAN ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN METROPOLITAN ASSESSMENT AREA**

The Metropolitan Assessment Area is comprised of Washington County census tract 9605. This geography is encompassed by the Iowa City, Iowa Metropolitan Statistical Area. White State Bank operates its Crawfordsville branch office in this assessment area.

**Economic and Demographic Data**

According to 2020 U.S. Census data, Washington County census tract 9605 is a middle-income geography. Comparison of 2015 American Community Survey data with the 2020 U.S. Census evidences no changes in boundaries or income classification. The following table illustrates select demographic characteristics of the Metropolitan Assessment Area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	3,207	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	1,386	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	989	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	271	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	126	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	441	0.0	0.0	100.0	0.0	0.0
Farms by Geography	144	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	979	10.9	16.9	36.6	35.7	0.0
Household Distribution by Income Level	1,260	9.4	14.5	15.2	60.8	0.1
Median Family Income – Iowa City, Iowa Metropolitan Statistical Area		\$93,237	Median Housing Value		\$ 168,700	
			Median Gross Rent		\$693	
			Families Below Poverty Level		1.6%	
<i>Source: 2020 U.S. Census and 2024 D&amp;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>						

According to 2024 D&B data, agriculture, forestry, fishing, and hunting industries represent the largest portion of agricultural and commercial operations in the assessment area at 24.6 percent, followed by non-classifiable establishments at 20.5 percent, and construction at 7.9 percent. Additionally, 74.5 percent of assessment area farms and businesses have four or fewer employees, and 96.2 percent operate from a single location.

The FFIEC-estimated median family income was used to analyze home mortgage loans under the Borrower Profile criterion. The median family income levels for the Iowa City, Iowa Metropolitan Statistical Area are presented in the following table.

Estimated Median Family Income Ranges					
Year	Median Family Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2024	\$109,900	< \$54,950	\$54,950 to < \$87,920	\$87,920 to < \$131,880	≥ \$131,880
<i>Source: FFIEC</i>					

**Competition**

The Metropolitan Assessment Area is highly competitive with regard to financial services given the surrounding geographic area. According to Call Report data, six financial institutions operate 12 offices within Washington County. These institutions include community banks in a range of sizes headquartered or operating branches within the county. White State Bank ranks 6<sup>th</sup> amongst these institutions with 2.7 percent of deposit market share. Notably, three institutions maintain 86.7 percent of the county’s deposits.

**Credit Needs**

Based on information from bank management and economic and demographic data, examiners determined that agricultural and home mortgage loans represent primary credit needs of the Metropolitan Assessment Area. Call Reports filed by area financial institutions also support this assertion.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN METROPOLITAN ASSESSMENT AREA**

**LENDING TEST**

White State Bank demonstrated overall reasonable performance under the Lending Test in the Metropolitan Assessment Area, as supported by reasonable Borrower Profile performance.

**Geographic Distribution**

This assessment area does not include any low- or 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 borrowers reflects reasonable penetration among farms of different sizes and individuals of different income levels within the Metropolitan Assessment Area. The bank’s reasonable performance in both loan products supports this conclusion. Although generally low, the limited lending activity within this assessment area is considered reasonable given the geographic composition and demographics of the singular census tract. White State Bank is the only financial institution located within this census tract, operating within the City of Crawfordsville which hosts fewer than 300 residents. Although Washington County is classified as metropolitan, the sole census tract comprising the Metropolitan Assessment Area is largely rural and has no significant population centers or urban development.

***Small Farm Loans***

The distribution of small farm loans among agricultural operations of different sizes reflects reasonable penetration in the assessment area. White State Bank granted 75.0 percent of small farm loans to operations with gross annual revenues of \$1.0 million or less. Comparatively, D&B data reported 96.5 percent of assessment area farms are within this revenue category.

***Home Mortgage Loans***

The distribution of home mortgage loans to borrowers of different income levels is reasonable. White State Bank granted 100.0 percent of home mortgage loans to moderate-income borrowers. Comparatively, the 2020 U.S. Census reports that 10.9 percent of assessment area families qualify as low-income; an additional 16.9 percent of families qualify as moderate-income.

## 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 institution'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 institution 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.