

PUBLIC DISCLOSURE

March 3, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

State Bank of Viroqua
RSSD# 78643

101 North Main Street
Viroqua, Wisconsin 54665-1605

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: 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's CRA Ratings.....	1
Description of Institution.....	1
Description of Assessment Area.....	3
Conclusions with Respect to Performance Criteria	9
Loan-to-Deposit Ratio	9
Lending in the Assessment Area	10
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	10
Geographic Distribution of Loans	13
Complaints	13
Compliance with Anti-Discrimination Laws.....	13
CRA Appendix	
CRA Appendix A: Glossary	14

INSTITUTION'S CRA RATING: Satisfactory

State Bank of Viroqua (the Bank) promotes economic growth in a manner consistent with its asset size, location, and current assessment area economic conditions. The Bank's efforts are accomplished primarily through the origination of agricultural, commercial, consumer, and real estate loans. The Bank's loan-to-deposit ratio is reasonable and significantly above its nationwide peer group. A majority of the Bank's agricultural, commercial, consumer, and residential real estate loans originated during the November 1, 2006 to October 31, 2007, timeframe were originated in its assessment area. The Bank's residential real estate and consumer lending to consumers of different income levels and commercial and farm lending to small businesses and farms is reasonable. A geographic distribution analysis of the Bank's loans indicated an excellent lending pattern among moderate-income census tracts. There were no CRA-related complaints received by the institution or this Reserve Bank since the previous evaluation.

There are no patterns or practices of illegal discrimination or discouragement of applications based on any member of a protected class. There are no factors relative to the Bank's financial condition, size, or local economic conditions that would prevent it from meeting the community's credit needs.

The institution was rated **Satisfactory** under the CRA at its previous evaluation conducted by the Federal Reserve Bank as of December 15, 2003.

DESCRIPTION OF INSTITUTION

State Bank of Viroqua, with assets of approximately \$83 million at December 31, 2007, is a subsidiary of The Baraboo Bancorporation, Inc., a three-bank holding company located in Baraboo, Wisconsin. The Bank operates one full-service retail banking office and one deposit taking branch, both of which are located in Viroqua, Wisconsin. In addition, the Bank maintains two full-service and one cash-only 24-hour Automated Teller Machines (ATMs).

The Bank offers a full range of deposit and loan products to meet the banking needs of consumers and businesses in its assessment area. Deposit products include: checking (Advantage, Regular, NOW, Classic Club NOW, Business, and Small Business), savings (Statement and Christmas Club), certificates of deposit (various terms), money market (Money Market, Investors Money Fund Money Market, and Premiere Money Market), and individual retirement accounts (Traditional, Roth, and Education). Loan products include: vehicle loans (including boats, motorcycles, and recreational vehicle), personal loans (single payment and installment), education loans, business loans, agricultural loans, and numerous real estate mortgage loan options, including fixed rate, balloon, new construction, and home equity. The Bank also offers credit card services.

As of December 31, 2007, the largest percentage of outstanding loans (47.4%) are secured by real

estate. A detailed analysis of the Bank’s loan portfolio reveals that its principal area of focus is commercial loans, 48.6% of the total portfolio. The Bank’s commercial lending activity is comprised of commercial and industrial loans and nonfarm, nonresidential loans secured by real estate, which are represented at 36.6% and 12.0% of the portfolio, respectively. Exhibit 1 below provides a detailed breakdown of the Bank’s loan portfolio at December 31, 2007, according to its Report of Condition and Income.

Exhibit 1			
Loan Portfolio at December 31, 2007			
Loan Category	Amount Outstanding (\$000)	% of Total Loans	% of Total Real Estate Loans
Real estate secured loans:			
Construction and land development	5,615	8.8	18.5
Farm land	1,857	2.9	6.1
1-4 family – revolving	0	0.0	0.0
1-4 family – other	15,147	23.7	50.0
Multifamily	0	0.0	0.0
Nonfarm, nonresidential	7,709	12.0	25.4
Total real estate secured loans	30,328	47.4	100.0
Agricultural loans	1,836	2.9	
Commercial and industrial loans	23,434	36.6	
Loans to individuals	6,789	10.5	
Other nonconsumer loans	1,633	2.6	
Total all loans	64,020	100.0	

