PUBLIC DISCLOSURE

March 30, 2026

COMMUNITY REINVESTMENT ACT

PERFORMANCE EVALUATION

St. Ansgar State Bank
RSSD# 115146

237 West 4th Street
Saint Ansgar, Iowa 50472

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

PERFORMANCE EVALUATION 2
SCOPE OF EXAMINATION 2
DESCRIPTION OF INSTITUTION 3
DESCRIPTION OF ASSESSMENT AREA 4
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA 9
LENDING TEST 10
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 14
APPENDIX A – MAP OF ASSESSMENT AREA 15
APPENDIX B – SCOPE OF EXAMINATION 16
APPENDIX C – GLOSSARY 17

BANK'S CRA RATING

St. Ansgar State Bank is rated Satisfactory.

St. Ansgar State Bank is meeting the credit needs of its assessment area based on an analysis of its lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area's credit needs. A majority of the bank's loans were originated in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. In addition, borrower distribution reflects reasonable penetration among businesses and farms of different revenue sizes. Neither St. Ansgar State Bank nor this Reserve Bank received any Community Reinvestment Act (CRA) related complaints during the review period.

SCOPE OF EXAMINATION

St. Ansgar State Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Small Institution CRA Examination Procedures. The examination considered information about the bank such as asset size, financial condition, business strategy, competition, and the assessment area's demographic and economic characteristics.

The examination included a full-scope review of the single Non-Metropolitan Statistical Area (Non-MSA) Iowa assessment area. Products reviewed consisted of a sample of small business and small farm loans originated from January 1, 2025, through December 31, 2025. Small farm loans were given greater weight for this examination, as they represent the majority of the loan portfolio.

Performance within the assessment area was evaluated using the streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 16-quarter average loan-to-deposit ratio ending December 31, 2025, was calculated for the bank and compared to a sample of local competitors.

- ***Lending in the Assessment Area*** – A statistical sample of small business and small farm loans originated from January 1, 2025, through December 31, 2025, were reviewed to determine the percentage of loans originated in the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – A statistical sample of small business and small farm loans originated in the assessment area, from January 1, 2025, through December 31, 2025, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels.

- ***Lending to Businesses and Farms of Different Sizes*** – A statistical sample of small business and small farm loans originated in the assessment area, from January 1, 2025, to December

31, 2025, were reviewed to determine the distribution among businesses and farms of different revenue sizes.

- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank's record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

In addition, one community representative was contacted in connection with this examination to provide information regarding the local economic and socio-economic conditions in the assessment area. The organization of the representative focused on economic development.

DESCRIPTION OF INSTITUTION

St. Ansgar State Bank is a subsidiary of St. Ansgar Bancorporation, a one-bank holding company located in St. Ansgar, Iowa. The bank does not have any affiliates or subsidiaries. The bank operates its main office with a full-service Automated Teller Machine (ATM) in St. Ansgar, Iowa, and one branch location with a cash-only ATM in Stacyville, Iowa, all within middle-income census tracts. The bank has not opened or closed any branches or ATMs since the previous exam.

As of the December 31, 2025, Uniform Bank Performance Report (UBPR), the bank reported total assets of approximately $189.3 million. St. Ansgar State Bank offers a range of traditional loan products and services that meet the banking needs of consumers, businesses, and farms operating in the assessment area. The bank is primarily an agricultural lender, with those loans comprising 54.3 percent of the loan portfolio. Other lending products include residential real estate, consumer, and commercial loans. Traditional deposit products are available and include checking, savings, money market, and certificates of deposit. Online and mobile banking capabilities are also offered and can be found on the bank's website at www.stansgarbank.com.

Details of the composition of St. Ansgar State Bank's loan portfolio are provided in the following table.

Composition of Loan Portfolio as of December 31, 2025		
Type	**$(000s)**	**%**
Agriculture	68,210	54.3
Commercial	23,193	18.4
Residential Real Estate	24,671	19.6
Consumer	1,791	1.4
Other Loans	7,865	6.3
Total	125,730	100.0
Note: Percentages may not total to 100.0 percent due to rounding		

According to the June 30, 2025, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, St. Ansgar State Bank held approximately $134.5 million in deposits and ranked second out of six financial institutions operating within the assessment area, with 19.3 percent of the deposit market share. The Home Trust & Savings Bank ranked first, with 35.4 percent, and First Citizens Bank ranked third, with 18.4 percent of the deposit market share.

