

PUBLIC DISCLOSURE

April 21, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Wolcott
Certificate Number: 16201

105 North Range Street
Wolcott, Indiana 47995

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	5
INDIANA NON-METROPOLITAN STATISTICAL AREA – Full-Scope Review	6
LAKE COUNTY-PORTER COUNTY-JASPER COUNTY, IN METROPOLITAN DIVISION – Full-Scope Review	15
APPENDICES.....	23
SMALL BANK PERFORMANCE CRITERIA	23
GLOSSARY	24

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 loan-to-deposit (LTD) ratio is reasonable given the institution's size, condition, and the assessment areas' credit needs.
- A majority of the institution's loans are in its assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout both assessment areas, including moderate-income census tracts.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among farms and businesses of different sizes as well as individuals of different income levels (including low- and moderate-income).
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not impact the rating.

DESCRIPTION OF INSTITUTION

Bank of Wolcott is a full-service bank headquartered in Wolcott, Indiana, about 25 miles northwest of Lafayette, that operates three offices in Northwest Indiana. The bank is wholly owned by Wolcott Bancorp, a one bank holding company also headquartered in Wolcott, Indiana. The bank does not have any affiliates that offer credit products and has not engaged in any mergers or acquisitions since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC CRA Performance Evaluation, dated August 26, 2019, using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Small Bank CRA Examination Procedures.

Bank of Wolcott operates three full-service offices. In addition to the main office in Wolcott, the bank maintains branch offices in Monticello and Remington, Indiana. The bank's Wolcott and Monticello offices are in White County, Indiana, part of the Indiana Nonmetropolitan Statistical Area (Indiana Non-MSA). The bank's Remington office is in Jasper County, Indiana, part of the Lake County-Porter County-Jasper County, IN Metropolitan Division (Jasper County MD) of the Chicago-Naperville-Elgin, IL-IN Multistate Metropolitan Statistical Area (MSA). Prior to 2024, this metropolitan division (MD) was named the Gary, IN MD. The bank did not open or close any offices during the evaluation period.

Bank of Wolcott offers traditional deposit products, including checking and savings accounts for individuals and businesses, health savings accounts, certificates of deposit, and individual retirement accounts. Alternative banking services offered include online banking, ATMs, electronic bill payment, and mobile banking.

The bank's loan products include agricultural, commercial, and residential loans. A large portion of the bank's loan portfolio is agricultural (45.2 percent) and commercial loans (33.9 percent). The bank primarily focuses on agricultural and commercial lending, with large growth in the bank's commercial lending program since the previous evaluation. Residential lending makes up 18.8 percent of the bank's loan portfolio.

As of December 31, 2024, Bank of Wolcott's assets totaled \$245.7 million, with total deposits of \$206.6 million, total loans of \$137.2 million, and total securities of \$97.9 million. Total assets have grown 48.8 percent since the previous evaluation, where assets totaled \$165.1 million on June 30, 2019. The following table details the bank's loan portfolio.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	831	0.6
Secured by Farmland	43,199	31.5
Secured by 1-4 Family Residential Properties	24,115	17.6
Secured by Multifamily (5 or more) Residential Properties	1,632	1.2
Secured by Nonfarm Nonresidential Properties	32,997	24.0
Total Real Estate Loans	102,774	74.9
Commercial and Industrial Loans	13,566	9.9
Agricultural Production and Other Loans to Farmers	18,899	13.8
Consumer Loans	1,892	1.4
Obligations of State and Political Subdivisions in the U.S.	80	<0.1
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	137,211	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to delineate one or more assessment areas in which their CRA performance will be evaluated. The bank has delineated two assessment areas: the Indiana Non-MSA and the Jasper County MD assessment areas.