The latest available deposit information from the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2007, indicates that State Bank of Viroqua was ranked 4th in market share of deposits originating in the counties of Crawford and Vernon. There were 12 FDIC-insured financial institutions operating at least one banking office in these counties. The Bank’s specific market share at that date was 8.59%. By comparison, the top three financial institutions in market share each held over 10.0% individually, and collectively, over half (52.42%) of the counties’ deposits. Bank management has identified the following institutions, each operating a banking office in Crawford or Vernon counties, as its principal competition in the assessment area: AnchorBank (Madison, WI), Associated Bank N.A. (Green Bay, WI), Citizens First Bank (Viroqua, WI), Fortress Bank, now known as Lincoln State Bank (Milwaukee, WI), and Royal Bank (Elroy, WI).

Specific market share data regarding both competitors is located in Exhibit 2.

Exhibit 2			
State Bank of Viroqua Competitors⁽¹⁾			
Competitor Name	Number of Offices Inside Market	Deposits \$(000) Inside Market	Market Share %

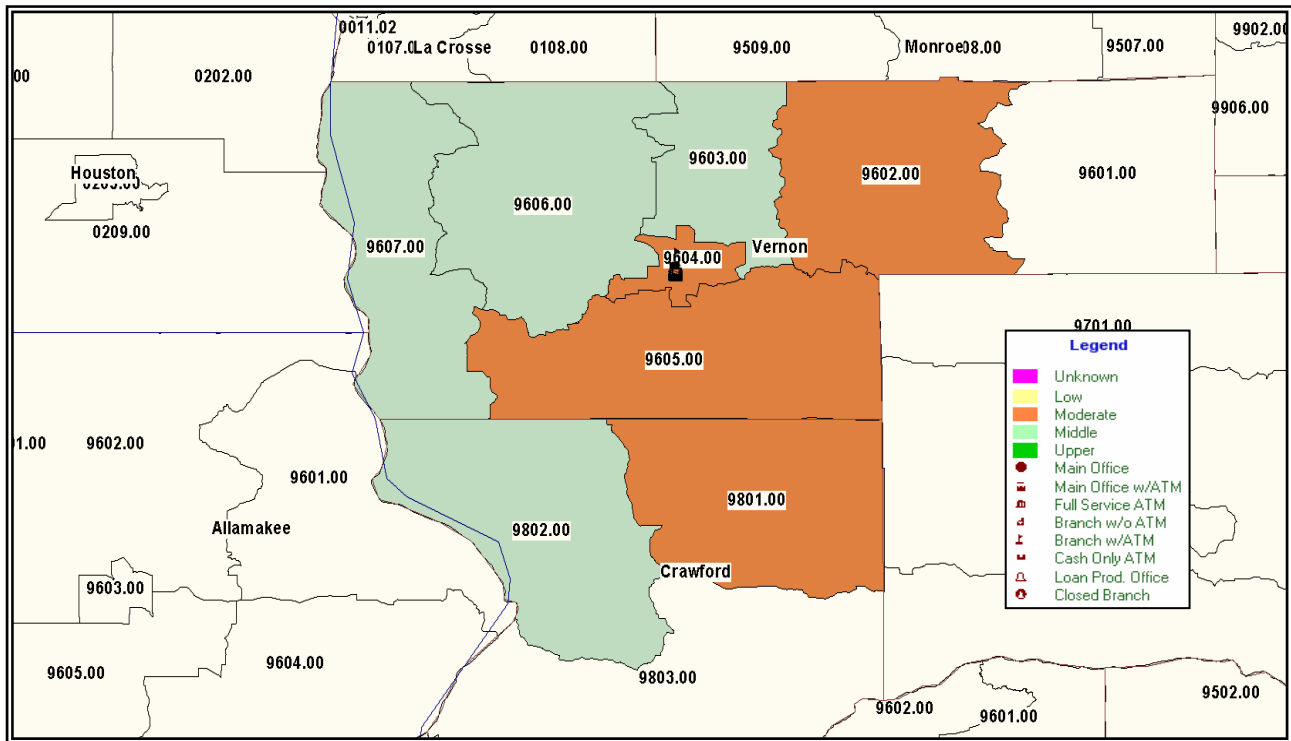
Exhibit 2 State Bank of Viroqua Competitors ⁽¹⁾			
Competitor Name	Number of Offices Inside Market	Deposits \$(000) Inside Market	Market Share %
Fortress Bank/Lincoln State Bank	6	113,714	14.11
AnchorBank	2	81,858	10.16
State Bank of Viroqua	2	69,243	8.59
Associated Bank N.A.	2	56,207	6.98
Citizens First Bank	1	51,080	6.34
Royal Bank	2	23,579	2.93

(1) Data as of June 30, 2007.

