

# **PUBLIC DISCLOSURE**

December 1, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Minnesota Lakes Bank  
RSSD# 157650

710 Babcock Boulevard East  
Delano, Minnesota 55328

Federal Reserve Bank of Minneapolis

90 Hennepin Avenue  
P.O. Box 291  
Minneapolis, Minnesota 55480

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

**TABLE OF CONTENTS**

Institution’s Community Reinvestment Act Rating..... 2

Scope of Examination ..... 2

Description of Institution..... 2

Description of Assessment Area ..... 3

Conclusions With Respect to Performance Criteria ..... 5

Fair Lending or Other Illegal Credit Practices Review ..... 7

Appendix A – Map of the Assessment Area ..... 8

Appendix B – Demographic Information..... 9

Appendix C – Glossary ..... 10

## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

**Minnesota Lakes Bank** is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses of different sizes.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

### SCOPE OF EXAMINATION

Examiners utilized The Federal Financial Institutions Examination Council's (FFIEC's) Interagency Examination Procedures for Small Institutions to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Examiners reviewed the following data:

- The bank's 17-quarter average NLTD ratio.
- A statistical sample of 56 small business loans originated between January 1, 2024, and December 31, 2024. Commercial loans represent a significant portion of originations by dollar amount and volume of loans.

Of the five core performance criteria, examiners placed the greatest weight on borrower distribution, followed by lending inside the AA and the NLTD ratio, which were weighted equally. The geographic distribution of loans received the least weight. The bank and the Reserve Bank have not received any CRA-related complaints since the previous evaluation.

### DESCRIPTION OF INSTITUTION

Minnesota Lakes Bank is a community bank headquartered in Delano, Minnesota. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Wilcox Bancshares, Inc.
- Grand Rapids State Bank, Grand Rapids, Minnesota, is an affiliate bank.
- The bank has total assets of \$127.3 million as of September 30, 2025.
- In addition to its main office in Delano, the bank has a branch in Mound, Minnesota, and a loan production office located in Buffalo, Minnesota.

- The main office and branch each have drive-up services and operate cash-dispensing-only ATMs. Both offices offer Saturday drive-up hours. Since the previous evaluation, the bank stopped operating two cash-dispensing-only ATMs at local service stations.
- As shown in Table 1, the bank’s primary business focus is commercial lending.

<b>Table 1</b>		
<b>Composition of Loan Portfolio as of September 30, 2025</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Agricultural	406	0.5
Commercial	65,959	80.0
Residential Real Estate	10,513	12.7
Consumer	5,538	6.7
Other	6	0.01
Gross Loans	82,422	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its September 27, 2021, performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

**DESCRIPTION OF ASSESSMENT AREA**

The bank’s Delano AA consists of the west-central portion of the Minneapolis-St. Paul-Bloomington, MN-WI MSA (Minneapolis MSA). The AA includes portions of Carver, Hennepin, and Wright counties. See Appendix A for an AA map and Appendix B for additional demographic data.

- The bank has not changed its AA since the previous evaluation. However, the number of census tracts in the AA increased from 26 to 35, based on 2020 census changes. The income classification of four existing census tracts in Hennepin County also changed (three from middle to upper income, and one from upper to middle income).
- The bank’s AA consists of 17 middle- and 18 upper-income census tracts. At the previous evaluation, the AA consisted of 14 middle- and 12 upper-income tracts.
- According to the June 30, 2025, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks 50th out of 84 FDIC-insured financial institutions with offices in the AA, capturing 0.08% of the deposits.
- Examiners spoke with two community contacts focused on small business development.

<b>Table 2 Population Change</b>			
<b>Area</b>	<b>2015 Population</b>	<b>2020 Population</b>	<b>Percent Change</b>
Carver County, MN	95,715	106,922	11.7%
Hennepin County, MN	1,197,776	1,281,565	7.0%
Wright County, MN	128,691	141,337	9.8%
MSA	3,443,769	3,690,261	7.2%
Minnesota	5,419,171	5,706,494	5.3%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey                  2020 U.S. Census Bureau Decennial Census</i>			

- The population of the counties in the AA has increased since 2015, as shown in Table 2.
- According to 2024 FFIEC adjusted census data, the AA population is 149,392, which increased by 11.2% since the previous evaluation.
- Bank management and community contacts stated that population growth is a result of new residential and business development in the area, which is influenced by the continued expansion of the western portion of the metropolitan area.

<b>Table 3 Median Family Income Change</b>			
<b>Area</b>	<b>2015 Median Family Income</b>	<b>2020 Median Family Income</b>	<b>Percent Change</b>
All Counties in AA	\$95,022	\$108,357	14.0%
Carver County, MN	\$111,402	\$124,633	11.9%
Hennepin County, MN	\$95,305	\$108,580	13.9%
Wright County, MN	\$90,674	\$102,961	13.6%
Minneapolis MSA	\$92,420	\$103,977	12.5%
Minnesota	\$84,188	\$92,692	10.1%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey                  2016 - 2020 U.S. Census Bureau American Community Survey                  Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- The median family incomes for the counties in the AA increased from 2015 to 2020 and are higher than the state’s median family income, as shown in Table 3.
- The 2024 FFIEC estimated median family income for the MSA is \$123,700.
- Bank management and a community contact stated that many residents continue to commute to the Twin Cities for employment. However, individuals living west of the AA commute into Wright County and surrounding areas for employment.