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated satisfactory under the CRA at its previous examination conducted on March 7, 2022.

DESCRIPTION OF ASSESSMENT AREA

St. Ansgar State Bank is an intrastate bank that operates in the Non-MSA region in Iowa. The bank delineates Mitchell County, Iowa, in its entirety, as its assessment area. The assessment area is comprised of three middle-income census tracts, all of which are designated as underserved as of 2025 due to their remote rural location. The assessment area delineation and bank's physical operations remain unchanged since the previous examination.

Demographic information regarding the bank's assessment area is provided in the following chart, followed by a summary of key economic characteristics.

2025 IA Non MSA AA Demographics								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	437	14.8
Moderate	0	0.0	0	0.0	0	0.0	631	21.4
Middle	3	100.0	2,948	100.0	109	3.7	645	21.9
Upper	0	0.0	0	0.0	0	0.0	1,235	41.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**3**	**100.0**	**2,948**	**100.0**	**109**	**3.7**	**2,948**	**100.0**
	Housing Units by Tract	**Housing Type by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	4,987	3,584	100.0	71.9	888	17.8	515	10.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	**4,987**	**3,584**	**100.0**	**71.9**	**888**	**17.8**	**515**	**10.3**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	522	100.0	491	100.0	24	100.0	7	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**522**	**100.0**	**491**	**100.0**	**24**	**100.0**	**7**	**100.0**
Percentage of Total Businesses:				**94.1**		**4.6**		**1.3**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	179	100.0	178	100.0	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**179**	**100.0**	**178**	**100.0**	**1**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.4**		**0.6**		**0.0**

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Population Change

According to the U.S. Census Bureau demographics data, the assessment area's population as of 2020 is 10,565, which represents a decline of 1.8 percent from 2015. Similarly, over the same period, the entire non-metropolitan portion of Iowa (Non-MSA Iowa) had a population decrease of 1.4 percent, whereas the state of Iowa had a population increase of 3.1 percent.

The community representative stated that a loss of traditional rural industries has been a contributing factor to a decline in the population, forcing people to move to larger cities for employment opportunities. In addition, Mitchell County has been losing population before 2015, driven by the migration of young adults and college-educated individuals due to the shortage of highly skilled, diverse, or appealing job opportunities. Further, the lack of affordable housing and the closure of rural services also has contributed to the population decline, as younger families seek areas with amenities fitting their needs.

The following table shows the population trends for the assessment area, the entire Non-MSA Iowa, and the state of Iowa from 2015 to 2020.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percentage Change (%)**
Mitchell County, IA	10,762	10,565	-1.8
Non-MSA, IA	1,250,756	1,232,642	-1.4
State of Iowa	3,093,526	3,190,369	3.1

Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2020
U.S. Census Bureau: American Community Survey Data: 2011-2015

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 2,948 families, of which 14.8 percent are designated as low-income, 21.4 percent as moderate-income, 21.9 percent as middle-income, and 41.9 percent as upper-income. Additionally, 3.7 percent of families residing within the assessment area live below the poverty line, which is below the Non-MSA and the state of Iowa's poverty rate of 7.7 and 7.1, respectively. According to the 2016-2020 ACS, the median family income (MFI) for the assessment area was $73,550 in 2020, which was an increase of 5.1 percent from 2015. Non-MSA Iowa and the state of Iowa had larger increases during the same period of 6.5 percent and 7.4 percent, respectively.

The community representative attributed the increase in MFI across the assessment area, Non-MSA, and the state of Iowa, to rising wages driven by labor market competition, which are creating significant financial strain for small businesses and small farms.

The following table presents the MFI for 2015 and 2020 for families living in the assessment area, Non-MSA, and the state of Iowa overall.

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percentage Change (%)
Mitchell County, IA	$70,010	$73,550	5.1
Non-MSA, IA	$67,391	$71,763	6.5
State of Iowa	$73,712	$79,186	7.4
Source: U.S. Census Bureau: American Community Survey Data: 2011 – 2015 U.S. Census Bureau: American Community Survey Data: 2016 – 2020 Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

Housing Characteristics

There are a total of 4,987 housing units within the assessment area. The majority of the housing units are owner-occupied at 71.9 percent, whereas rental units comprise 17.8 percent of total units. Further, 10.3 percent of housing units are vacant, which is slightly higher than the percentage of vacant units within the state of Iowa at 9.5 percent. The assessment area's median housing value and median gross rent equaled $120,372 and $610, respectively, based on 2020 FFIEC Census Data.