DESCRIPTION OF ASSESSMENT AREA

The Bank’s assessment area, shown below, consists of four moderate- and four middle-income census tracts encompassing portions of Crawford and Vernon Counties.

State Bank of Viroqua
 Map of Assessment Area



There have been changes to the Bank's assessment area since the previous evaluation in 2003. At the previous evaluation the Bank had a total of four block numbering areas which encompassed portions of Vernon County. Upon completion of the previous evaluation, Bank management added four block numbering areas in Vernon and Crawford counties as these inclusions were more representative of the Bank's lending area. Additionally, changes implemented in 2003 by the Office of Management and Budget (OMB) regarding the numbering and composition of certain Metropolitan Statistical Areas (MSAs) altered the terminology of the Bank's assessment area as block numbering areas have been replaced by census tracts, resulting in the current total of eight census tracts.

Data from the 2000 census indicates that the population of the assessment area is 29,653. Although the Bank is located adjacent to the La Crosse MSA, the defined assessment area contains mostly rural communities and only reaches a small portion of the larger metropolitan region of the area, La Crosse. Additional selected demographic information concerning the assessment area is provided in Exhibit 3.

Exhibit 3 Assessment Area Demographics ⁽¹⁾								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,832	22.7
Moderate-income	4	50.0	3,896	48.3	489	12.6	1,940	24.1
Middle-income	4	50.0	4,170	51.7	220	5.3	1,991	24.7
Upper-income	0	0.0	0	0.0	0	0.0	2,303	28.5
TOTALS	8	100.0	8,066	100.0	709	8.8	8,066	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0.0	0.0	0.0	0	0.0	0	0.0
Moderate-income	6,870	4,423	47.9	64.4	1,447	21.1	1,000	14.5
Middle-income	6,806	4,803	52.1	70.6	906	13.3	1,097	16.1
Upper-income	0	0.0	0.0	0.0	0	0.0	0	0.0
TOTALS	13,676	9,226	100.0	67.5	2,353	17.2	2,097	15.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Under \$1 million		Over \$1 million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	764	55.9	689	55.9	42	56.0	33	56.9
Middle-income	602	44.1	544	44.1	33	44.0	25	43.1
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	1,366	100.0	1,233	100.0	75	100.0	58	100.0
Percentage of Total Businesses			90.3		5.5		4.2	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Under \$1 million		Over \$1 million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	202	48.0	198	47.6	4	80.0	0	0.0
Middle-income	219	52.0	218	52.4	1	20.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	421	100.0	416	100.0	5	100.0	0	0.0
Percentage of Total Farms			98.8		1.2		0.0	

(1) Information about businesses and farms is from 2005 Dun & Bradstreet demographic data; all other information is based on 2000 census data.

Population Changes

Estimates of population change for counties from April 1, 2000 to July 1, 2006, are illustrated in the exhibit below.

Exhibit 4 Population Changes			
County/State	July 1, 2006 ⁽¹⁾	April 1, 2000 ⁽²⁾	Percentage Change (%)
Crawford	17,060	17,243	-1.1
Vernon	29,188	28,056	4.0
State of Wisconsin	5,601,640	5,363,675	4.4

(1) Figures obtained from the US Census Bureau and are population estimates; state population estimate is as of July 1, 2007.
(2) Based on 2000 census information.

As noted above, the population in one of the two counties with census tracts in the assessment area has increased since the 2000 Census; however, the percentage change is slightly below that of the State of Wisconsin (the State). This is expected as the western portion of the State is not experiencing significant job growth as a majority of this growth is occurring in the Madison area and communities bordering the State of Illinois.

Income Characteristics

Exhibit 5 compares the income levels for the combined assessment area to those for Crawford and Vernon Counties, the non-metropolitan areas of the State of Wisconsin, and the State.

