



# STATE BANK

Community Reinvestment Act

Public File – Main Office

**1. Public Comments (12 CFR § 345.43(a)(1))**

- a. State Bank has not received any written comments from the public for the current year and each of the prior two calendar years that specifically relate to the bank’s performance in helping to meet community credit needs.

**2. CRA Performance Evaluation (12 CFR § 345.43(a)(2))**

- a. A copy of the public section of State Bank’s most recent CRA Performance Evaluation prepared by the FDIC is at the end of the document and marked as Exhibit A.

**3. Branches, Addresses, and Geographies (12 CFR § 345.43(a)(3))**

- a. State Bank’s branches, addresses, and geographies are as follows:

<b>Branch</b>	<b>Address</b>	<b>State Code</b>	<b>County Code</b>	<b>MSA</b>	<b>Census Tract</b>
Avon	8598 E. US Highway 36 Avon, IN 46123	18	063	26900	2106.04
Brownsburg East (Main Office)	900 E. 56 <sup>th</sup> Street Brownsburg, IN 46112	18	063	26900	2102.01
Carmel	4775 E. 126 <sup>th</sup> St. Carmel, IN 46033	18	057	26900	1110.03
Lafayette	3690 Concord Rd. Lafayette, IN 47909	18	157	29200	16.03
Lizton	206 N. State Street Lizton, IN 46149	18	063	26900	2104.00
Lebanon North	2436 N. Lebanon Street Lebanon, IN 46052	18	011	26900	8103.00
Lebanon South	1801 Indianapolis Avenue Lebanon, IN 46052	18	011	26900	8103.00
Pittsboro	35 S. Maple Street Pittsboro, IN 46167	18	063	26900	2103.00
Plainfield	2100 Stafford Road Plainfield, IN 46168	18	063	26900	2108.02
Zionsville – Anson	6529 E. Whitestown Pkwy Zionsville, IN 46077	18	011	26900	8106.03

**4. Branches Opened and Closed (12 CFR § 345.43(a)(4))**

- a. State Bank’s branches opened during the current calendar year and each of the two (2) prior calendar years are as follows:

Lafayette (opened 10/6/2022)	3690 Concord Rd. Lafayette, IN 47909	18	157	29200	16.03
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- b. State Bank’s branches opened during the current calendar year and each of the two (2) prior calendar years are as follows:

Brownsburg North (12/5/2023)	60 Garner Road Brownsburg, IN 46112	18	063	26900	2101.04
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- c. Main Office Redesignation: Brownsburg East was designated as the main office on November 9, 2020, in addition to remaining a branch. Lizton, the former main office, remains open as a branch.

**5. Services Generally Offered (12 CFR § 345.43(a)(5))**

- a. Services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at State Bank’s branches are as follows:

- i. There are no differences between branches for products, services, and transaction fees. The products, services, and transaction fees are consistent for all branches.

- b. Hours of Operation

- i. Avon, Lebanon North, Lizton, Pittsboro, and Zionsville – Anson hours of operation for lobby and drive-thru:

Monday – Friday: 9:00 a.m. to 5:00 p.m.

Saturday: 9:00 a.m. to 12:00 p.m.

- ii. Lebanon South and Plainfield hours of operation for lobby and drive-thru:

Monday – Friday: 9:00 a.m. to 5:00 p.m.

- iii. Brownsburg East hours of operation for lobby only (no drive-thru available):

Monday – Friday: 8:00 a.m. to 5:00 p.m.

- iv. Carmel and Lafayette hours of operation for lobby and drive-thru:

Monday – Friday: 9:00 a.m. to 5:00 p.m.

Saturday: By Appointment Only

- c. A fee schedule is at the end of the document and marked as Exhibit B.

d. Available products

**Banking Basics**

Checking Accounts

- Simply Free Checking
- Express Checking
- eXtreme! Checking
- Elite Checking
- Basic Business Checking
- Business Plus Checking
- Business Analysis Checking
- Non-profit Checking

Savings and Money Market Accounts

- Statement Savings
- Money Market Savings
- Elite Money Market Savings
- High Performance Savings
- Limited Edition Savings
- Minor Savings
- Business Savings
- Business Money Market

Certificates of Deposit (CD)

Individual Retirement Accounts (IRA)

Health Savings Accounts (HSA)

Safe Deposit Boxes

Automated Teller Machine (ATM)

Allpoint ATM Access

Cashier's Checks and Money Orders

Visa/Master Card Cash Advance

Telephone Banking

Check Reorder

Stop Payment

**Online Banking Basics**

Bill Pay

Online Financial Management

Mobile Banking

Mobile Deposit

Expedited Payments

eStatements

Text and email alerts

**Borrowing Power**

Mortgage Loans

Home Equity Loans and Lines of Credit

Auto and Personal Loans

Cash Reserve Overdraft Line of Credit

Debt Consolidation

Commercial Term Loans

Business Lines of Credit

Commercial Real Estate Loans

Agricultural Loans

Equipment Leasing and Financing

Small Business Loans (SBA)

**Cash Flow and Efficiency**

Cash Management Services

- SB Business Remote Deposit
- Investment Sweeps
- ACH Origination
- Electronic Return Check Collection with Check Resultz
- Positive Pay
- Wire Transfers

Merchant Processing

SB Visa® Debit Cards

Consumer Credit Cards

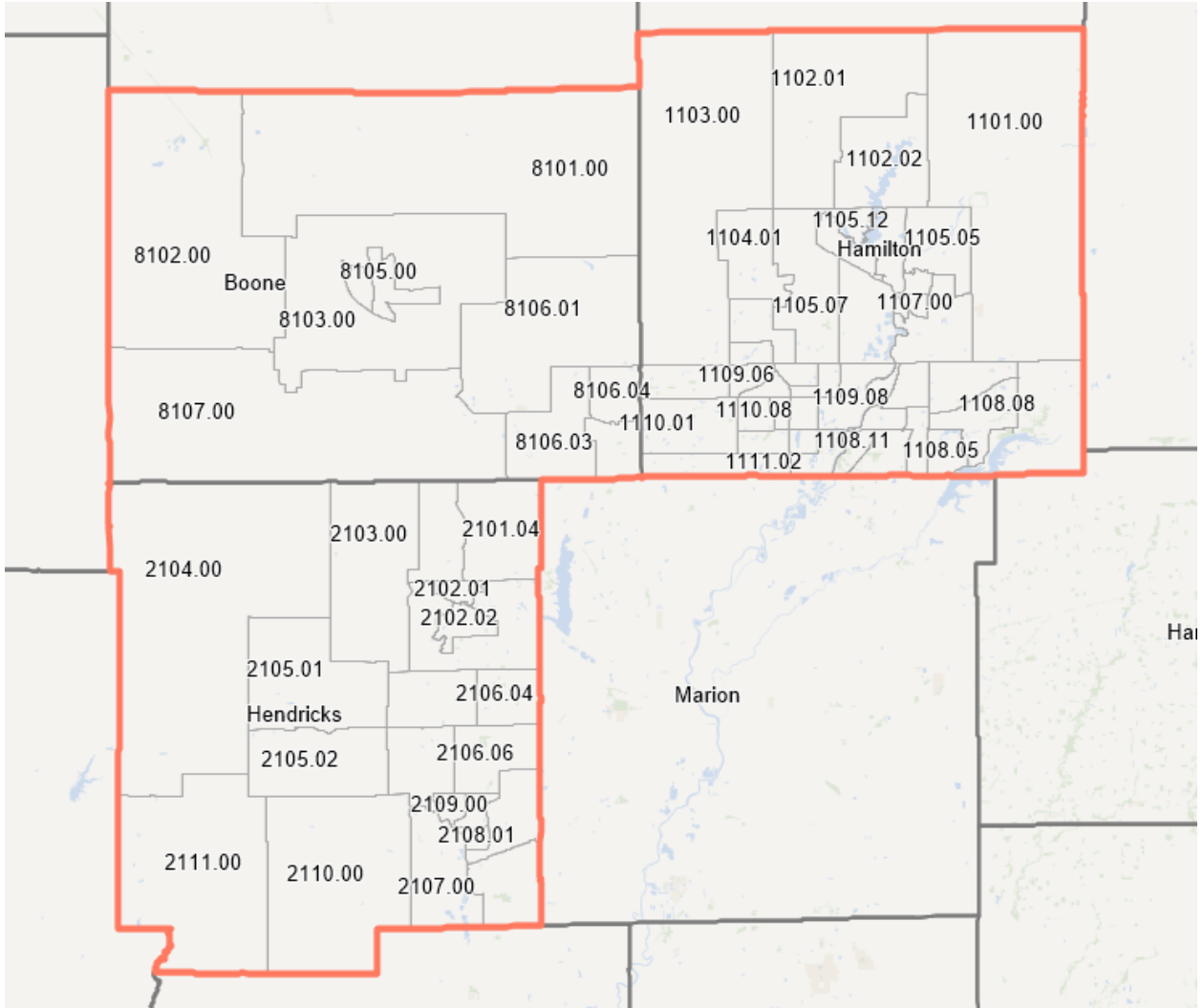
- Rewards Platinum
- Cash Rewards Platinum