The Indiana Non-MSA assessment area comprises the entirety of White County, Indiana and the two southwestern most census tracts of Carroll County, Indiana. In 2023, the bank expanded this assessment area to include the two tracts in Carroll County. While Carroll County is in the Lafayette-West Lafayette, IN MSA (Lafayette MSA), examiners determined that the bank's assessment area is allowed under the CRA regulations, as the assessment area does not extend substantially across MSA boundaries. The Jasper County MD assessment area consists of the two southern tracts of Newton

County, Indiana and southern tract of Jasper County, Indiana. Both assessment areas conform to the CRA regulations and do not arbitrarily exclude low- or moderate-income census tracts or reflect illegal discrimination. Examiners conducted full-scope reviews in both assessment areas. The bank's performance in the Indiana Non-MSA assessment area received the greatest weight in the overall conclusions because it contains the majority of the bank's lending activity, deposits, and branch locations.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated August 26, 2019, to the current evaluation dated April 21, 2025. Examiners used the FFIEC Interagency Small Bank CRA Examination Procedures to evaluate the bank's CRA performance. These procedures include the Small Bank Lending Test, as described in the appendix.

Activities Reviewed

Examiners determined the bank's major products include small farm, small business, and home mortgage lending. Examiners came to this conclusion by reviewing the bank's business strategy and the number and dollar volume of originated loans as reported on the bank's Consolidated Reports of Condition and Income (Call Report). The dollar volume of small farm loans exceeded the dollar volume of both small business and home mortgage loans; therefore, this product received the greatest weight when determining the overall CRA rating. Examiners also gave more weight to the bank's small business lending performance, as the dollar volume of this product is greater than the home mortgage lending volume and has grown substantially since the previous evaluation. Examiners did not consider consumer loans in this evaluation due to this product category's low count and dollar volume.

The bank is not required to collect or report small business or small farm lending data under the CRA. However, examiners reviewed the full universe of small business and small farm loans for 2023 and 2024 since the required information was available in the bank's records. Examiners compared and analyzed the small farm and small business lending to the demographics of farms and businesses in each assessment area using data collected by D&B in 2023 and 2024. The bank originated 118 small farm loans totaling \$19.1 million in 2023 and 135 small farm loans totaling \$18.5 million in 2024. The bank originated 90 small business loans totaling \$10.5 million in 2023 and 81 small business loans totaling \$11.2 million in 2024.

The bank is required to collect and report demographic and transaction data for each closed-end home mortgage application received under the Home Mortgage Disclosure Act (HMDA). Examiners analyzed all home mortgage loans reported on the bank's HMDA Loan Application Registers in 2023 and 2024 for this evaluation. The bank originated 30 home mortgage loans totaling \$4.2 million in 2023 and 23 home mortgage loans totaling \$3.3 million in 2024. Home mortgage lending is compared to the demographics of each assessment area using data collected in the 2020 U.S. Census. Examiners also compared the bank's home mortgage performance to HMDA aggregate lending data in 2023, the most recent year HMDA aggregate lending data is available. HMDA aggregate lending data is a better comparison, as it represents the collective home mortgage lending performance of all entities required to collect and report HMDA data in

each assessment area.

Examiners reviewed the number and dollar volume of small farm, small business, and home mortgage loans. Examiners emphasized performance by number volume because it is a better indicator of the number of farms, businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank's performance is reasonable overall based on each criterion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 64.2 percent between September 30, 2019, and December 31, 2024. The bank's net LTD ratio trended down during the evaluation period, ranging from a high of 79.9 percent on September 30, 2019, to a low of 58.5 percent on March 31, 2023.

The bank's performance aligned with the performance of similarly situated banks. Examiners selected banks with a similar asset size, location, and loan portfolio distribution to Bank of Wolcott. As the following table shows, Bank of Wolcott maintained a similar ratio to the four comparable banks.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2024 (\$000s)	Average Net LTD Ratio (%)
Bank of Wolcott	245,741	64.2
Hoosier Heartland State Bank	332,088	67.2
State Bank of Graymont	317,140	66.3
The Farmers and Merchants Bank	207,289	63.0
The Frederick Community Bank	195,535	47.9
Source: Reports of Condition and Income 09/30/2019-12/31/2024		

Assessment Area Concentration

As the following table shows, the bank originated a majority of its small farm, small business, and home mortgage loans within its assessment areas, by both number and dollar volume.