Exhibit 5 Distribution of Families by Income Level								
Location	Median Family Income			Percent of Families (Based on 2000 Census Data)				
	% Change	2007 Estimate ⁽¹⁾	2000 Census	Low	Moderate	Middle	Upper	Below Poverty Level
Assessment Area	15.2%	\$45,666	\$39,653	22.72	24.05	24.68	28.55	8.79
Crawford County	16.8%	\$48,500	\$41,540	21.18	22.69	26.47	29.66	7.21
Vernon County	17.5%	\$47,800	\$40,666	22.46	22.99	25.31	29.24	9.03
Non-Metropolitan Area WI	17.2%	\$54,700	\$46,680	16.58	19.52	26.27	37.63	5.49
State of Wisconsin	17.2%	\$62,000	\$52,911	17.39	19.09	26.20	37.32	5.60

(1) Department of Housing and Urban Development (HUD) estimate.

When compared to Crawford and Vernon Counties, the non-metropolitan area of the state, and the State, the median family income of the assessment area is the lowest, indicating the lack of affluence in the area. In addition, the assessment areas percentage of families with annual incomes below the poverty level is below only Vernon County, indicating a higher percentage of lower-income individuals. According to HUD, the assessment area’s estimated median family income for 2007 has shown growth since the 2000 Census; however, the growth rate was slightly below both counties, the non-metropolitan area, and the State.

Housing Characteristics and Affordability

Exhibit 6 compares the owner occupancy rates, median housing values, and affordability ratios for the assessment area to those for Crawford and Vernon Counties, the non-metropolitan areas of the state, and the State.

Exhibit 6 Housing Characteristics ⁽¹⁾			
Location	Owner Occupancy	Median Housing Value	Affordability Ratio
Assessment Area	67.5%	\$77,898	50.9
Crawford County	60.5%	\$77,100	53.9
Vernon County	69.0%	\$79,300	51.3
Non-Metropolitan Area WI	60.2%	\$91,008	51.3
State of Wisconsin	61.5%	\$109,900	48.1

(1) Based on 2000 census information.

Housing data reflects that housing is generally affordable in the assessment area despite lower median family income levels. Information derived from the 2000 Census indicates that owner occupancy rates in the assessment area is one of the higher figures in the State as the percentage is above Crawford County, the non-metropolitan areas of the state, and the State as a whole. The only location with a higher owner occupancy rate is Vernon County, where both the Bank's offices reside. Higher home ownership rates typically indicate more stable communities because residents can afford to own properties instead of renting. Median housing values indicate that the assessment area is comparable to Crawford and Vernon Counties, but all three areas are significantly below the housing values of the non-metropolitan area and the State.

The housing affordability ratio is developed by dividing the median family income by the median housing value for a given area or groups of geographies and is helpful in comparing housing costs for different areas. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. The affordability ratio of the assessment area is comparable to Vernon County and the non-metropolitan areas of the state, indicating generally affordable housing. Additionally, the assessment area ratio is higher than the State. Based on median family incomes, median housing values, and the affordability ratio, housing in the assessment area is more affordable than the State as a whole and as affordable as surrounding counties.

Labor and Employment

The assessment area includes 1,787 businesses and farms based on 2007 data obtained from Dun & Bradstreet. Residents of the assessment area have varied job opportunities due to the agrarian focus of Crawford and Vernon Counties, in addition to close proximity to the metropolitan area of

La Crosse. Crawford County employment opportunities focus mainly on manufacturing while Vernon County has multiple medical services. The City of La Crosse has the presence of the University of Wisconsin-La Crosse and regional medical facilities. Some of the major employers with operations in the Bank’s assessment area are outlined in Exhibit 7, based upon information compiled from the Wisconsin Department of Workforce Development (WDWD).

Exhibit 7			
Major Employers of the Assessment Area			
Company	Number of Employees	County	Product/Service
Cabela’s Wholesale	1,000+	Crawford	Mail Order Houses Manufacturing
Miniature Precision Components, Inc.	1,000+	Crawford	Plastic Product Manufacturing
3M Company	500-999	Crawford	Abrasive Product Manufacturing
Vernon Memorial Healthcare, Inc.	1,000+	Vernon	General Medical and Surgical Hospitals
Bethel Home Services	500-999	Vernon	Nursing Care Facilities
Fleet Guard, Inc.	250-499	Vernon	Machinery Manufacturing

Comparative annual unemployment statistics for 2005, 2006, and 2007, provided by the WDWD are illustrated in Exhibit 8.