Business Credit Cards

- Small Business Rewards
- Small Business Cash Rewards
- Small Business Edition
- Company Rewards

6. **Assessment Area Geography (12 CFR § 345.43(a)(6))**

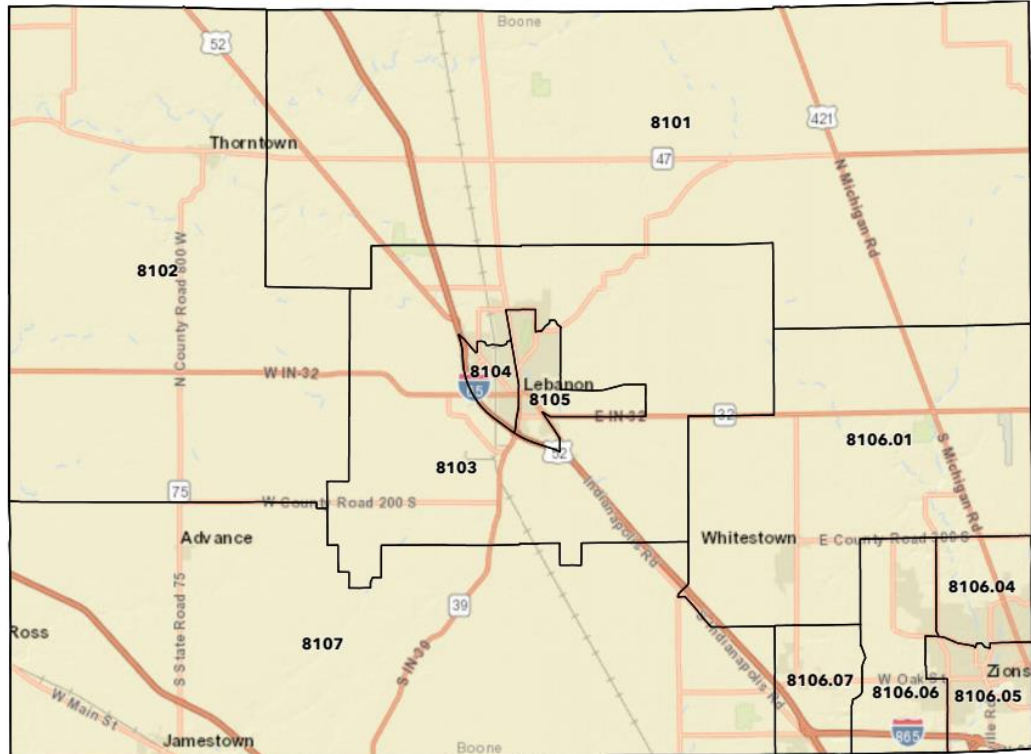
a. Map of State Bank's Indianapolis assessment area



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b. Detailed map of Boone County, Indiana Geography

### Boone County Tracts, 2020



Source: STATS Indiana, using U.S. Census Bureau tract boundaries, February 2021  
Basemap source: Esri and its partners

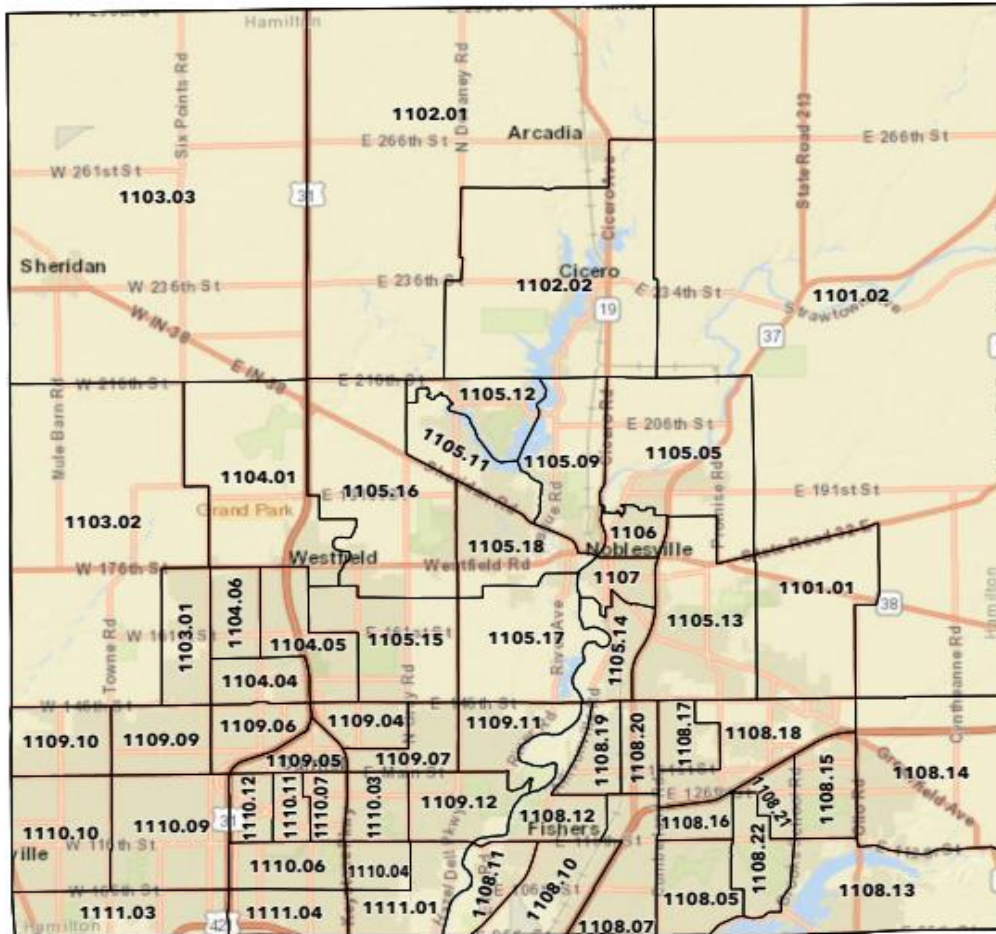
STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) is a public service of the Indiana Business Research Center at the Indiana University Kelley School of Business.