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$(000s)	%	\$(000s)	%		
Home Mortgage											
2023	26	86.7	4	13.3	30	3,449	81.6	776	18.4	4,225	
2024	21	91.3	2	8.7	23	2,769	84.4	510	15.6	3,279	
Subtotal	47	88.7	6	11.3	53	6,218	82.9	1,286	17.1	7,504	
Small Business											
2023	67	74.4	23	25.6	90	7,314	69.7	3,186	30.3	10,500	
2024	60	74.1	21	25.9	81	9,832	87.5	1,408	12.5	11,240	
Subtotal	127	74.3	44	25.7	171	17,146	78.9	4,594	21.1	21,740	
Small Farm											
2023	86	72.9	32	27.1	118	14,898	78.2	4,157	21.8	19,055	
2024	93	68.9	42	31.1	135	12,455	67.5	6,010	32.5	18,465	
Subtotal	179	70.8	74	29.2	253	27,353	72.9	10,167	27.1	37,520	
Total	353	74.0	124	26.0	477	50,717	76.0	16,047	24.0	66,764	
Source: Bank Data; Due to rounding, totals may not equal 100.0%											

Geographic Distribution

The geographic distribution of the bank's loans reflects reasonable dispersion among geographies with different income levels, including the two moderate-income tracts in the bank's assessment areas. The separate assessment area sections contain additional details about the bank's performance.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and retail borrowers with different income levels. The separate assessment area sections contain additional details about the bank's performance.

Response to Complaints

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

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.

INDIANA NON-METROPOLITAN STATISTICAL AREA – Full-Scope Review

DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE INDIANA NON-METROPOLITAN STATISTICAL AREA ASSESSMENT AREA

Economic and Demographic Data

This assessment area consists of all nine tracts that comprise White County and two southeastern tracts in Carroll County. Since the previous evaluation, the assessment area was expanded to include the two tracts in Carroll County. As previously stated, Carroll County is in the Lafayette MSA. According to 2020 U.S. Census data, the income level designations of the census tracts within the assessment area are as follows:

- one moderate-income tract,
- eight middle-income tracts, and
- two upper-income tracts.

The following table shows certain demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	9.1	72.7	18.2	0.0
Population by Geography	29,835	0.0	9.7	71.0	19.2	0.0
Housing Units by Geography	16,298	0.0	8.6	70.2	21.2	0.0
Owner-Occupied Units by Geography	9,546	0.0	7.6	73.6	18.8	0.0
Occupied Rental Units by Geography	2,488	0.0	8.8	77.4	13.8	0.0
Vacant Units by Geography	4,264	0.0	10.5	58.5	31.0	0.0
Businesses by Geography	2,944	0.0	8.5	75.8	15.8	0.0
Farms by Geography	419	0.0	7.2	70.2	22.7	0.0
Family Distribution by Income Level	8,050	17.4	19.4	24.9	38.3	0.0
Household Distribution by Income Level	12,034	20.5	17.6	19.4	42.5	0.0
Median Family Income MSA - 29200 Lafayette-West Lafayette, IN MSA		\$73,007	Median Housing Value			\$126,636
Median Family Income Non-MSAs - IN		\$66,091	Median Gross Rent			\$719
			Families Below Poverty Level			5.7%
Source: 2020 U.S. Census and 2024 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.						

The local economy is driven by tourism, agriculture, and manufacturing. The assessment area is home to Indiana Beach Amusement Park and the Lake Shafer recreation area, a local tourism destination. The largest employers in the assessment area include the Indiana Beach Amusement

Park, the Indiana Beach KOA Campground, Vanguard National Trailer, and the McGill Manufacturing Company.

The local economy has grown at a slower rate than the rest of the state. According to Moody's Analytics, the median household income in White County has fallen 5.0 percent from 2023 levels. Since 2022, the economy has grown at a rate less than the inflation level. Similarly, the unemployment rate has trended upward since the September 2022 low of 2.0 percent. In February 2025, the unemployment rate in White County was 4.8 percent according to the U.S. Bureau of Labor Statistics. The availability of manufacturing jobs, which account for one-fourth of the county's non-farm employment and offer higher wages than other sectors, has declined since the previous evaluation.

Small businesses and farms drive the local economy. According to D&B, there are 3,363 businesses and farms in the assessment area. Of these businesses and farms, 93.0 percent have one location and 63.7 employ fewer than five individuals.

