

## COMMUNITY REINVESTMENT ACT NOTICE

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Federal Deposit Insurance Corporation also takes this record into account when deciding on certain applications submitted by us.

### ***Your involvement is encouraged.***

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Federal Deposit Insurance Corporation; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Federal Deposit Insurance Corporation publishes a list of the banks that are scheduled for CRA examination by the Federal Deposit Insurance Corporation in that quarter. This list is available from the FDIC Regional Director, Division of Depositor and Consumer Protection, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to the President, Christine A. Grove, Citizens State Bank of Lankin, 230 Main Avenue, Edinburg ND 58227 and the FDIC, Regional Director. You may also submit comments electronically through the FDIC's Website at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter, together with any response by us, will be considered by the Federal Deposit Insurance Corporation in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of *Citizens State Bancshares, Inc.* a bank holding company. You may request from the Officer in Charge of Supervision, Federal Reserve Bank of Minneapolis, 90 Hennepin Ave, Minneapolis, MN 55480-0291, an announcement of applications covered by the CRA filed by bank holding companies.

# **PUBLIC DISCLOSURE**

April 22, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens State Bank of Lankin  
Certificate Number: 9422

401 Main Street  
Lankin, North Dakota 58250

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

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated Satisfactory. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Citizen's State Bank of Lankin's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices during the evaluation. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a substantial majority of its small farm and small business loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among farms and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## SCOPE OF EVALUATION

### *General Information*

This evaluation covers the period from the prior evaluation dated July 15, 2013, to the current evaluation dated April 22, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate Citizens State Bank of Lankin's CRA performance. These procedures considered the institution's performance according to the following Lending Test criteria: loan-to-deposit ratio, assessment area concentration, geographic distribution, borrower profile, and response to CRA-related complaints. The institution's performance under each criterion is detailed in subsequent sections of this evaluation.

### *Loan Products Reviewed*

Agricultural and commercial loans are major product lines for the institution and each represents a credit need of the area in which Citizens State Bank of Lankin operates. This conclusion is based on discussions with bank management; information obtained from a community contact (which is described later); a review of the loan categories reported in the December 31, 2018 Consolidated Reports of Condition and Income (Reports of Condition); and the number and dollar volume of loans originated, extended, and purchased during the evaluation period. Bank records indicated that the lending focus and product mix generally remained consistent throughout the evaluation period. Given this information, examiners selected 2018, the most recent calendar year, as the review period. This timeframe was considered representative of the bank's performance during the entire evaluation period.

Small farm and small business loans were reviewed to help assess whether Citizens State Bank of Lankin is meeting the credit needs of the community in which it operates. Examiners reviewed all small farm and small business loans originated, extended, or purchased in 2018. During this timeframe, Citizens State Bank of Lankin originated or extended 48 small farm loans totaling approximately \$5,871,000. The institution also originated, extended, or purchased 21 small business loans totaling \$1,924,000. D&B data for 2018 provided a standard of comparison for the small farm and small business loans. D&B is a company that maintains a database of information on farms and businesses using a variety of resources including public records, trade references, and surveys. D&B data is used as a general indicator of the local economy and includes information from only those entities that voluntarily report.

Home mortgage loans were not reviewed during this evaluation as they comprise only 4.6 percent of the portfolio and represent a very limited portion of the bank's lending activity. In 2018, Citizens State Bank of Lankin made only two multi-family loans totaling \$242,048. Furthermore, the institution discontinued originating new 1-4 family residential real estate loans prior to the last CRA evaluation; however, three loans totaling \$127,407 were extended during the review period.

The bank's record of originating small farm loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending. In addition, while both number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of farms and businesses served.

## DESCRIPTION OF INSTITUTION

### ***Background***

Citizens State Bank of Lankin is controlled by Citizens State Bancshares, Inc., a one-bank holding company located in Lankin, North Dakota. The institution does not have any affiliates or subsidiaries that offer credit products or services. Citizens State Bank of Lankin received a Satisfactory rating at its previous FDIC Performance Evaluation, dated July 15, 2013, based on Interagency Small Institution Examination Procedures.

### ***Operations***

Citizens State Bank of Lankin operates four full-service offices in Edinburg, Edmore, Lankin, and Park River, North Dakota. The bank offers a variety of loan products, including agricultural, commercial, and consumer loans, primarily focusing on agricultural lending. Applications for credit card products issued and serviced by a third-party vendor are also available to customers. Citizens State Bank of Lankin offers additional credit avenues through its participation in government sponsored loan programs through Farm Service Agency and Bank of North Dakota.