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c. Detailed map of Hamilton County, Indiana Geography

## Hamilton County Tracts, 2020



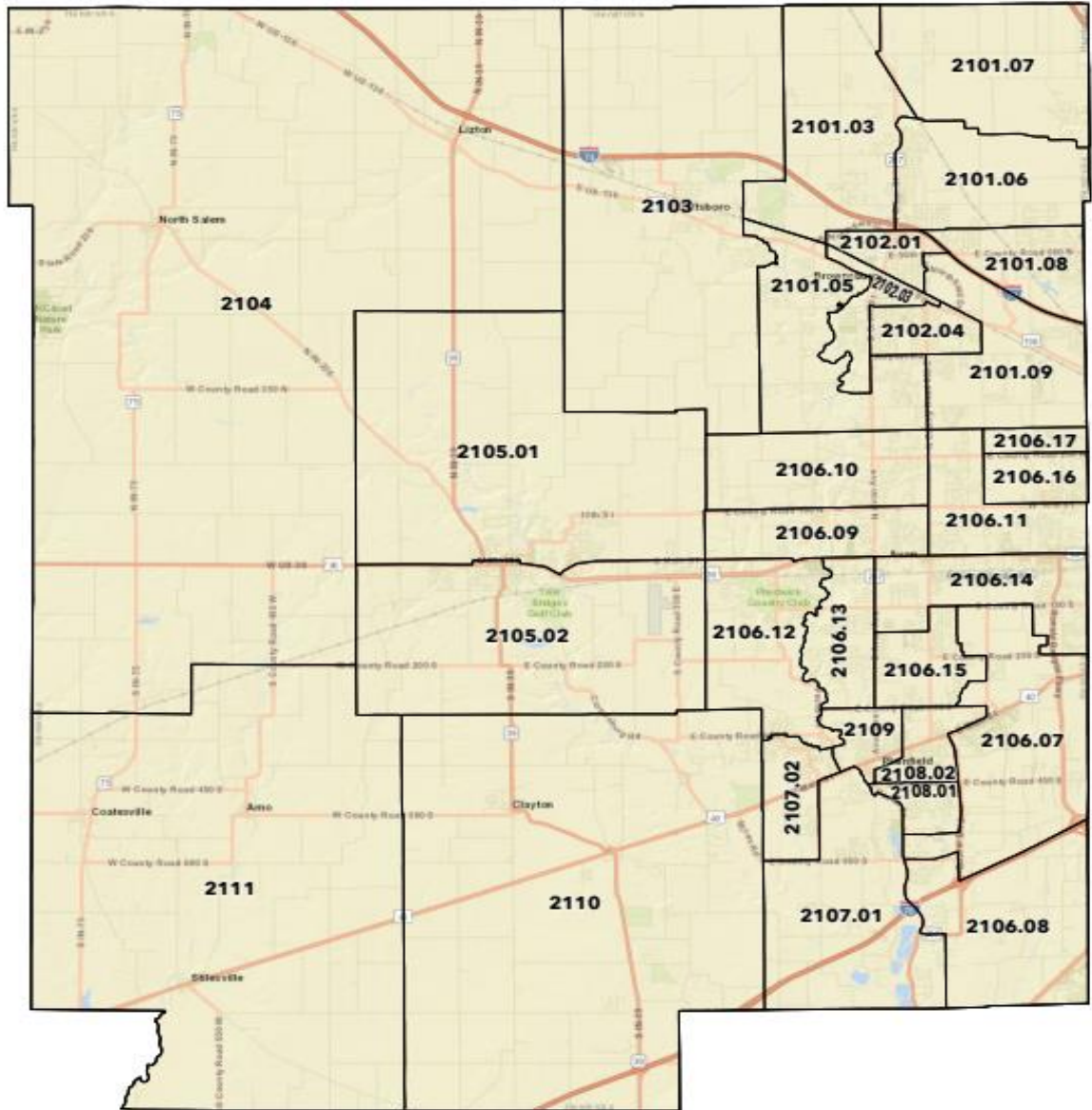
Source: STATS Indiana, using U.S. Census Bureau tract boundaries, February 2021  
Basemap source: Esri and its partners  
STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) is a public service of the Indiana Business Research Center at the Indiana University Kelley School of Business.



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d. Detailed map of Hendricks County, Indiana Geography

## Hendricks County Tracts, 2020



Source: STATS Indiana, using U.S. Census Bureau tract boundaries, February 2021  
Basemap source: Esri and its partners

STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) is a public service of the Indiana Business Research Center at the Indiana University Kelley School of Business