<b>Table 4 Unemployment Rates</b>				
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
All Counties in AA	3.5%	2.2%	2.5%	2.8%
Carver County, MN	2.9%	2.0%	2.4%	2.6%
Hennepin County, MN	3.6%	2.3%	2.5%	2.8%
Wright County, MN	3.2%	2.3%	2.7%	3.0%
Minneapolis MSA	3.6%	2.3%	2.6%	2.9%
Minnesota	3.7%	2.5%	2.8%	3.0%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>				

- Overall, unemployment rates have remained consistent since the pandemic and are comparable to the state of Minnesota rates, as shown in Table 4.
- According to bank management and community contacts, the major employers in the AA are local school districts, local government, manufacturing entities, hospitals, and clinics.
- Bank management stated that manufacturers in Wright County have expanded, which increased the number of jobs available in the area.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**Lending to Businesses of Different Sizes**

The borrower distribution of small business lending is reasonable. The bank originated 82.8% of its small business loans by number and 88.9% of loans by dollars to businesses with gross annual revenues of \$1 million or less, as shown in Table 5. The bank’s lending to small businesses is below demographics, which indicate that 91.6% of businesses in the AA have gross annual revenues of \$1 million or less. However, the bank’s performance is reasonable.

Of the loans to small businesses, 66.7% were in the amounts of \$100,000 or less, which indicates a commitment to serving the credit needs of small businesses. A community contact noted that local banks are meeting small business credit needs.

<b>Table 5</b>					
<b>Distribution of 2024 Small Business Lending By Revenue Size of Businesses</b>					
<b>Delano AA</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	24	82.8	3,563	88.9	91.6
<b>Over \$1 Million</b>	5	17.2	443	11.1	6.8
<b>Revenue Unknown</b>	0	0.0	0	0.0	1.6
<b>Total</b>	29	100.0	4,006	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	20	69.0	945	23.6	
<b>\$100,001 - \$250,000</b>	4	13.8	837	20.9	
<b>\$250,001 - \$1 Million</b>	5	17.2	2,224	55.5	
<b>Total</b>	29	100.0	4,006	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	16	66.7	827	23.2	
<b>\$100,001 - \$250,000</b>	4	16.7	837	23.5	
<b>\$250,001 - \$1 Million</b>	4	16.7	1,899	53.3	
<b>Total</b>	24	100.0	3,563	100.0	
<i>Source: 2024 FFIEC Census Data 2024 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

### Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, and the demographic and economic factors present in the AA. No similarly situated FDIC-insured financial institutions operate in the bank’s AA for comparison purposes. The bank’s NLTD ratio is reasonable.

The bank’s average NLTD ratio for the past 17 quarters is 61.1%. At the previous evaluation, the bank’s 17-quarter average NLTD ratio was 74.1%. Since then, the NLTD ratio has ranged from a high of 78.5% (in March 2025) to a low of 50.1% (in December 2021). The bank’s NLTD ratio steadily increased during the evaluation period due to an increase in loan demand and deposits.

As of September 30, 2025, the bank’s NLTD ratio (72.4%) was slightly below the peer ratio (77.5%). The bank’s national peer group includes insured commercial banks that have assets between \$100 million and \$300 million with two or fewer full-service banking offices and located in an MSA.

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of the bank’s loans, by number, inside the AA. However, most loans by dollar amount were extended outside of the AA. Bank management stated that most loans originated outside of the AA are to businesses that are affiliated under common ownership and the bank makes multiple loans to these borrower relationships.

Table 6 Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Small Business	29	51.8	\$4,006	43.4	27	48.2	\$5,230	56.6
<b>Total Loans</b>	29	51.8	\$4,006	43.4	27	48.2	\$5,230	56.6