Agriculture is a significant component of the local economy. According to D&B, there are 419 farms in the assessment area. Examiners use the gross annual revenues (GARs) of farms and businesses to evaluate the bank's performance under the Borrower Profile criterion. Examiners analyzed the bank's performance in lending to farms and businesses with GARs of \$1.0 million or less to the distribution of farms and businesses in the assessment area with GARs of \$1.0 million or less.

Examiners used the 2023 and 2024 FFIEC-updated median family income levels to analyze home mortgage lending to low- and moderate-income households under the Borrower Profile criterion. The following table shows the income levels and categories. For home mortgage loans originated in the two tracts in Carroll County, examiners evaluated performance using the income levels listed for the Lafayette MSA. Examiners used the income levels listed for the Indiana Non-MSA to evaluate performance in the rest of the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Lafayette-West Lafayette, IN MSA Median Family Income (29200)				
2023 (\$85,900)	<\$42,950	\$42,950 to <\$68,720	\$68,720 to <\$103,080	≥\$103,080
2024 (\$83,100)	<\$41,550	\$41,550 to <\$66,480	\$66,480 to <\$99,720	≥\$99,720
IN Non-MSA Median Family Income (99999)				
2023 (\$82,700)	<\$41,350	\$41,350 to <\$66,160	\$66,160 to <\$99,240	≥\$99,240
2024 (\$81,800)	<\$40,900	\$40,900 to <\$65,440	\$65,440 to <\$98,160	≥\$98,160
<i>Source: FFIEC</i>				

Competition

The assessment area has a low level of competition for deposits. According to the FDIC Deposit Market Share Report, as of June 30, 2024, seven institutions operate 11 offices in the assessment

area. Bank of Wolcott is the second largest institution with 24.7 percent market share. The top three institutions hold 72.4 percent of the market share.

There is a high level of competition for home mortgage loans from other banks, credit unions, and non-bank mortgage originators. Examiners reviewed HMDA aggregate lending data to understand the level of competition for home mortgage lending in the assessment area. In 2023, 126 lenders originated or purchased 819 home mortgage loans in the assessment area. Bank of Wolcott ranked 12th with 2.2 percent of the home mortgage market share.

Although the bank does not report CRA data, examiners reviewed aggregate small business and farm lending data to understand the level of demand and competition for these loans. There is a high level of competition from national and regional banks. Examiners reviewed this data for White County, as the FFIEC only releases this data on the county level. In 2023, 45 lenders originated 575 small business loans in the county. Additionally, 16 lenders originated 229 small farm loans in 2023. This data does not reflect all competition in the assessment area. In addition to loans reported through CRA aggregate lending data reporting requirements, there is a high level of competition for small farm and small business loans from the Farm Credit System and community banks exempt from CRA data reporting requirements.

Community Contact

As part of the evaluation, examiners interview community leaders to understand community credit needs, the local economy, and the responsiveness of local financial institutions. Examiners interviewed the leader of a local business development organization in the assessment area. The contact spoke about unfilled jobs in the assessment area and the need for additional affordable and market-rate housing to support residents.

Credit Needs

Examiners reviewed information collected from the community contact and demographic and economic data and determined that affordable housing is the primary credit need in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE INDIANA NON-METROPOLITAN STATISTICAL AREA ASSESSMENT AREA

LENDING TEST

The bank demonstrated reasonable performance under the Lending Test in the Indiana Non-MSA assessment area. Reasonable performance in the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

Overall, the bank exhibits reasonable dispersion of loans throughout the assessment area, including the assessment area's moderate-income tract. The bank's reasonable dispersion of small farm and home mortgage loans supports this conclusion.