The institution provides a full line of traditional deposit services, including checking, savings, money market deposit accounts, certificates of deposit, Health Savings Accounts, and Individual Retirement Accounts. Standard insurance products are available through Citizens State Bank Insurance Agency. Alternative banking services include internet and mobile banking, mobile check deposit, electronic bill pay, and one bank-owned ATM. The institution also provides customers with access to the MoneyPass, Mastercard, Plus, and Jeanie ATM networks that allow surcharge-free withdrawals. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

### ***Ability and Capacity***

Assets totaled approximately \$45,876,000 as of December 31, 2018, and included total loans of \$28,099,000 and total deposits of \$37,175,000. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the assessment area's credit needs. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of December 31, 2018		
Loan Category	\$(000s)	%
Construction and Land Development	0	0.0
Secured by Farmland	8,583	30.5
Secured by 1-4 Family Residential Properties	858	3.1
Secured by Multi-family (5 or more) Residential Properties	421	1.5
Secured by Nonfarm Nonresidential Properties	4,251	15.1
<b>Total Real Estate Loans</b>	<b>14,113</b>	<b>50.2</b>
Agricultural Loans	8,822	31.4
Commercial and Industrial Loans	3,667	13.1
Consumer Loans	1,456	5.2
Other Loans	41	0.1
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>28,099</b>	<b>100.0</b>
<i>Source: Reports of Condition</i>		

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Citizens State Bank of Lankin designated a single assessment area in northeastern North Dakota. The following sections discuss demographic and economic information for the assessment area.

### *Economic and Demographic Data*

Citizens State Bank of Lankin's assessment area consists of both metropolitan and nonmetropolitan geographies in North Dakota. Specifically, the assessment area includes a portion of the Grand Forks, ND-MN Metropolitan Statistical Area (MSA). However, all of the bank's offices are located in the nonmetropolitan portion of the assessment area.

The Grand Forks, ND-MN MSA is comprised of Grand Forks County, North Dakota, and Polk County, Minnesota. The portion of the MSA within the bank's assessment area is Census Tract 114 in Grand Forks County, which comprises the northern half of the county. Census Tract 114 includes the following towns: Gilby, Inkster, and Manvel.

The nonmetropolitan portion of Citizens State Bank of Lankin's assessment area is comprised of all of Cavalier, Nelson, and Walsh counties; the southwestern quarter of Pembina County; and most of Ramsey County except for the geographies that comprise the Devils Lake, North Dakota. These counties are all in the northeast quarter of the state. The bank's main office in Lankin and branch offices in Edinburg and Park River are located in Walsh County, and the branch in Edmore is in Ramsey County. According to data from the 2015 American Community Survey (ACS), all of the branches are in middle-income geographies.

Demographic characteristics of the assessment area are illustrated in the following table.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	12	0.0	16.7	83.3	0.0
Population by Geography	24,491	0.0	17.4	82.6	0.0
Housing Units by Geography	13,198	0.0	15.6	84.4	0.0
Owner-Occupied Units by Geography	8,556	0.0	14.0	86.0	0.0
Occupied Rental Units by Geography	2,416	0.0	28.8	71.2	0.0
Vacant Units by Geography	2,226	0.0	7.4	92.6	0.0
Businesses by Geography	2,077	0.0	16.3	83.7	0.0
Farms by Geography	770	0.0	3.4	96.6	0.0
Family Distribution by Income Level	7,013	18.5	20.0	23.6	37.8
Household Distribution by Income Level	10,972	23.7	16.9	19.8	39.6
Median Family Income – Grand Forks, ND-MN MSA		\$70,827	Median Housing Value		\$85,071
Median Family Income – Nonmetropolitan North Dakota		\$72,620	Median Gross Rent		\$503
Families Below Poverty Level		4.7%			

*Source: 2015 ACS Data and 2018 D&B Data  
Due to rounding, totals may not equal 100.0*

The assessment area is rural in nature and primarily dependent on agriculture and related industries. The 2017 Census of Agriculture (Ag Census) reported 3,660 farms within the six counties that comprise the assessment area. The Ag Census also indicated that 52.7 percent of these farms had annual sales of less than \$50,000, with 37.8 percent having annual sales of less than \$2,500. In addition, 46.7 percent of producers in Cavalier, Grand Forks, Nelson, Pembina, Ramsey, and Walsh counties do not consider farming to be their primary occupation. Furthermore, only 49.2 percent of operations in these counties have interest expenses. This indicates that many farms in the assessment area are likely not full-time operations in need of financing.

Management stated that farmers within the assessment area have continued to do well in recent years despite low commodity prices due to strong yields and strategic planning efforts. Local farms have remained relatively stable in size, and the area has not suffered from any drought or flooding. The primary crops grown in the assessment area include wheat, soybeans, corn, pinto beans, sunflowers, and canola. Although the average age of farmers is generally increasing, management noted that the bank has gained a number of beginning farmers recently as the children of local producers take over operations when their parents retire.