Exhibit 8			
2005, 2006, and 2007 Seasonally Unadjusted Unemployment Rates⁽¹⁾			
Location	2005	2006	2007
Crawford County	4.9%	4.8%	5.0%
Vernon County	4.6%	4.8%	5.1%
State of Wisconsin	4.8%	4.7%	5.0%
United States	5.1%	4.6%	4.6%

(1) Seasonally Unadjusted Unemployment Rates were provided by the Wisconsin DWD Worknet.

The preceding exhibit indicates 2007 unemployment rates are comparable among Crawford and Vernon Counties and the State, with all three figures being higher than the United States. Both counties unemployment rates have remained consistent due to working opportunities available in smaller municipalities throughout the region and the neighboring city of La Crosse.

Three community representatives, contacted during the evaluation to determine the credit needs of the assessment area, indicated that local financial institutions are involved in the community, actively support job creation, and adequately meet the credit needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

A review of State Bank of Viroqua’s quarterly loan-to-deposit (LTD) ratios, composition of its loan portfolio, and transactions reported in its electronic loan data was performed to analyze and evaluate its overall CRA performance. An analysis of the Bank’s June 30, 2006 and 2007, Reports of Condition (schedule RC-C, Part II) were also analyzed to evaluate its distribution of lending to businesses and farms of different sizes, especially to small businesses and farms.

Loan-to-Deposit (LTD) Ratio

The Bank’s LTD ratio was 85.4% with an eight quarter average of 90.5% at December 31, 2007. Ratios at this level indicate that the Bank is investing a majority of its deposits through the origination of loans. Exhibit 9 compares this data with similar data for the nationwide peer group and other competitors in the assessment area.

Exhibit 9 Comparative Loan-to-Deposit Ratios			
Institution	Total Assets at December 31, 2007 (000)	Loan-to-Deposit Ratio (%)	
		At December 31, 2007	Average for the Eight Quarters Ended December 31, 2007
AnchorBank	4,619,793	126.9	121.7
Associated Bank N.A.	21,335,735	109.1	107.7
State Bank of Viroqua	82,981	85.4	90.5
Citizens First Bank	128,431	82.6	84.8
Royal Bank	215,354	76.4	79.5
Nationwide Peer Group⁽¹⁾	N/A⁽²⁾	71.0	71.7
Fortress Bank/Lincoln State Bank	1,235,564	N/A ⁽²⁾	98.5 ⁽³⁾

(1) The Bank is in Peer Group 11 as defined in the Uniform Bank Performance Report.
(2) N/A – Information is not available.
(3) Quarterly average is for seven quarters for Fortress Bank as 12/31/07 data was not available. Fortress Bank merged into Lincoln State Bank in the fourth quarter of 2007.

Data for AnchorBank, Associated Bank N.A., and Lincoln State Bank are included in this exhibit because these banks operate a branch in Viroqua, Wisconsin, and the Bank considers them a competitor. However, comparison of these bank’s LTD ratios with similar data from the other banks shown in Exhibit 9 is not particularly meaningful because these banks have significantly more assets and obtains deposits from areas beyond the Bank’s assessment area.

The Bank’s LTD ratios are above the remaining two defined competitors and its nationwide peer group, which is defined in the Uniform Bank Performance Report as all insured commercial banks with assets between \$50 and \$100 million in a non-metropolitan area with two or fewer full service offices. Based on this analysis the Bank’s LTD ratios are reasonable given its size, financial condition, and assessment area’s credit needs.

Lending in the Assessment Area

Exhibit 10 summarizes the number and corresponding percentages of the Bank's agricultural, commercial, consumer, and residential real estate loans originated in the assessment area from November 1, 2006 to October 31, 2007.