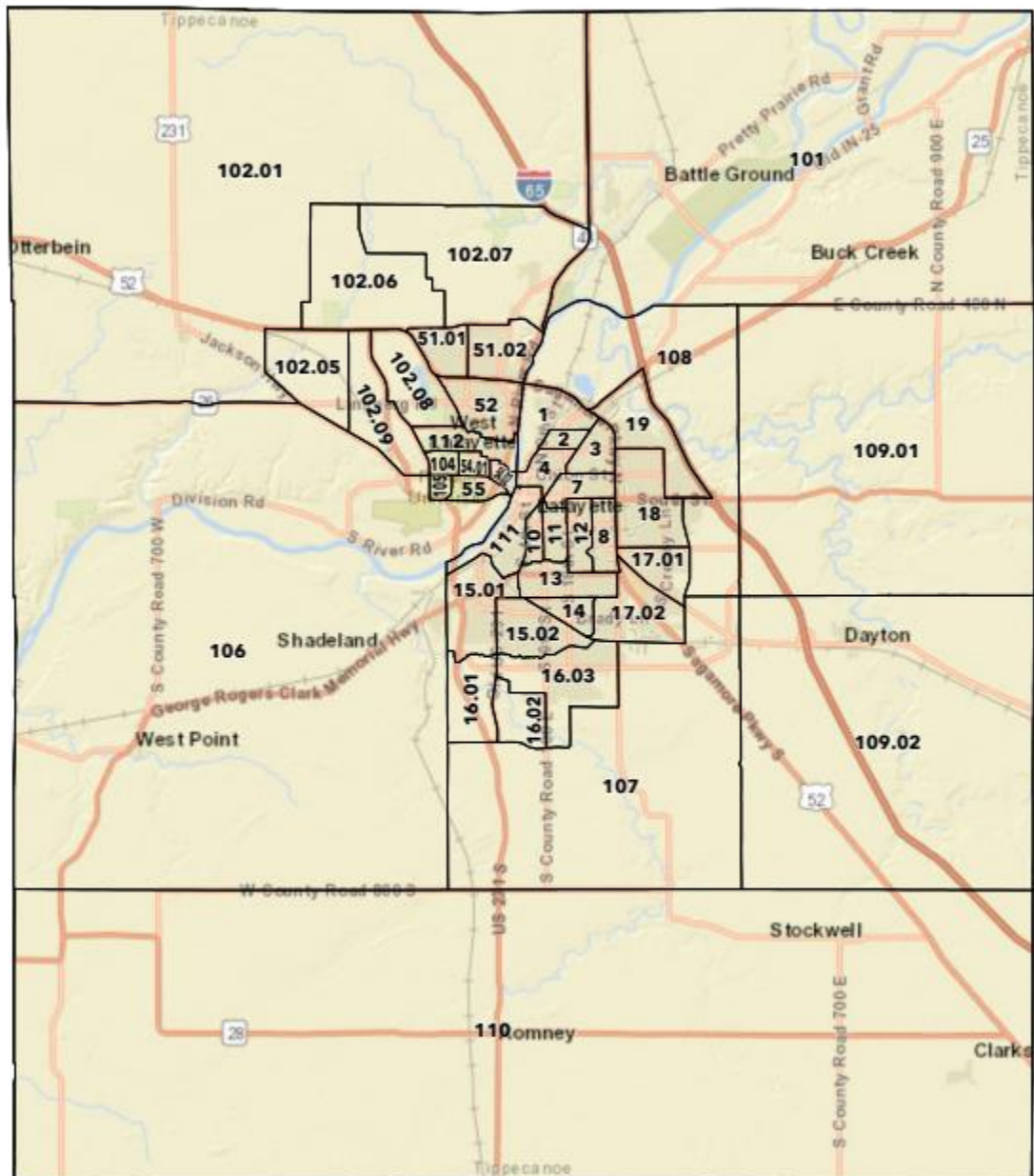


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- e. Map of State Bank’s Lafayette assessment area and Detailed map of Tippecanoe County, Indiana Geography

## Tippecanoe County Tracts, 2020



Source: STATS Indiana, using U.S. Census Bureau tract boundaries, February 2021  
 Basemap source: Esri and its partners  
 STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) is a public service of the Indiana Business Research Center at the Indiana University Kelley School of Business.



## 7. HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)). HMDA data for many other financial institutions are also available at this Web site.

## 8. **Loan to Deposit Ratio (12 CFR § 345.43(b)(3)(i))**

- a. State Bank's loan to deposit ratio for 2023:
  - i. 1st Quarter: 75.99%
  - ii. 2nd Quarter: 80.43%
  - iii. 3rd Quarter: 83.39%
  - iv. 4th Quarter: 83.33%

# **PUBLIC DISCLOSURE**

February 13, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

State Bank  
Certificate Number: 1833

900 E 56th St  
Brownsburg, Indiana 46112

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

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREAS.....	2
SCOPE OF EVALUATION.....	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	4
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	9
INDIANAPOLIS, INDIANA MSA ASSESSMENT AREA – Full Scope Review.....	10
LAFAYETTE, INDIANA MSA ASSESSMENT AREA – Limited-Scope Review .....	20
APPENDICES .....	24
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	24
GLOSSARY .....	25

## 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.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, assessment area credit needs, and economic conditions.
- The bank made a majority of its home mortgage and small business loans in the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of community development opportunities in the areas.

## DESCRIPTION OF INSTITUTION

State Bank, based in Brownsburg, Indiana, operates in central Indiana. Lizton Financial Corporation, a one-bank holding company also based in Brownsburg, owns State Bank. The institution received an overall "Satisfactory" rating at its previous evaluation dated December 21, 2020, at which examiners utilized the Intermediate Small Institution Examination Procedures.

The bank operates ten full-service offices including the main office in Brownsburg and branch offices in the communities of Lizton, Pittsboro, Lebanon, Plainfield, Zionsville, Avon, Carmel, and Lafayette. All of the bank's offices are located in the Indianapolis-Carmel-Anderson Metropolitan Statistical Area (MSA)(Indianapolis MSA), except for the Lafayette office, which is located in the Lafayette-West Lafayette MSA (Lafayette MSA). Subsequent to the previous evaluation, State

Bank opened one full-service banking office in Carmel, Indiana in October 2021 and another in Lafayette, Indiana in October 2022. The bank closed a branch in Brownsburg, Indiana in December 2023, but the bank’s main office remains in Brownsburg. The closure had no adverse effect on the availability of services in low- or moderate-income areas.

The bank offers loan products including consumer, home mortgage, and commercial loans. The institution primarily focuses on home mortgage and commercial lending. Additionally, the institution provides a variety of deposit services for customers including checking, savings, and certificates of deposit. Alternative banking services include internet and mobile banking. Automated teller machines (ATMs) are located at each office. Customers also have access to ATMs through the Allpoint ATM Network. State Bank did not engage in any merger or acquisition activity during the evaluation period.

Assets totaled approximately \$826.1 million as of December 31, 2023, and included total loans of \$592.5 million and securities of \$135.1 million. The institution’s deposits totaled \$700 million as of that date. The following table details the loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	47,085	8.0
Secured by Farmland	24,377	4.1
Secured by 1-4 Family Residential Properties	96,776	16.3
Secured by Multifamily (5 or more) Residential Properties	24,716	4.2
Secured by Nonfarm Nonresidential Properties	294,722	49.7
<b>Total Real Estate Loans</b>	<b>487,676</b>	<b>82.3</b>
Commercial and Industrial Loans	54,678	9.2
Agricultural Production and Other Loans to Farmers	15,338	2.6
Consumer Loans	8,632	1.5
Obligations of State and Political Subdivisions in the U.S.	16,065	2.7
Other Loans	10,159	1.7
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>592,548</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial constraints or legal impediments that would preclude State Bank from reasonably meeting the credit or community development needs of the assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. State Bank delineates two assessment areas. Brief descriptions of the assessment areas follow, and the evaluation contains separate sections for each assessment area that include detailed information. The assessment areas changed since the previous evaluation. At

that time, the assessment area consisted only of Boone and Hendricks Counties in the Indianapolis MSA. The Indianapolis MSA assessment area was expanded to include Hamilton County due to the opening of the Carmel office in October 2021. The Lafayette MSA assessment area is a new assessment area, which was created due to the opening of the Lafayette office in October 2022.

- Indianapolis MSA Assessment Area – Boone, Hamilton, and Hendricks Counties in their entirety. These counties are geographically contiguous.
- Lafayette MSA Assessment Area – Tippecanoe County in its entirety.

The assessment areas conform to regulatory requirements, do not arbitrarily exclude low- or moderate-income geographies, and do not reflect illegal discrimination.

Examiners completed a full-scope review of the Indianapolis MSA assessment area and a limited-scope review of the Lafayette MSA assessment area. The Indianapolis MSA assessment area contains nine banking offices and 97.7 percent of total deposits, while the Lafayette MSA contains one recently opened banking office and 2.3 percent of total deposits. Examiners placed greater emphasis on the bank's performance in the Indianapolis MSA assessment in the overall rating, as it contains substantial majorities of the bank's offices and deposits.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated December 21, 2020, to the current evaluation dated February 13, 2024. The Intermediate Small Institution Examination Procedures used to evaluate CRA performance include two tests: the Small Bank Lending Test (Lending Test) and the Community Development Test. The first appendix contains information about the criteria for each test. This evaluation does not include any lending activity performed by affiliates.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are small business and home mortgage lending based on the bank's business focus, portfolio composition, and number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm or other consumer loans, represent a major product line. Other loan types, therefore, provided no material support for conclusions or ratings and are not presented.