Small Farm Loans

The bank's small farm lending reflects reasonable dispersion throughout the assessment area. As the following table shows, the percentage of loans to farms in the moderate-income tract slightly exceeded the percentage of farms operating in the single moderate-income tract in 2023 and was slightly less than the percentage of farms operating in the moderate-income tract in 2024. There are limited opportunities to lend in the moderate-income tract, as D&B only reports 29 farms operating in the tract. Additionally, not every farm has financing needs. Considering these factors, the bank's small farm lending reflects reasonable performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2023	7.5	6	9.8	264	2.6
2024	7.2	4	5.6	192	2.1
Middle					
2023	69.7	46	75.4	8,198	80.1
2024	70.2	56	78.9	7,577	83.5
Upper					
2023	22.8	9	14.8	1,771	17.3
2024	22.7	11	15.5	1,309	14.4
Totals					
2023	100.0	61	100.0	10,233	100.0
2024	100.0	71	100.0	9,078	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The bank's small business lending reflects poor dispersion throughout the assessment area. As the following table shows, the bank originated one small business loan in the moderate-income tract in 2024. The percentage of loans originated in the moderate-income tract in 2023 and 2024 was below the percentage of businesses operating in the tract.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2023	7.9	0	0.0	0	0.0
2024	8.5	1	1.9	8	0.1
Middle					
2023	76.3	56	94.9	5,926	98.6
2024	75.8	51	96.2	8,617	99.3
Upper					
2023	15.8	3	5.1	87	1.4
2024	15.8	1	1.9	57	0.7
Totals					
2023	100.0	59	100.0	6,013	100.0
2024	100.0	53	100.0	8,682	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The bank's home mortgage lending reflects reasonable dispersion throughout the assessment area. The bank's home mortgage lending was slightly below both the percentage of owner-occupied homes and the aggregate performance level in the moderate-income tract in 2023. The bank continued to slightly trail the percentage of owner-occupied homes in the moderate-income tract in 2024. Overall, the bank performed reasonably. The following table details the bank's performance in the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2023	7.6	6.7	1	5.6	25	0.9
2024	7.6	--	1	6.3	80	3.4
Middle						
2023	73.6	72.3	14	77.8	2,106	76.6
2024	73.6	--	11	68.8	1,893	80.7
Upper						
2023	18.8	21.0	3	16.7	620	22.5
2024	18.8	--	4	25.0	372	15.9
Totals						
2023	100.0	100.0	18	100.0	2,750	100.0
2024	100.0	--	16	100.0	2,345	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and borrowers of different income levels. The bank's reasonable or excellent penetration in each product category in this assessment area supports this conclusion.

Small Farm Loans

The bank's small farm lending reflects excellent penetration among farms of different sizes. In 2023, the bank originated 78.7 percent of its small farm loans by number to farms with GARs of \$1.0 million or less. In 2024, the bank's performance increased by number and dollar volume of loans to small farms. A review of 2023 CRA aggregate lending data and the 2022 USDA Census of Agriculture shows limited opportunities to lend. According to the Census, slightly less than half of the farms in White County had any interest expense. Additionally, lenders who report CRA aggregate lending data made 29.0 percent of their small farm loans to farms with GARs of \$1.0 million or less. While the bank's level of lending is below the percentage of small farms, the bank performed excellently due to the limited opportunities to lend. The following table provides additional information on the bank's performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2023	98.5	48	78.7	7,132	69.7
2024	98.6	55	77.5	6,841	75.4
>\$1,000,000					
2023	1.2	13	21.3	3,101	30.3
2024	1.2	16	22.5	2,237	24.6
Revenue Not Available					
2023	0.2	0	0.0	0	0.0
2024	0.2	0	0.0	0	0.0
Totals					
2023	100.0	61	100.0	10,233	100.0
2024	100.0	71	100.0	9,078	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Small Business Loans