The following table provides data on housing cost burden in the assessment area, Non-MSA Iowa, and the state of Iowa. A method to understand poverty and housing outcomes is calculating housing cost burden, which is the ratio of a household's gross monthly housing costs to the household's gross monthly income. Housing cost burden, as defined by the U.S. Department of Housing and Urban Development (HUD), takes these quantitative ratios, and assigns qualitative values to them. If a household's housing cost is above 30.0 percent of its income, that household is considered housing cost burdened.

All renters across all income levels in the assessment area, Non-MSA Iowa, and the state of Iowa experienced housing cost burden at 26.4 percent, 33.2 percent, and 37.9 percent, respectively, which reflects significantly higher rates than the housing cost burden among all homeowners at 15.0 percent, 14.2 percent, and 14.9 percent, respectively. Despite this difference, low- and moderate-income homeowners in the assessment area experience housing cost burden at a similar rate to renters, at 53.6 percent of low- and 23.0 percent of moderate-income owners burdened, compared to 59.3 percent of low- and 23.7 percent of moderate-income renters. The similarities highlight that owners that are middle-income and upper-income experience housing cost burden at a significantly lower rate. In addition, low-income renters in the assessment area experience cost burden at a lower rate than low-income renters in the entire state of Iowa at 59.3 and 71.9 percent, respectively. Moderate-income renters in the assessment area experience housing cost burden at a similar rate as moderate-income renters across the state of Iowa at 23.7 percent and 21.4 percent, respectively. Overall, housing cost burden in the assessment area and the state of Iowa are similar across all income levels for homeowners.

The community representative noted that the housing market is competitive, emphasizing the need for more development to ease affordability pressures. It has been difficult to secure rental properties or home purchases in the assessment area primarily due to a severe lack of supply. In addition, financial institutions have become increasingly risk-averse, making capital for residential projects expensive. Further, high interest rates and the rising cost of living have also been a contributor to financial strain amongst low-to-moderate income households.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Mitchell County, IA	59.3	23.7	26.4	53.6	23.0	15.0
Non-MSA, IA	65.8	16.7	33.2	54.8	18.9	14.2
State of Iowa	71.9	21.4	37.9	58.7	23.5	14.9
Cost burden is housing cost that equals 30 percent or more of household income *Source: U.S. Department of Housing and Urban Development (HUD), 2017 – 2021 Comprehensive Housing Affordability Strategy*						

Employment Characteristics

Based on the U.S. Bureau of Labor Statistics, the assessment area has consistently had more favorable unemployment rates than both Non-MSA Iowa and the state of Iowa. In 2024, unemployment in Mitchell County, averaged across the 12-month period was 2.3 percent, falling below the rates of Non-MSA Iowa and the state of Iowa, both at 3.0 percent. Due to the COVID-19 pandemic, unemployment rates in 2020 and 2021 were higher than from 2022 and onward.

Despite low unemployment rate trends for the assessment area, a community representative indicated the recent closure of three manufacturing facilities in the area is a contributing factor to unemployment rates. The closure of Fox River Mills (October 2025), located in the assessment area, resulted in the loss of 105 jobs In addition, the closure of both Winnebago Industries (June 2025) and Pure Prairie Poultry plant (September 2024) both in Charles City, adjacent to Mitchell County, resulted in the loss of approximately 97 and 102 jobs, respectively. Two of the three closures occurred after 2024; therefore, they are not included in the data provide below. However, these closures still contribute to the overall economic condition and potential credit needs of the assessment area.

The following table represents unemployment trends for the assessment area, Non-MSA, and the state of Iowa from 2020 to 2024.

Unemployment Rates (%)					
Area	**2020**	**2021**	**2022**	**2023**	**2024**
Mitchell County, IA	3.5	2.8	2.2	2.3	2.3
Non-MSA, IA	4.9	3.8	3.0	3.0	3.0
State of Iowa	5.2	3.9	2.8	2.9	3.0
Source: Bureau of Labor Statistics (BLS): Local Area Unemployment Statistics					

Industry Characteristics

According to the U.S. Bureau of Labor Statistics, manufacturing, government, construction, and retail trade have the largest number of employees in the assessment area. Additionally, construction, healthcare and social assistance, and retail trade have the largest number of establishments in the assessment area.