Bank records indicate that the lending focus and product mix remained relatively consistent throughout the evaluation period. Examiners reviewed the universe of the institution's small business loans originated in 2022 and 2023. This activity is representative of State Bank's performance during the entire evaluation period. The bank originated 263 small business loans totaling approximately \$74.7 million during this period. Dun & Bradstreet (D&B) data from 2022 and 2023 served as a comparator for small business lending activity.

The bank is currently subject to the data collection requirements of the Home Mortgage Disclosure Act (HMDA). However, the bank was not required to collect HMDA data in 2021, because it did not meet the regulatory reporting thresholds in that year. This evaluation considered all home mortgage loans reported on the bank's 2020 and 2022 HMDA Loan Application Registers. Only 2022 HMDA lending is presented in the tables for the Geographic Distribution and Borrower Profile criteria. The 2020 data is discussed only in the narrative due to the small number of loans originated that year. The bank originated 91 home mortgage loans totaling \$35.1 million in 2022. Aggregate HMDA data for 2022 provided a standard of comparison for 2022 home mortgage lending activity.

Examiners placed greater emphasis on the bank's small business lending in the overall conclusions based on the larger number of loan originations, and these loans comprise a larger portion of the bank's loan portfolio. Home mortgage lending represented a smaller portion of the loan portfolio. In addition, home mortgage lending had a smaller volume of originations in some years. For example, in 2020, the bank originated a much smaller volume of home mortgage loans.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the previous CRA evaluation dated December 21, 2020.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Overall, State Bank demonstrated reasonable performance under the Lending Test.

#### **Loan-to-Deposit Ratio**

The loan-to-deposit ratio is reasonable considering the institution's size, financial condition, and assessment area credit needs. State Bank's loan-to-deposit ratio, calculated from Call Report data, averaged 77.4 percent over the past 13 calendar quarters as shown in the following table. The ratio ranged from a low of 69.4 percent on June 30, 2022 to a high of 83.4 percent on September 30, 2023. At the previous evaluation, the institution's loan-to-deposit ratio averaged 86.0 percent.

Examiners compared the bank's loan-to-deposit ratio to those of similarly situated banks (SSBs), chosen based on asset size, geographic location, and lending focus. As shown in the following table, State Bank's ratio exceeded two SSBs and was lower than the other two. All of the SSBs have offices in the assessment area.



<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
	<b>Total Assets as of 12/31/2023 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>State Bank</b>	<b>826,123</b>	<b>77.4</b>
Similarly-Situated Institution #1	647,988	62.7
Similarly-Situated Institution #2	954,041	82.8
Similarly-Situated Institution #3	799,017	56.3
Similarly-Situated Institution #4	731,355	95.6
<i>Source: Reports of Condition and Income 12/31/2020 - 12/31/2023</i>		

### **Assessment Area Concentration**

A majority of loans and other lending related activities are in the assessment areas. As shown in the following table, State Bank funded a majority of its small business and home mortgage lending by number and generally by dollar volume in the assessment areas.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</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>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage*										
2020	15	65.2	8	34.8	23	4,137	66.2	2,109	33.8	6,247
2022	59	64.8	32	35.2	91	17,350	49.3	17,812	50.7	35,162
<b>Subtotal</b>	<b>74</b>	<b>64.9</b>	<b>40</b>	<b>35.1</b>	<b>114</b>	<b>21,487</b>	<b>51.9</b>	<b>19,921</b>	<b>48.1</b>	<b>41,409</b>
Small Business										
2022	73	57.5	54	42.5	127	19,825	50.8	19,165	49.2	38,990
2023	83	61.0	53	39.0	136	19,939	55.9	15,744	44.1	35,683
<b>Subtotal</b>	<b>156</b>	<b>59.3</b>	<b>107</b>	<b>40.7</b>	<b>263</b>	<b>39,764</b>	<b>53.3</b>	<b>34,909</b>	<b>46.7</b>	<b>74,673</b>
<b>Total</b>	<b>230</b>	<b>61.0</b>	<b>147</b>	<b>39.0</b>	<b>377</b>	<b>61,251</b>	<b>52.8</b>	<b>54,830</b>	<b>47.2</b>	<b>116,082</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%; *-The bank was not subject to HMDA in 2021; thus, no 2021 HMDA data was available for review.</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. A complete discussion of the performance for this criterion is in the separate assessment area sections of this evaluation.

### **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, reasonable penetration among retail customers of different income levels and businesses of different sizes. A

complete discussion of the performance for this criterion is in the separate assessment area sections of this evaluation.

### **Response to Complaints**

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

### **COMMUNITY DEVELOPMENT TEST**

State Bank's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and historical performance, and the need and availability of community development opportunities. The bank's Indianapolis MSA assessment area has only one moderate-income tract and no low-income tracts, which somewhat limits opportunities for community development. The bank understands this limitation and focuses on community development in the larger Indianapolis region, including the assessment area. With the opening of a new branch in 2022, the bank expanded into the Lafayette MSA, which includes three low-income and nine moderate-income census tracts, thus expanding opportunities within the bank's assessment areas.

### **Community Development Loans**

State Bank originated 20 community development loans totaling approximately \$45.9 million within the assessment area and surrounding counties during the evaluation period. Included in the institution's community development loans is one Paycheck Protection Program (PPP) loan totaling approximately \$1.1 million, which allowed a small business to retain 30 jobs for low- and moderate-income individuals. The bank originated 7 of its 20 community development loans outside of its assessment areas, but within the Indianapolis MSA. All community development loans promoted economic development or facilitated community service programs within the assessment areas or the Indianapolis MSA.

The bank's performance represents an increase by number and dollar volume since the previous evaluation period, during which State Bank made five non-PPP community development loans totaling approximately \$10.5 million.

Excluding the PPP loan, State Bank extended 19 community development loans totaling \$44.8 million, representing 5.4 percent of total assets and 8.5 percent of total loans. These non-PPP loans promoted job creation or funded essential community services. Examiners compared State Bank's performance to three SSBs that operate within the assessment areas and the Indianapolis MSA. State Bank's community development loans to total assets ratio and community development loans to total loans ratio performance exceeded the performance of all the SSBs. The community development loans to total assets ratio for the SSBs ranged from a low of 0.2 percent to a high of 2.5 percent. The SSBs' community development loans to total loans ratio ranged from a low of 0.2 percent to a high of 5.3 percent.

The following table presents the bank’s community development lending by year and purpose. The separate assessment area sections later in this evaluation include additional details.

<b>Community Development Lending</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	1	1,000	6	14,958	-	-	7	15,958
2022	-	-	1	1,000	4	11,079	-	-	5	12,079
2023	-	-	1	1,000	7	16,836	-	-	8	17,836
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>3</b>	<b>3,000</b>	<b>17</b>	<b>42,873</b>	-	-	<b>20</b>	<b>45,873</b>

*Source: Bank Data*

Notable examples of the bank’s community development loans that benefited the broader region, but outside of the assessment areas include:

- \$7.3 million to finance land acquisition and construction of a new freight forwarding warehouse in Hancock County, creating numerous jobs in the Indianapolis MSA.
- \$2.8 million to redevelop a multi-tenant shopping center located in a moderate-income tract in Marion County, creating jobs within a moderate-income area close to the assessment area.