D&B data also indicates that service industries represented the largest portion of businesses at 28.5 percent; followed by agriculture, forestry, and fishing (27.1 percent); and retail trade (8.8 percent). In addition, 74.4 percent of area businesses have four or fewer employees, and 88.3 percent operate from a single location. Management stated the bank has been able to provide

financial assistance to small businesses in the area, including helping to retain existing businesses by providing financial guidance and extending credit during the transfer of ownership or the expansion of existing businesses. For December 2018, the U. S. Bureau of Labor and Statistics reported unemployment rates (not seasonally adjusted) for the counties in the assessment area ranging between 2.0 and 3.3 percent. Comparably, the December 2018 unemployment rate for the State of North Dakota was 2.4 percent and the national average rate was 3.7 percent. Unemployment rates were generally consistent throughout the evaluation period.

### ***Competition***

Citizens State Bank of Lankin operates in a moderately competitive market for financial services. According to Reports of Condition filed by financial institutions, 12 other banks with deposits ranging between \$1.2 million and \$252.5 million operate either a main office or a branch office within the assessment area. Of these institutions, Citizens State Bank of Lankin ranked 10<sup>th</sup> with a 3.8 percent deposit market share. Management stated that the bank's primary competitors are First United Bank in Park River and Western State Bank in Devils Lake. In addition, AgCountry Farm Credit Services competes for agricultural loans.

### ***Community Contact***

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to the credit needs.

Examiners reviewed an existing community contact interview that had been conducted within 12 months of this evaluation. The contact represented an agriculture-related organization within the assessment area. The contact stated that the area is heavily dependent on agriculture and related industries, which have been affected by low commodity prices and dry weather. However, many local farmers have been able to offset low crop prices with high yields. The contact also indicated that there are a fair number of ranchers in the area that are doing well, and that all farms rely on off-farm income to supplement their farm revenues. The contact said that agricultural loans are the primary credit need in the area, although there is demand for all types of credit including commercial, consumer, and home mortgage loans. The contact opined that local financial institutions are meeting the area's credit needs.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Citizens State Bank of Lankin demonstrated reasonable performance under the Lending Test. Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance primarily support this conclusion.

### Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. This ratio, calculated from Reports of Condition data, averaged 70.1 percent over the past 22 calendar quarters from September 30, 2013 to December 31, 2018. The ratio ranged from a high of 85.2 percent as of September 30, 2015, to a low of 55.8 percent as of March 31, 2018. Management attributed fluctuations in the quarterly net loan-to-deposit ratio to seasonal lending practices for agricultural credit. Citizens State Bank of Lankin maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2018 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
<b>Citizens State Bank of Lankin Lankin, North Dakota</b>	45,876	70.1
State Bank of Lakota Lakota, North Dakota	49,955	69.6
Farmers and Merchants State Bank Langdon, North Dakota	107,439	84.1
The Farmers & Merchants Bank of North Dakota Tolna, North Dakota	105,506	78.9
<i>Source: Reports of Condition 9/30/13 through 12/31/18</i>		

### Assessment Area Concentration

Citizens State Bank of Lankin is helping to meet the credit needs of its assessment area by originating a substantial majority of small farm and small business loans within the assessment area. This analysis reflects the institution's willingness to reinvest deposits into the local community through loans.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	47	97.9	1	2.1	48	5,671	96.6	200	3.4	5,871
Small Business	17	81.0	4	19.0	21	1,153	59.9	771	40.1	1,924
<b>Total</b>	<b>64</b>	<b>92.8</b>	<b>5</b>	<b>7.2</b>	<b>69</b>	<b>6,824</b>	<b>87.5</b>	<b>971</b>	<b>12.5</b>	<b>7,795</b>
<i>Source: 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

## **Geographic Distribution**

The loans described earlier in the Scope of Evaluation section that were made to borrowers located within Citizens State Bank of Lankin's assessment area were further analyzed to determine whether the institution's lending activity is satisfactorily dispersed throughout the assessment area. The Geographic Distribution criterion compares the bank's lending to the distribution of farms and businesses based on the income level of the census tracts according to the 2015 ACS. In analyzing this criterion, examiners focus on the percentage by number of loans in low- and moderate-income census tracts.

The assessment area includes only two moderate-income geographies. These census tracts comprise the City of Grafton, which is located approximately 16 miles from Citizens State Bank of Lankin's branch in Park River. A significant number of financial institutions are located in Grafton. None of the bank's small farm or small business loans were made to borrowers located in these census tracts. However, given the distance from the subject bank's branch and the amount of local competition, the geographic distribution of loans is considered reasonable.