The bank's small business lending reflects reasonable penetration among businesses of different sizes. In 2023, the bank originated 79.7 percent of its small business loans to businesses with GARs of \$1.0 million or less. In 2024, the bank's performance declined. However, the comparator only shows the percentage of businesses, not the percentage of businesses with credit needs. Examiners reviewed CRA aggregate lending and U.S. Census Annual Business Survey data to understand local credit needs and demand. Although the bank's level of performance trails the percentage of small businesses in the assessment area, the performance is reasonable considering the level of demand. The following table provides additional information on the bank's performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	89.0	47	79.7	2,758	45.9
2024	89.0	37	69.8	2,712	31.2
>\$1,000,000					
2023	2.7	12	20.3	3,255	54.1
2024	2.8	16	30.2	5,970	68.8
Revenue Not Available					
2023	8.3	0	0.0	0	0.0
2024	8.2	0	0.0	0	0.0
Totals					
2023	100.0	59	100.0	6,013	100.0
2024	100.0	53	100.0	8,682	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As the following table shows, the bank originated one loan to a low-income borrower in the assessment area. As a percentage of total loans, the bank's performance of lending to low-income borrowers significantly trailed the percentage of low-income families and trailed aggregate performance levels. Conversely, the bank's lending to moderate-income borrowers exceeded both aggregate performance and the percentage of moderate-income families in 2023. The bank maintained a reasonable level of performance lending to moderate-income borrowers in 2024. Overall, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	17.7	11.1	1	5.6	23	0.8
2024	17.4	--	0	0.0	0	0.0
Moderate						
2023	19.7	21.7	5	27.8	636	23.1
2024	19.4	--	3	18.8	270	11.5
Middle						
2023	25.0	23.8	5	27.8	575	20.9
2024	24.9	--	6	37.5	719	30.7
Upper						
2023	37.6	29.5	6	33.3	1,267	46.1
2024	38.3	--	5	31.3	956	40.8
Not Available						
2023	0.0	13.8	1	5.6	250	9.1
2024	0.0	--	2	12.5	400	17.1
Totals						
2023	100.0	100.0	18	100.0	2,750	100.0
2024	100.0	--	16	100.0	2,345	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

LAKE COUNTY-PORTER COUNTY-JASPER COUNTY, IN METROPOLITAN DIVISION – Full-Scope Review

DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE JASPER COUNTY METROPOLITAN DIVISION ASSESSMENT AREA

Economic and Demographic Data

The assessment area consists of the two southern tracts of Newton County and the southern tract of Jasper County. The bank operates one office in Remington, Jasper County, Indiana. According to the 2020 U.S. Census, the income level designations of these census tracts are as follows:

- one moderate-income tract and
- two middle-income tracts.

The following table details the demographics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	33.3	66.7	0.0	0.0
Population by Geography	7,749	0.0	32.2	67.8	0.0	0.0
Housing Units by Geography	3,810	0.0	31.8	68.2	0.0	0.0
Owner-Occupied Units by Geography	2,591	0.0	29.5	70.5	0.0	0.0
Occupied Rental Units by Geography	882	0.0	36.2	63.8	0.0	0.0
Vacant Units by Geography	337	0.0	38.0	62.0	0.0	0.0
Businesses by Geography	991	0.0	25.2	74.8	0.0	0.0
Farms by Geography	149	0.0	25.5	74.5	0.0	0.0
Family Distribution by Income Level	2,307	21.8	22.8	30.6	24.8	0.0
Household Distribution by Income Level	3,473	22.7	22.7	24.2	30.3	0.0
Median Family Income MSA - 29414 Lake County-Porter County-Jasper County, IN		\$75,625	Median Housing Value			\$100,500
			Median Gross Rent			\$702
			Families Below Poverty Level			7.8%
Source: 2020 U.S. Census and 2024 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.						

The local economy relies on the manufacturing, transportation, and agriculture sectors. The area’s largest employers include Advanced Auto Parts, Adkev Inc, and South Newton High School. The local economy, especially in Newton County, is also impacted by its proximity to Chicago, Illinois. According to the Indiana Department of Workforce Development, 33.6 percent of Newton County’s employed residents work in Lake County, Indiana or Illinois. This rate is significantly lower in

Jasper County. According to Moody’s Analytics, the local economy and population has grown at a faster pace than the rest of the state.

At the beginning of the evaluation period, the unemployment rate was 3.0 percent in Jasper County and 3.3 percent in Newton County. The unemployment rate spiked and sharply fell in 2020 in response to the COVID-19 pandemic. The unemployment rate continued to decline until December 2021, when it reached 2.5 percent in Jasper County and 2.6 percent in Newton County. Since then, the unemployment rate has trended upwards in the assessment area. The unemployment rate in February 2025 was 5.5 percent in Jasper County and 5.8 percent in Newton County.