**Qualified Investments**

State Bank’s qualified investments and donations during the evaluation period totaled approximately \$4.2 million, representing 0.5 percent of total assets and 3.1 percent of total securities as of December 31, 2023. During the evaluation period, the bank focused on promoting community development through its investments. At the previous evaluation, the bank’s qualified investments represented 0.04 percent of the bank’s total assets and 0.4 percent of total securities. State Bank’s performance is consistent with the three SSBs. The SSBs’ qualified investments to total assets ratios ranged from a low of less than 0.1 percent to a high of 1.5 percent. The SSBs’ qualified investments to total securities ratios ranged from a low of 0.6 percent to a high of 16.8 percent.

The following table presents the bank’s qualified investments by year and purpose. Additional details are included in the separate assessment area sections. One regional investment for \$2.9 million was purchased during this evaluation period and funded affordable housing in Marion County (adjacent to the Indianapolis MSA assessment area). Affordable housing is a need identified by a community contact and examiners for this area.

Qualified Investments by Year										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	1	59	-	-	-	-	-	-	1	59
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	2	4,026	-	-	-	-	-	-	2	4,026
2023	-	-	-	-	-	-	-	-	-	-
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>4,085</b>	-	-	-	-	-	-	<b>3</b>	<b>4,085</b>
Grants & Donations	-	-	13	114	6	50	-	-	19	164
<b>Total</b>	<b>3</b>	<b>4,085</b>	<b>13</b>	<b>114</b>	<b>6</b>	<b>50</b>	-	-	<b>22</b>	<b>4,249</b>

*Source: Bank Data*

### Community Development Services

State Bank staff provided 37 instances of community development services across the assessment areas during the evaluation period. These services primarily provided financial expertise or technical assistance to community development organizations and local economic development boards. State Bank averaged 12 services annually. At the last evaluation, State Bank averaged nine services annually. State Bank’s level of services was much lower than the SSBs, which ranged from 17 to 42 services annually.

The following table presents the bank’s community development services by year and purpose. Further details are included in the separate assessment area sections.

Community Development Services					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2020 (Partial)	-	6	1	-	7
2021	-	7	2	-	9
2022	-	6	2	-	8
2023	-	5	2	-	7
2024 (YTD)	-	4	2	-	6
<b>Total</b>	-	<b>28</b>	<b>9</b>	-	<b>37</b>

*Source: Bank Data*

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## INDIANAPOLIS, INDIANA MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE INDIANAPOLIS, INDIANA MSA ASSESSMENT AREA

State Bank’s Indianapolis MSA Assessment Area includes Boone, Hamilton, and Hendricks Counties in their entireties. The institution operates nine full-service locations within the following communities: Brownsburg, Lizton, Pittsboro, Lebanon, Plainfield, Zionsville, Avon, and Carmel. Each community has one banking office except Lebanon, which has two.

#### **Economic and Demographic Data**

Based on the 2020 Census, the assessment area’s 99 census tracts include 0 low-, 1 moderate-, 43 middle-, and 55 upper-income tracts. At the previous evaluation, 3 census tracts were designated as moderate-income based on the 2015 ACS data, and those 3 census tracts are no longer moderate-income due to the 2020 Census changes. Each is now either middle- or upper-income. The sole moderate-income tract based on the 2020 Census is in Hendricks County. This particular tract was middle-income at the previous evaluation. The following table details select demographic characteristics of the assessment area based on the 2020 Census.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	99	0.0	1.0	43.4	55.6	0.0
Population by Geography	593,067	0.0	0.6	37.4	62.0	0.0
Housing Units by Geography	219,993	0.0	0.8	40.8	58.4	0.0
Owner-Occupied Units by Geography	161,971	0.0	0.5	36.2	63.3	0.0
Occupied Rental Units by Geography	47,224	0.0	1.9	53.9	44.3	0.0
Vacant Units by Geography	10,798	0.0	0.7	52.2	47.1	0.0
Businesses by Geography	80,683	0.0	0.5	40.2	59.3	0.0
Farms by Geography	2,386	0.0	0.8	49.8	49.4	0.0
Family Distribution by Income Level	156,044	10.0	13.5	20.0	56.5	0.0
Household Distribution by Income Level	209,195	11.6	11.4	17.4	59.6	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$80,981	Median Housing Value			\$258,475
			Median Gross Rent			\$1,142
			Families Below Poverty Level			3.5%

*Source: 2020 U.S. Census and 2022 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\* ) The NA category consists of geographies that have not been assigned an income classification.*

Examiners utilized the FFIEC-updated median family income levels to analyze home mortgage loans

under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the assessment area in 2022.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Indianapolis-Carmel-Anderson, IN MSA Median Family Income (26900)</b>				
2022 (\$91,900)	<\$45,950	\$45,950 to <\$73,520	\$73,520 to <\$110,280	≥\$110,280
<i>Source: FFIEC</i>				

The largest employment sectors in the assessment area are professional and business services, education and health services, leisure and hospitality, and manufacturing. Major employers within the Indianapolis MSA as a whole include Indiana University Health, St. Vincent Hospitals, Community Health Network, Eli Lilly and Company, and Walmart, Inc. Small businesses are important to the economy with 80,683 present in the assessment area. In addition, 59.2 percent of area businesses have four or fewer employees, and 94.6 percent operate from a single location.

Of the assessment area’s 219,993 housing units, 73.6 percent are owner-occupied. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. With a median housing value of \$258,475 and median family income of \$80,981 as of the 2020 Census, housing is relatively expensive in the assessment area.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the November 2023 unemployment rate was 3.7 percent statewide and 3.1 percent for the Indianapolis MSA as a whole. Unemployment has remained stable and was 4.3 percent statewide and 4.0 percent for the Indianapolis MSA in December 2020, the beginning of the evaluation period.

### **Competition**

The assessment area is moderately competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 34 financial institutions operated 186 banking offices within the assessment area. Of these institutions, State Bank ranked ninth with a 2.2 percent deposit market share. The three most prominent institutions accounted for 58.0 percent of total deposit market share.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 517 lenders originated or purchased a total of 28,699 home mortgage loans in the assessment area. State Bank ranked 91<sup>st</sup> out of this group of lenders with a market share of 0.2 percent. The three most prominent home mortgage lenders accounted for 12.2 percent of total market share.

The bank is not required to collect or report its small business lending data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects the level of competition for small business loans. Aggregate data for 2021 – the most recent year available – shows 146 institutions originated 15,647 small business loans in the assessment area, indicating a moderate

level of competition. The three largest lenders by loan volume accounted for 42.6 percent of total market share.

### **Community Contact**

Examiners contacted a representative from a community development organization operating in the assessment area, who identified financing for first-time homebuyers and affordable housing as needs in the area. Rising interest rates, inflation, and competition from out of state investors has created a challenging housing market in central Indiana. A special purpose credit program for first-time homebuyers was expressed as an opportunity for financial institutions and opportunities to collaborate with community organizations could assist with that effort.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined home mortgage and commercial lending represent the primary credit needs in the assessment area. While the contact identified no major unmet credit needs, there remain opportunities for affordable housing and financing for first-time homebuyers. Demographic data indicates needs for community services targeted to low- and moderate-income individuals, and economic development in certain portions of the community. Although the assessment area has a lower percentage of families living below poverty, persons in need of services and employment opportunities exist.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANAPOLIS, INDIANA MSA ASSESSMENT AREA**

### **LENDING TEST**

State Bank demonstrated reasonable performance in this assessment area under the Lending Test. Geographic Distribution and Borrower Profile performance support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

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

As shown in the following table, the geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank's small business lending exceeds the percentage of businesses in the moderate-income tract for both years reviewed. As noted previously, the assessment area includes no low-income tracts and only one moderate-income tract.