Exhibit 10 Percentage of Loans Originated in the Assessment Area			
Loan Type	Total Number of Loans	Loans Originated in the Assessment Area	
		Number	Percent
Agricultural Loans	37	36	97.3
Commercial Loans	66	38	57.6
Consumer Loans	321	247	76.9
Residential Real Estate Loans	65	44	67.7
Totals	489	365	74.6
Previous Evaluation Totals (December 15, 2003)	1,563	1,075	68.8

The exhibit indicates that 74.6% of all loans originated during the one-year time period were originated within the assessment area. The percentage of loans originated in the assessment area has increased as the percentage of loans originated in the assessment area during the previous evaluation was 68.8%. The Bank has seen a significant decrease in overall loan volume since the previous evaluation which management attributed to the deterioration of the housing market and corresponding reduction in loan applications. Performance under this criterion indicates a majority of the Bank's agricultural, consumer, commercial, and residential real estate loans are originated in the assessment area.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

A review of the Bank's consumer and residential real estate loan originations for the one-year timeframe of November 1, 2006 to October 31, 2007, was performed to analyze and evaluate its lending to borrowers of different income levels, including low- and moderate-income individuals. The Bank's June 30, 2006 and 2007 Reports of Condition (schedule RC-C, Part II) were also analyzed to evaluate its distribution of lending to businesses and farms of different sizes, especially to small businesses and farms.

A summary of consumer and residential real estate lending by borrower income level is provided in Exhibit 11. Demographic information about families in the assessment area is also provided. A review of all consumer and residential real estate loans originated within the assessment area, based on borrower's annual income and the assessment area's defined median family income

classifications, was utilized for the evaluation.

Exhibit 11 Lending in the Assessment Area by Borrower Income Classification						
Borrower Income Classification	Number of Families Based on Family Income ⁽¹⁾		Consumer Loan Distribution ⁽²⁾		Residential Real Estate Loan Distribution ⁽²⁾	
	#	%	#	%	#	%
Low-income	1,832	22.7	51	20.7	3	6.8
Moderate-income	1,940	24.1	83	33.6	6	13.6
Middle-income	1,991	24.7	113 ⁽³⁾	45.7 ⁽³⁾	35 ⁽³⁾	79.6 ⁽³⁾
Upper-income	2,303	28.5	113 ⁽³⁾	45.7 ⁽³⁾	35 ⁽³⁾	79.6 ⁽³⁾
Totals	8,066	100.0	247	100.0	44	100.0

(1) Based on 2000 census data.
 (2) Based on HUD's estimated annually adjusted median family income for the assessment area for 2007 – \$45,666.
 (3) Middle- and upper-income loans were classified together due to similar characteristics under this portion of the performance test.

Of the 44 residential real estate loan originations, three were to low-income borrowers and six were to moderate-income borrowers. Overall, 20.4% of residential real estate loan originations during the one-year sample period were to low- or moderate-income borrowers. This figure is lower than the percentage of low- and moderate-income families, 46.7%. Of the 247 consumer loan originations, 51 were to low-income borrowers and 83 were to moderate-income borrowers as identified by their annual income. Overall, 54.3% of consumer loan originations during the one-year sample period were to low- or moderate-income borrowers. This figure is higher than the percentage of low- and moderate-income families. The Bank's performance indicates a reasonable distribution of lending to borrowers of different income levels, as low- and moderate-income borrowers more often seek consumer loans than real estate loans and the bank has had a greater percentage of consumer loan originations than the percentage of low- and moderate-income families.

Information concerning commercial and industrial loans by original loan amount at June 30, 2006 and 2007 is summarized in Exhibit 12.

Exhibit 12 Small Business By Original Loan Amount								
Original Loan Amount	Commercial and Industrial Loans				Commercial Real Estate Loans			
	6/30/06		6/30/07		6/30/06		6/30/07	
	#	%	#	%	#	%	#	%
\$100,000 or less	98	75.4	99	75.6	56	68.3	24	54.6
>\$100,000-\$250,000	14	10.8	13	9.9	11	13.4	7	15.9
>\$250,000-\$1,000,000	18	13.8	19	14.5	15	18.3	13	29.5
Total Small Business Loans	130	100.0	131	100.0	82	100.0	44	100.0

The Reports of Condition and Income define small business loans as commercial loans with an original amount of \$1 million or less. Small businesses (i.e., those with annual revenues of \$1 million or less) typically seek loans in smaller amounts than large businesses. Accordingly, a higher volume of loans in smaller loan sizes is considered indicative of stronger performance in meeting the credit needs of small businesses. Information in Exhibit 12 illustrates that for 2006 and 2007, 75.4% and 75.6%, respectively, of commercial and industrial loans not secured by real estate were originated by the Bank in amounts of \$100,000 or less and that 68.3% and 54.6%, respectively, of loans secured by commercial real estate are of this size. In addition, information in Exhibit 12 indicates the number of commercial loans secured by real estate that the Bank originated declined from 2006 to 2007, with the most significant decline in loan amounts of \$100,000 or less. While the number of commercial loans secured by real estate declined significantly, the majority of the loans remained in amounts of \$100,000 or less. Even with the decline, the Bank’s lending to businesses of different sizes is reasonable.