Small businesses and farms drive the local economy. According to D&B, there are 991 businesses and 149 farms in the assessment area. Of these businesses and farms, 90.1 percent have one location and 64.5 percent employ less than five individuals.

Examiners used the 2023 and 2024 FFIEC-updated median family income levels to analyze home mortgage lending to low- and moderate-income households under the Borrower Profile criterion. The following table shows the income levels and categories. In July 2023, the Office of Management and Budget renamed the Gary, Indiana MD to the Lake County-Porter County-Jasper County, Indiana MD. Although the names in the following table are different, the geographic area is the same.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Gary, IN Median Family Income (23844)				
2023 (\$91,900)	<\$45,950	\$45,950 to <\$73,520	\$73,520 to <\$110,280	≥\$110,280
Lake County-Porter County-Jasper County, IN Median Family Income (29414)				
2024 (\$91,100)	<\$45,550	\$45,550 to <\$72,880	\$72,880 to <\$109,320	≥\$109,320
<i>Source: FFIEC</i>				

Competition

There is a high level of competition for deposits in the assessment area. According to the FDIC Deposit Market Share Report, as of June 30, 2024, there are eight institutions operating eight branch offices in the assessment area. The three largest institutions have a combined 62.0 percent market share. Bank of Wolcott ranks sixth with 7.8 percent market share.

There is a high level of competition for home mortgage loans in the assessment area from banks, credit unions, and non-bank mortgage originators. Examiners reviewed 2023 HMDA aggregate lending data to understand the level of competition for home mortgages. In 2023, 70 institutions originated 231 mortgage loans in the assessment area. The top three institutions originated 34.2 percent of mortgages. Bank of Wolcott ranked seventh with 3.5 percent market share.

As previously mentioned, the bank does not report CRA data. Examiners reviewed CRA aggregate lending data to understand the level of demand for small farm and small business loans in the assessment area. There is a moderate level of competition for small farm and small business loans

in the assessment area. In 2023, 11 CRA-reporting institutions originated 119 small farm loans in Newton and Jasper counties. Additionally, 46 CRA-reporting institutions originated 547 small business loans in Newton and Jasper counties in 2023. Not included in the CRA aggregate lending data is strong competition for these loans from a community bank headquartered in Kentland, a community bank headquartered in Brook, and a farm credit lender operating in the area, which limits opportunities for Bank of Wolcott.

Credit Needs

Examiners reviewed a community planning assessment from a local municipality and other demographic data and determined that lending to support affordable and market rate residential development and broadband access is needed in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE JASPER COUNTY METROPOLITAN DIVISION ASSESSMENT AREA

LENDING TEST

The bank's performance is reasonable. Reasonable performance in the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

The bank's lending to small farms, small businesses, and individuals throughout the entire assessment area, including the moderate-income tract, reflects reasonable dispersion throughout the assessment area. Reasonable dispersion of small farm and home mortgage loans supports this conclusion.

Small Farm Loans

The bank's small farm lending reflects reasonable dispersion throughout the assessment area. Although the distribution of the bank's loans in the moderate-income tract by number of loans is significantly lower than the percentage of farms in the tract, the bank originates larger dollar loans in the tract. In 2023, 10.7 percent of the bank's small farm lending by dollar volume in the assessment area was for the loan originated in the moderate-income tract. In 2024, 14.9 percent of the bank's small farm lending by dollar volume in the assessment area was for loans originated in the moderate-income tract. The bank faces competition from the local farm credit lender, the local bank in Brook, and the local bank in Kentland. The Remington branch is in Jasper County while the moderate-income tract is in Newton County. Considering the level of competition, the bank's performance is reasonable. The following table shows the bank's performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2023	24.0	1	4.0	500	10.7
2024	25.5	2	9.1	503	14.9
Middle					
2023	76.0	24	96.0	4,165	89.3
2024	74.5	20	90.9	2,874	85.1
Totals					
2023	100.0	25	100.0	4,665	100.0
2024	100.0	22	100.0	3,377	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Small Business Loans