<b>Geographic Distribution of Small Business Loans</b>					
<b>Assessment Area: Indianapolis MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Moderate</b>					
2022	0.5	1	1.5	150	0.9
2023	0.5	2	2.7	410	2.2
<b>Middle</b>					
2022	40.2	41	63.1	9,153	56.4
2023	40.7	36	49.3	7,776	42.7
<b>Upper</b>					
2022	59.3	23	35.4	6,932	42.7
2023	58.8	35	47.9	10,038	55.1
<b>Not Available</b>					
2022	0.0	0	0.0	0	0.0
2023	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>65</b>	<b>100.0</b>	<b>16,235</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>73</b>	<b>100.0</b>	<b>18,224</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

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

As shown in the following table, the geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners focused on comparisons to the aggregate data. The bank did not fund any loans in the one moderate-income census tract. However, only 0.4 percent of the aggregate lending occurred in that tract. The HMDA aggregate data had 118 total originations in the moderate-income tract, which were widely dispersed among the 50 HMDA reporters. In addition, due to the bank's smaller number of loans, the percentage portion of its lending needed to match the aggregate activity would only be a fraction of a percent. The 2020 home mortgage lending had a similar distribution, as all 15 loans were in the middle- and upper-income census tracts.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate						
2022	0.5	0.4	0	0.0	0	0.0
Middle						
2022	36.2	37.7	27	52.9	6,347	42.1
Upper						
2022	63.3	61.9	24	47.1	8,724	57.9
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>15,071</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

**Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration of loans among individuals of different income levels and businesses of different sizes.

***Small Business Loans***

The distribution of loans reflects reasonable penetration among businesses of different sizes. As shown in the following table, the bank’s lending to businesses with gross annual revenues of \$1 million or less was below the percentage of businesses in both years reviewed. The bank’s percentage increased to 63.0 percent in 2023.

Examiners compared State Bank’s performance to three SSBs operating in Indiana with recent CRA Performance Evaluations. State Bank’s performance was similar to that of the three SSBs whose performance was each assessed as reasonable. The SSBs’ percentages of lending to businesses with gross annual revenues of \$1 million or less ranged from 48.9 percent to 59.3 percent.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Indianapolis MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2022	91.8	34	52.3	8,056	49.6
2023	92.7	46	63.0	9,784	53.7
<b>&gt;\$1,000,000</b>					
2022	2.5	31	47.7	8,179	50.4
2023	2.2	23	31.5	7,406	40.6
<b>Revenue Not Available</b>					
2022	5.7	0	0.0	0	0.0
2023	5.1	4	5.5	1,034	5.7
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>65</b>	<b>100.0</b>	<b>16,235</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>73</b>	<b>100.0</b>	<b>18,224</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

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

As shown in the following table, the borrower distribution reflects reasonable penetration among individuals of different income levels. Examiners focused on comparisons to the aggregate data. State Bank’s lending exceeded the aggregate data for both low- and moderate-income borrowers in 2022. The bank’s lending also exceeded the moderate-income family population. It was lower than the low-income family population; however, 3.5 percent of the assessment area families have incomes below the poverty level and likely face difficulties qualifying for and/or servicing debt in amounts necessary to finance homes in the assessment area.

In 2020, the bank granted a total of 15 home mortgage loans in this assessment area, and the percentages by number of loans exceeded the aggregate data for both low- and moderate-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	10.0	4.7	3	5.9	276	1.8
Moderate						
2022	13.5	15.6	10	19.6	1,483	9.8
Middle						
2022	20.0	21.8	12	23.5	3,063	20.3
Upper						
2022	56.5	45.1	19	37.3	8,218	54.5
Not Available						
2022	0.0	12.8	7	13.7	2,031	13.5
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>15,071</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## **COMMUNITY DEVELOPMENT TEST**

State Bank demonstrates adequate responsiveness to the community development needs of the assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities.

### **Community Development Loans**

State Bank originated 11 community loans totaling approximately \$21.8 million during the evaluation period. None were PPP loans. The following table summarizes the bank's community development lending in the assessment area period by year and purpose.

<b>Community Development Lending - Indianapolis MSA</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	1	1,000	3	6,167	-	-	4	7,167
2022	-	-	1	1,000	1	5,180	-	-	2	6,180
2023	-	-	1	1,000	4	7,437	-	-	5	8,437
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>3</b>	<b>3,000</b>	<b>8</b>	<b>18,784</b>	-	-	<b>11</b>	<b>21,784</b>
<i>Source: Bank Data</i>										

Several community development loans promoted job creation for low- and moderate-income people and addressed needs in this assessment area. Notable examples include:

- In 2022, a \$5.2 million loan to construct a warehouse and light manufacturing facility in the assessment area, creating eight new jobs.
- In 2023, a \$3.5 million loan to allow a developer to continue building a hotel in the assessment area that will employ low- and moderate-income individuals.

### **Qualified Investments**

State Bank had 21 qualified investments and donations in the assessment area during the evaluation period totaling approximately \$1.4 million. The qualified investments include one from a prior period that remained in the bank’s portfolio during the current evaluation period. The investments and donations addressed identified community needs. The following table summarizes the institution’s qualified investments and donations by year and purpose.

Qualified Investments by Year – Indianapolis MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	1	59	-	-	-	-	-	-	1	59
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	1	1,169	-	-	-	-	-	-	1	1,169
2023	-	-	-	-	-	-	-	-	-	-
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>2</b>	<b>1,228</b>	-	-	-	-	-	-	<b>2</b>	<b>1,228</b>
Grants & Donations	-	-	13	114	6	50	-	-	19	164
<b>Total</b>	<b>2</b>	<b>1,228</b>	<b>13</b>	<b>114</b>	<b>6</b>	<b>50</b>	-	-	<b>21</b>	<b>1,392</b>
<i>Source: Bank Data</i>										

Notable examples of these activities include:

- Between 2021 and 2024, four donations totaling \$40,000 to a crime prevention program at a senior living facility that serves low- and moderate-income seniors.
- In 2022, the bank purchased a securitized pool of mortgages originated in the assessment area to low- and moderate-income individuals.
- In 2023, a donation to a local economic development commission to finance local improvements necessary to attract new employers and create jobs for low- and moderate-income individuals.

### **Community Development Services**

State Bank staff provided 27 instances of community development services in the assessment area during the evaluation period. The following table details the bank’s community development services by year and purpose.

<b>Community Development Services – Indianapolis MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2020 (Partial)	-	5	-	-	5
2021	-	6	1	-	7
2022	-	5	1	-	6
2023	-	4	1	-	5
2024 (YTD)	-	3	1	-	4
<b>Total</b>	-	<b>23</b>	<b>4</b>	-	<b>27</b>
<i>Source: Bank Data</i>					

Notable examples of these services include:

- An institution employee taught financial literacy education classes to previously incarcerated individuals.
- An institution employee served on the Board of Directors of an organization that provides emergency shelter, job placement, childcare, and transportation assistance to low- and moderate-income individuals.