According to the community representative, manufacturing and construction continue to be the primary economic drivers in the area; however, the representative shared farming also plays an important role. The representative noted that Valent BioSciences and Grain Millers are two of the largest employers in the area and key components of the industrial and agriculture economy. The representative also discussed a decline in small farms in the area, while larger, industrial scale farms continue to grow and acquire more farmland. Small businesses in the area have demonstrated steady growth yet face constraints such as rising cost of goods and supplies and difficulties with retaining employees. Further, the representative remarked that the agricultural economy has relied on immigrant labor for harvesting and processing; however, a decrease in availability of these workers has created critical gaps in the workforce contributing to the increase in the cost of labor.

Community Representative

A community representative with knowledge and understanding of economic, housing, and financial conditions in the local community was contacted to gain a greater understanding of the credit needs of the assessment area. The representative highlighted that financial institutions have historically been responsive to the needs of businesses and farms in the area; however, the representative emphasized the need for local financial institutions to continue to provide support by participating and partnering with economic and community development organizations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

St. Ansgar State Bank's performance relative to the lending test is rated Satisfactory. Overall, the bank is meeting the credit needs of its assessment area based on an analysis of its lending activity. The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The majority of small business and small farms loans were originated in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The borrower distribution reflects reasonable penetration among businesses and farms of different revenue sizes. No CRA-related complaints were received by the institution or the Reserve Bank since the previous examination.

Loan-to-Deposit Ratio

St. Ansgar State Bank's LTD ratio is considered reasonable, given the bank's size, financial condition, and assessment area credit needs. As of December 31, 2025, the loan-to-deposit ratio averaged 76.9 percent over a 16-quarter period. The LTD ratio has decreased since the previous examination, during which time the bank had an average ratio of 81.9 percent over a 16-quarter period. Management indicated that this decline in the loan-to-deposit ratio was driven by a combination of macroeconomic factors such as interest rates and structural challenges of operating in a remote rural environment. Notably, in 2024 and 2025, the bank's LTD ratio by quarter was higher than the 16-quarter average for each individual quarter, highlighting that the economic factors, which primarily occurred in 2022 and 2023, skewed the average LTD ratio lower for the 16-quarter review period. Overall, the bank's current LTD ratio is similar to the peer average of 77.6 percent.

The following table compares the bank's LTD ratio to its local competitors of similar size and complexity.

Comparative Loan-to-Deposit Ratios	
Institution	**Loan-to-Deposit Ratio (%)**
	16 – Quarter Average
St. Ansgar State Bank	76.9
Peer Avg – Local	77.6
Competitors	
CUSB Bank	87.1
First Citizens Bank	78.6
Home Trust and Savings Bank	76.7
Farmers State Bank	75.3
First Security Bank and Trust Company	70.2

Assessment Area Concentration

During the review period, St. Ansgar State Bank originated a majority of its small business and small farm loans in the assessment area. The bank originated 70.7 percent by number and 63.7

percent by dollar volume of total loans within the assessment area. The concentration of small business and small farm loans in the assessment area represents a decrease from the previous examination in which the bank originated 82.2 percent of loans by number and 81.7 percent by dollar.

The bank originated 63.4 percent by number and 45.9 percent by dollar amount of small business loans in the assessment area. Of the $5.6 million originated outside of the assessment area, approximately $3.2 million originated in the state of Minnesota, adjacent to the assessment area. The location of these loans ranged from approximately 10-30 miles from St. Ansgar State Bank's main office. The percentage of small farm loans originated in the assessment area was 74.4 percent by number, and 76.6 percent by dollar amount. This concentration of lending indicates the bank is actively serving the credit needs of the assessment area.

The following table summarizes the bank's lending inside and outside its assessment area broken down by number and dollar amount for small business and small farm loans from January 1, 2025, to December 31, 2025.

Lending Inside and Outside the Assessment Area								
Loan Types	**Inside**				**Outside**			
	#	%	$(000s)	%	#	%	$(000s)	%
Small Business	26	63.4	$4,744	45.9	15	36.6	$5,593	54.1
Small Farm	61	74.4	$10,901	76.6	21	25.6	$3,339	23.4
Total Loans	87	70.7	$15,645	63.7	36	29.3	$8,932	36.3

Geographic Distribution of Loans

The assessment area is comprised only of middle-income census tracts; therefore, a meaningful analysis of geographic distribution could not be performed. The dispersion of the loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts in the assessment area. Examiners determined that there were no conspicuous or unexplained lending gaps within the assessment area. Therefore, St. Ansgar State Bank's geographic distribution of small business and small farm loans reflect a reasonable dispersion throughout the assessment area.