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

The geographic distribution of small farm loans reflects reasonable dispersion. None of the small farm loans were originated or extended in the moderate-income census tracts; however, D&B data from 2018 indicates that only 3.4 percent of area farms are located in those tracts.

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

The geographic distribution of small business loans reflects reasonable dispersion. D&B data from 2018 indicates that 16.3 percent of businesses in the assessment area are located in the moderate-income census tracts. While none of the bank's small business loans were originated, extended, or purchased in the moderate-income tracts, this lending performance is reasonable as many other lenders that offer similar loan products are more readily available to local business entities.

## **Borrower Profile**

The loans described earlier in the Scope of Evaluation section that were made to borrowers located within the assessment area were also analyzed to determine the bank's record of lending to farms and businesses of different sizes. Gross annual revenues, which were gathered during the evaluation, were used as a determinant of size for the farms and businesses. The analysis of small farm and small business loans under the Borrower Profile criterion compares the distribution of farms and businesses by gross annual revenue level.

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes in the assessment area. The bank's reasonable performance of small farm lending and excellent performance of small business lending support this conclusion. Examiners focused on the percentage by number of loans to farms and businesses with gross annual revenues of \$1 million or less.

***Small Farm Loans***

The distribution of small farm loans reflects reasonable penetration of loans to farms with gross annual revenues of \$1 million or less. The institution originated or extended 91.5 percent of small farm loans within the assessment area to farms with gross annual revenues of \$1 million or less. This number compares reasonably with the 96.9 percent of farms in this revenue category reported by D&B for 2018.

***Small Business Loans***

The distribution of small business loans reflects excellent penetration of loans to businesses with gross annual revenues of \$1 million or less. Examiners determined that 94.1 percent of the small business loans within the assessment area were made to businesses with gross annual revenues of \$1 million or less, which exceeds the 76.3 percent of businesses in this revenue category reported by D&B for 2018.

**Response to Complaints**

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

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## 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.

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

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

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

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

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

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

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

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**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.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**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 (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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:** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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

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

The Offices of Citizens State Bank of Lankin

MAIN OFFICE: Lankin, North Dakota  
401 Main Street  
PO Box 155  
Lankin, ND 58250  
Walsh County  
Census Tract Number: 9583.00  
(701) 593-6333  
Toll free: (888) 321-1308

BRANCH OFFICE: Edinburg, North Dakota  
230 Main Avenue  
PO Box 25  
Edinburg, ND 58227  
Walsh County  
Census Tract Number: 9583.00  
(701) 993-8625  
Toll free: (888) 321-1324

BRANCH OFFICE: Edmore, North Dakota  
301 South Main Street  
PO Box 98  
Edmore, ND 58330  
Ramsey County  
Census Tract Number: 9577.00  
(701) 644-2231  
Toll free: (888) 667-8064

BRANCH OFFICE: Park River, North Dakota  
321 Briggs Ave. South, Suite 1  
PO Box 128  
Park River, ND 58270  
Walsh County  
Census Tract Number: 9582.00  
(701) 284-7272  
Toll free: (888) 890-7272

Hours of operations are 8:30am to 5:00pm Monday thru Friday; excluding Federal Holidays.  
Exception: Lankin office hours are 9:00am to 12:00pm Monday thru Friday, excluding Federal Holidays.

SERVICES OFFERED AT CITIZENS STATE BANK OF LANKIN  
Lankin – Edinburg – Edmore – Park River

DEPOSIT ACCOUNTS

- Demand deposit accounts
- NOW accounts
- Money market deposit accounts
- Savings accounts
- Certificates of deposit
- IRA's (Traditional, Roth, CESA)
- Health Savings Accounts

Overdraft Protection (Ready Reserve) tied to checking accounts

Mastercard debit cards available: Sponsored by JHA Payment Solutions and Card Processing Solutions.

Sweep accounts tied between deposit accounts

LOAN ACCOUNTS

- Real Estate (agricultural, business, consumer)
- Agricultural
- Commercial
- Consumer
- Overdraft protection
- Lease programs

Automatic transfer available for loan payments

Citizens State Bank participates with FSA and SBA in guaranteed loans and subordinated loans.

Citizens State Bank also participates in loan programs with the Bank of North Dakota to promote business and agricultural development in our communities.

OTHER SERVICES

- Online banking
- Mobile banking
- Mobile deposit
- Safety deposit box
- Night deposit drops
- Account reconciliation
- Account research
- Money orders
- Notary public
- Wire transfers
- Autobooks
- Bill Pay services
- 24-hour drive thru ATM (Park River branch only)
- Insurance