## LAFAYETTE, INDIANA MSA ASSESSMENT AREA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN LAFAYETTE, INDIANA MSA ASSESSMENT AREA

The assessment area is comprised of Tippecanoe County, which is a part of the Lafayette, Indiana MSA. The bank operates one office in the assessment area and provides a full range of products and services. The banking office is located in Lafayette, Indiana and opened in October 2022.

#### **Economic and Demographic Data**

This assessment area has 43 census tracts, of which 3 are low-, 9 are moderate-, 17 are middle-, and 10 are upper-income, and 4 tracts have no income category. The following table provides a summary of demographic information for the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Lafayette MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	43	7.0	20.9	39.5	23.3	9.3
Population by Geography	186,251	6.2	16.9	40.0	27.4	9.5
Housing Units by Geography	77,128	7.6	18.0	43.1	26.3	5.0
Owner-Occupied Units by Geography	39,564	2.8	12.4	45.4	39.4	0.0
Occupied Rental Units by Geography	32,122	12.9	23.2	43.0	10.6	10.3
Vacant Units by Geography	5,442	10.6	28.4	26.8	24.2	10.0
Businesses by Geography	15,623	8.6	23.1	35.5	28.5	4.3
Farms by Geography	699	3.3	10.9	41.8	43.3	0.7
Family Distribution by Income Level	40,436	20.9	16.7	20.6	41.7	0.0
Household Distribution by Income Level	71,686	26.8	14.8	16.5	41.9	0.0
Median Family Income MSA - 29200 Lafayette-West Lafayette, IN MSA		\$73,007	Median Housing Value			\$149,677
			Median Gross Rent			\$895
			Families Below Poverty Level			8.5%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

The largest employment sectors in the assessment area are manufacturing, education and health services, and leisure and hospitality services. Major employers within the assessment area are Subaru of Indiana Automotive, Inc., Purdue University, Oerlikon Balzers, and Caterpillar, Inc. Data obtained from the U.S. Bureau of Labor Statistics indicates that the November 2023 unemployment rate was 3.7 percent statewide and 3.2 percent for Tippecanoe County.



Unemployment has remained stable and was 4.3 percent statewide and 3.6 percent for Tippecanoe County in December 2020, the beginning of the evaluation period.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN LAFAYETTE, INDIANA MSA ASSESSMENT AREA

### LENDING TEST

The institution’s Lending Test performance in the assessment area is consistent with its performance in the Indianapolis MSA, which examiners evaluated using full-scope examination procedures. The banking office in this assessment area recently opened; thus, the bank is still building its market presence. The following sections provide data tables detailing the bank’s performance for the Geographic Distribution and Borrower Profile criteria for small business and home mortgage loans.

### Geographic Distribution

<b>Geographic Distribution of Small Business Loans</b>					
<b>Assessment Area: Lafayette MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2022	8.6	1	12.5	400	11.1
2023	8.4	1	10.0	400	23.3
<b>Moderate</b>					
2022	23.1	2	25.0	790	22.0
2023	23.1	8	80.0	1,265	73.8
<b>Middle</b>					
2022	35.5	4	50.0	1,440	40.1
2023	35.5	1	10.0	50	2.9
<b>Upper</b>					
2022	28.5	1	12.5	960	26.7
2023	29.0	0	0.0	0	0.0
<b>Not Available</b>					
2022	4.3	0	0.0	0	0.0
2023	4.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>3,590</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,715</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Lafayette MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	2.8	3.2	0	0.0	0	0.0
Moderate						
2022	12.4	14.0	1	12.5	725	31.8
Middle						
2022	45.4	42.9	2	25.0	259	11.4
Upper						
2022	39.4	39.8	4	50.0	1,055	46.3
Not Available						
2022	0.0	0.1	1	12.5	240	10.5
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>2,279</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

## **Borrower Profile**

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Lafayette MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000					
2022	88.0	6	75.0	2,790	77.7
2023	89.1	3	30.0	772	45.0
>\$1,000,000					
2022	2.8	2	25.0	800	22.3
2023	2.5	6	60.0	893	52.1
Revenue Not Available					
2022	9.1	0	0.0	0	0.0
2023	8.5	1	10.0	50	2.9
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>3,590</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,715</b>	<b>100.0</b>

*Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Lafayette MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	20.9	8.8	0	0.0	0	0.0
Moderate						
2022	16.7	20.3	1	12.5	194	8.5
Middle						
2022	20.6	21.9	2	25.0	290	12.7
Upper						
2022	41.7	36.3	3	37.5	605	26.6
Not Available						
2022	0.0	12.7	2	25.0	1,190	52.2
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>2,279</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## COMMUNITY DEVELOPMENT TEST

State Bank’s community development performance in the Lafayette MSA assessment area is consistent with its performance in the Indianapolis MSA assessment area, which examiners evaluated using full-scope procedures.

The bank granted two community development loans totaling \$3.1 million in the assessment area during the evaluation period. Both loans were in 2022 and financed economic development. One of the loans, totaling \$1.8 million, was a Small Business Administration 504 loan to fund the purchase and renovation of a sports rental and training facility within the assessment area, which created jobs for low-income and moderate-income individuals.

Bank employees provided 10 instances of community development services in the assessment area, of which five involved community services targeted to low- and moderate-income people, and five involved economic development initiatives. A notable example of the community development services includes a bank employee who served as Treasurer on the Board of Directors for a local organization that provides childcare, wellness, job placement, and training services to low- and moderate-income families in the assessment area.

The bank had no qualified investments or donations in the assessment area during the evaluation period.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

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

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

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

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

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

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

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

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

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

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**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 Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**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.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated 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.

**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.



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## Miscellaneous Fee Schedule

Fee	Amount
Account Activity Printout or Statement Reprint	\$5
Account Closed Within 90 Days of Opening	\$25
Account Research or Balance Assistance (Per Hour/1 Hour Minimum)	\$35
Bill Pay Overnight Check Fee	\$25
Charge Back (Each time an item is returned that you deposited or cashed)	\$10
Check Cashing Fee (Non-Customer, On Us Checks)	\$10
Check Image Fee (Per Item)	\$2
Dormant Account Fee (Assessed Monthly)	\$5
Escheat Processing Fee	\$25
Foreign ATM Surcharge	\$3.75
International Check Collection Fee	\$15
Garnishments, Judgments or Levies	\$30
Health Savings Account (HSA) Contribution Correction Fee	\$25
HSA/IRA Transfer Fee (to another institution)	\$20
International ATM/Debit Card Fee	2% of transaction
Notary Fee (Bank Customers Only)	\$5
Official Check	\$6
Overdraft Fee	\$35
Paper Statement	\$5
Recurring ACH Stop Payment (Per Item)	\$35
Replacement ATM/Debit Card (Lost/damaged card)	\$10
Returned Item Fee (also known as NSF Fee) is charged each time an item is presented and returned unpaid due to insufficient funds in the account.	\$35
Returned Mail/Bad Address (Per Item)	\$5
Stop Payment, In Branch (Per Item)	\$35
Stop Payment, Online Banking (Per item)	\$25
Sweep Fee (Per Transfer)	\$2
Telephone Transfer (Per Transfer)	\$5
Temporary Checks (Per Sheet)	\$5
Wires, Incoming Domestic	\$15
Wires, Incoming International	\$15
Wires, Outgoing Domestic	\$25
Wires, Outgoing International	\$60