Lending to Businesses and Farms of Different Revenue Sizes

St. Ansgar State Bank's distribution of loans reflects a reasonable penetration among businesses and farms of different revenues sizes. As previously mentioned, greater weight was given to small farm lending, as agriculture loans represent the majority of the loan portfolio. A breakdown of the bank's small business and small farm lending is detailed below.

Notably, in addition to traditional commercial and agriculture loan product and service offerings, St. Ansgar State Bank offers an agriculture and commercial borrower program to provide financing to beginning farmers and startup businesses during their initial years of operation, with flexible terms for startup and operating costs. Since the previous examination, approximately 40 loans have been originated under this program, which supports small farms and small businesses within the assessment area.

<u>Small Farm Loans</u>

The distribution of small farm loans reflects reasonable penetration among farms of different revenue sizes. In 2025, St. Ansgar State Bank originated 78.7 percent of farm loans by number to farms with annual revenue of $1 million or less. While the bank's lending is below the percentage of total farms in the assessment area with annual revenues of $1.0 million or less (99.4 percent), the performance is considered reasonable as 41.7 percent of small farm loans were in amounts of $100,000 or less. These loans are considered the most beneficial to small farms, demonstrating the bank's willingness to meet the credit needs of small farms within the assessment area.

The following table presents the distribution of small farm loans by revenue and loan size in the assessment area from January 1, 2025, to December 31, 2025.

Distribution of 2025 Small Farm Lending By Revenue Size of Farms Assessment Area: IA Non MSA					
	Bank Loans				**Total Farms**
	#	#%	**$(000)**	**$%**	**%**
By Revenue					
$1 Million or Less	48	78.7	8,296	76.1	99.4
Over $1 Million	7	11.5	2,230	20.5	0.6
Revenue Unknown	6	9.8	375	3.4	0.0
Total	61	100.0	10,901	100.0	100.0
By Loan Size					
$100,000 or Less	24	39.3	896	8.2	
$100,001 - $250,000	18	29.5	3,280	30.1	
$250,001 - $500,000	19	31.1	6,724	61.7	
Total	61	100.0	10,901	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	20	41.7	784	9.5	
$100,001 - $250,000	15	31.3	2,793	33.7	
$250,001 - $500,000	13	27.1	4,719	56.9	
Total	48	100.0	8,296	100.0	

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Loan

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. Small business loans originated in 2025 were reviewed, of which 73.1 percent by number were to businesses with annual revenues of $1.0 million or less. The bank's performance is below the percentage of total business in the assessment area with total revenues of $1 million or less (94.1 percent). However, 68.4 percent of loans originated to businesses with annual reviews of $1 million or less were made in amounts of $100,000 or less. These loans are considered the most beneficial to small businesses, indicating the bank's willingness to meet the credit needs of small businesses within the assessment area.

The following table presents the distribution of small business loans by revenue and loan size in the assessment area from January 1, 2025, to December 31, 2025.

Distribution of 2025 Small Business Lending By Revenue Size of Businesses
Assessment Area: IA Non MSA

	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	19	73.1	2,021	42.6	94.1
Over $1 Million	4	15.4	2,183	46.0	4.6
Revenue Unknown	3	11.5	541	11.4	1.3
Total	26	100.0	4,744	100.0	100.0
By Loan Size					
$100,000 or Less	14	53.8	780	16.4	
$100,001 - $250,000	7	26.9	1,462	30.8	
$250,001 - $1 Million	5	19.2	2,503	52.8	
Total	26	100.0	4,744	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	13	68.4	743	36.8	
$100,001 - $250,000	5	26.3	978	48.4	
$250,001 - $1 Million	1	5.3	300	14.8	
Total	19	100.0	2,021	100.0	