Information concerning agricultural loans by original loan amount at June 30, 2006 and 2007 is summarized in Exhibit 13.

Exhibit 13 Small Farm By Original Loan Amount								
Original Loan Amount	Loans to Finance Agricultural Production and Other Loans to Farmers				Loans Secured by Farmland			
	6/30/06		6/30/07		6/30/06		6/30/07	
	#	%	#	%	#	%	#	%
\$100,000 or less	74	100.0	63	100.0	32	100.0	35	100.0
>\$100,000-\$250,000	0	0.0	0	0.0	0	0.0	0	0.0
>\$250,000-\$500,000	0	0.0	0	0.0	0	0.0	0	0.0
Total Small Farm Loans	74	100.0	63	100.0	32	100.0	35	100.0

The Reports of Condition and Income define small farm loans as agricultural loans with an original amount of \$500,000 or less. Similar to small businesses, small farms (i.e., those with annual revenues of \$500,000 or less) typically seek loans in smaller amounts than large farms. Accordingly, a higher volume of loans in smaller loan sizes is considered indicative of stronger performance in meeting the credit needs of small farms. Information in Exhibit 13 illustrates that for 2006 and 2007, 100.0% and 100.0%, respectively, of loans to finance agricultural production and other loans to farmers not secured by real estate were originated by the Bank in amounts of \$100,000 or less and that 100.0% and 100.0%, respectively, of loans secured by farmland real estate are of this size.

When evaluated against the number of small businesses and farms in the assessment area, 90.3% and 98.8%, respectively (based on \$1 million revenue figure – see Exhibit 3), it is evident the Bank’s origination of commercial loans to small businesses and origination of agricultural loans to small farms is comparable to the demographic composition of the assessment area and is reasonable

based on this criterion.

Geographic Distribution of Loans

The geographic distribution of loans reflects an excellent dispersion throughout the assessment area under this criterion.

A review of all loans originated within the assessment area, based on geographic distribution, was utilized for the evaluation. A summary of agricultural, commercial, consumer, and real estate loans extended within the eight census tracts is provided in Exhibit 14. Demographic information about total population in the assessment area is also provided. The Bank has no low-income census tracts within its assessment area.

Exhibit 14 Lending in the Assessment Area by Census Tract Income Classification							
Census Tract Income Classification ⁽¹⁾	Percentage of Tracts in the Assessment Area	Percentage of Total Population in Census Tracts	Agricultural Loans	Commercial Loans	Consumer Loans	Real Estate Loans	Totals
Moderate-income	50.0%	50.8%	20	25	172	28	67.1%
Middle-income	50.0%	49.2%	16	13	75	16	32.9%
Totals	100.0%	100.0%	36	38	247	44	100.0%

(1) Low-income and upper-income tract classifications were excluded from this chart as the assessment area contains no such tracts.

The exhibit indicates the Bank originated approximately 67.1% of loans during the one-year sample period to consumers, farmers, or small business owners within the moderate-income census tracts. This figure is significantly higher than both the percentage of moderate-income census tracts and the percentage of total population located within these census tracts.

No low- or moderate-income census tracts were arbitrarily excluded from the assessment area.

Complaints

Neither the Bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

State Bank of Viroqua is in compliance with the substantive portions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A review of loan policies and procedures, articulated lending standards, forms, denied loan applications, and a sample of loans originated since the previous evaluation revealed no evidence of patterns or practices of discriminatory treatment or other illegal credit practices on a prohibited basis. Interviews with three community representatives revealed no evidence of discriminatory credit

practices.

CRA APPENDIX A

GLOSSARY

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

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

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, which 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).

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

Home mortgage loans: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of 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.

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 lenders in the MSA/assessment

area.

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

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 percent and less than 80 percent in the case of geography.

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 percent and less than 120 percent in the case of a geography.

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

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.

Small loans to business: 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 non-farm non-residential properties or are classified as commercial and industrial loans.

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