The bank's small business lending reflects poor dispersion throughout the assessment area. The bank did not originate any small business loans in the moderate-income tract in 2023 or 2024. The following table shows the bank's performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2023	24.6	0	0.0	0	0.0
2024	25.2	0	0.0	0	0.0
Middle					
2023	75.4	8	100.0	1,301	100.0
2024	74.8	7	100.0	1,150	100.0
Totals					
2023	100.0	8	100.0	1,301	100.0
2024	100.0	7	100.0	1,150	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The bank's home mortgage lending reflects reasonable dispersion throughout the assessment area. Although the bank did not originate or purchase any home mortgage loans in the moderate-income tract in 2024, the bank originated two loans in the tract in 2023. The bank's lending volume is limited in the assessment area in 2023 and dropped in 2024. As mentioned in the Description of Institution Operations section, the bank also faces a high level of competition for home mortgage loans from larger banks, credit unions, and non-bank mortgage originators. The bank's performance is reasonable

considering the bank's overall lending activity in the assessment area and the level of competition. The following table provides additional details on the bank's performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2023	29.5	35.1	2	25.0	180	25.7
2024	29.5	--	0	0.0	0	0.0
Middle						
2023	70.5	64.9	6	75.0	520	74.3
2024	70.5	--	5	100.0	424	100.0
Totals						
2023	100.0	100.0	8	100.0	699	100.0
2024	100.0	--	5	100.0	424	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The bank's lending to farms and businesses of different sizes and individuals with different income levels reflects reasonable penetration within the assessment area. Reasonable penetration in each product reviewed supports this conclusion.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different sizes in the assessment area. As the following table shows, the bank originates a majority of its small farm loans to farms with revenues of \$1.0 million or less. While examiners did not directly compare the CRA aggregate lending data to the bank's performance, aggregate lending data is useful to understand the level of demand for financing. In 2023, CRA-reporting institutions originated 27.3 percent of their small farm loans to farms with revenues of \$1.0 million or less. Additionally, according to the 2022 USDA Census of Agriculture, less than half of farms in either county reported having any interest expense, limiting opportunities for the bank to lend. The bank's performance is reasonable considering the level of demand for financing.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2023	96.8	18	72.0	2,692	57.7
2024	96.6	14	63.6	1,889	55.9
>\$1,000,000					
2023	0.6	7	28.0	1,973	42.3
2024	0.7	8	36.4	1,488	44.1
Revenue Not Available					
2023	2.6	0	0.0	0	0.0
2024	2.7	0	0.0	0	0.0
Totals					
2023	100.0	25	100.0	4,665	100.0
2024	100.0	22	100.0	3,377	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Small Business Loans

The distribution of small business lending reflects reasonable penetration among businesses of different sizes in the assessment area. While the bank's lending to businesses with revenues of \$1.0 million or less in 2023 by number of loans was 25.0 percent of the bank's overall lending, the bank's lending to this group more than doubled in 2024. The following table details the bank's performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	85.6	2	25.0	170	13.1
2024	85.6	4	57.1	195	17.0
>\$1,000,000					
2023	3.9	6	75.0	1,131	86.9
2024	3.7	3	42.9	955	83.0
Revenue Not Available					
2023	10.5	0	0.0	0	0.0
2024	10.7	0	0.0	0	0.0
Totals					
2023	100.0	8	100.0	1,301	100.0
2024	100.0	7	100.0	1,150	100.0
Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among families with different income levels in the assessment area. As the following table shows, the bank made one loan each year to low- or moderate-income borrowers. Considering the bank's lending volume and high competition from credit unions and non-bank mortgage lenders in the assessment area, this performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	21.8	14.3	1	12.5	17	2.5
2024	21.8	--	0	0.0	0	0.0
Moderate						
2023	22.8	26.8	0	0.0	0	0.0
2024	22.8	--	1	20.0	50	11.8
Middle						
2023	30.6	17.7	0	0.0	0	0.0
2024	30.6	--	2	40.0	136	32.1
Upper						
2023	24.8	18.2	5	62.5	393	56.2
2024	24.8	--	1	20.0	128	30.1
Not Available						
2023	0.0	22.9	2	25.0	289	41.3
2024	0.0	--	1	20.0	110	26.0
Totals						
2023	100.0	100.0	8	100.0	699	100.0
2024	100.0	--	5	100.0	424	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

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

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

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

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

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