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

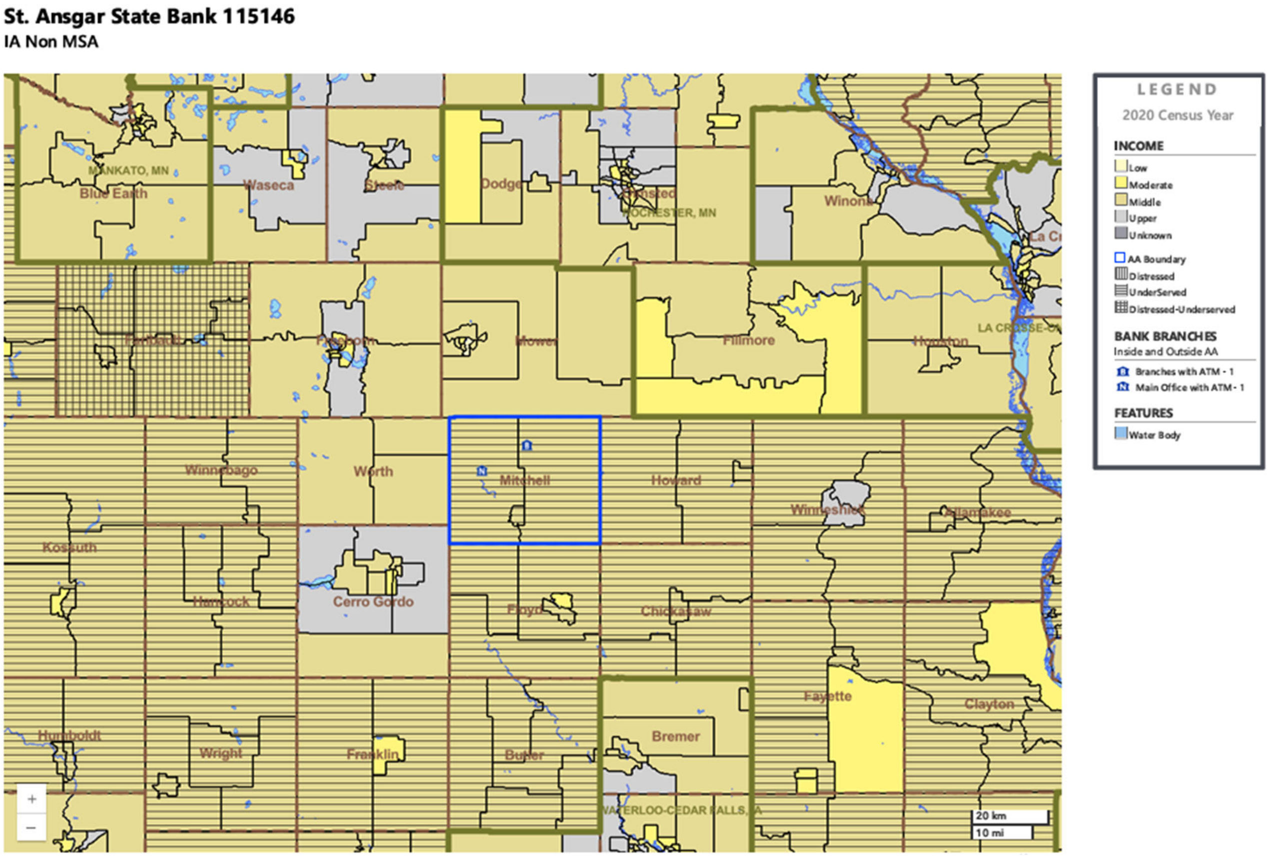
Response to Complaints

Neither the bank nor this Reserve Bank have received any CRA-related complaints since the previous examination.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Small Business Loans: January 1, 2025, through December 31, 2025 Small Farm Loans: January 1, 2025, through December 31, 2025		
FINANCIAL INSTITUTION St. Ansgar State Bank			**PRODUCTS REVIEWED** Small Business Loans Small Farm Loans
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
N/A	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Iowa Non-MSA	Full scope review	None	None

APPENDIX C – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the "five-year estimate data." The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.[1]

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is in an MSA, or for the metropolitan division, if a person or geography is in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

[1] *Source: FFIEC press release dated October 19, 2011.*

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 people, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted based on median income figures for MSA/MDs and the applicable state-wide non-metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

   Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;

2) Designated disaster areas; or
3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
    a. Rates of poverty, unemployment or population loss; or
    b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
    a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
    b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured, includes loans for home improvement purposes not secured.

Family: Includes a householder and one or more other people 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, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

1) Low-income – an 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 census tract;
2) Moderate-income – an 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 percent and less than 80 percent in the case of a census tract;

3) Middle-income – an 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 percent and less than 120 percent in the case of a census tract; and
4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is in the census tract where the borrower resides;
2) Home mortgage loan is in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a non-metropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than $1.252 billion. Intermediate small bank means a small bank with assets of at least $313 million as of December 31 of both prior two calendar years and less than $1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of $500 thousand 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).