*Note: Percentages may not total 100.0 percent due to rounding.*

**Geographic Distribution of Loans**

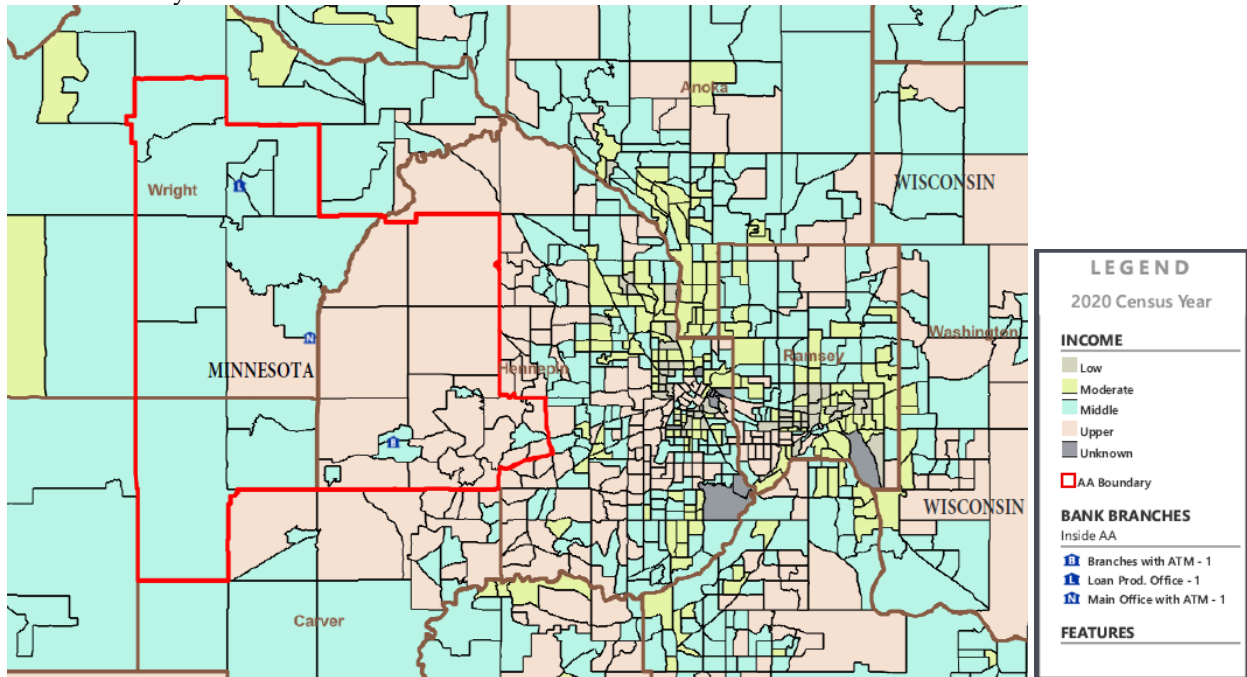
This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution of small business loans among the different census tracts and dispersion throughout the AA. The AA consists of 17 middle- and 18 upper-income census tracts. The bank did not extend any small business loans in 12 middle- and 12 upper-income tracts, mostly in Wright and Hennepin counties where the bank faces significant competition. Examiners did not identify any unexplained gaps in lending.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

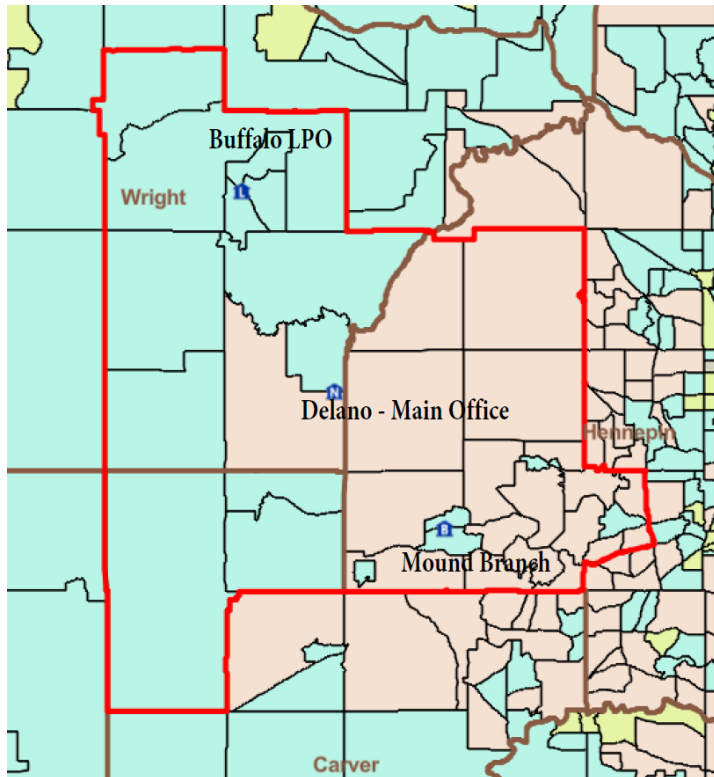
The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

### APPENDIX A – MAPS OF THE ASSESSMENT AREA

AA Boundary



Office Details



**APPENDIX B – DEMOGRAPHIC INFORMATION**

2024 Delano AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,693	13.8
Moderate	0	0.0	0	0.0	0	0.0	6,472	15.7
Middle	17	48.6	18,988	46.1	703	3.7	8,362	20.3
Upper	18	51.4	22,234	53.9	557	2.5	20,695	50.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>35</b>	<b>100.0</b>	<b>41,222</b>	<b>100.0</b>	<b>1,260</b>	<b>3.1</b>	<b>41,222</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	28,935	21,891	46.9	75.7	5,569	19.2	1,475	5.1
Upper	31,951	24,780	53.1	77.6	5,189	16.2	1,982	6.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>60,886</b>	<b>46,671</b>	<b>100.0</b>	<b>76.7</b>	<b>10,758</b>	<b>17.7</b>	<b>3,457</b>	<b>5.7</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	2,904	32.9	2,701	33.4	161	26.7	42	30.7
Upper	5,914	67.1	5,376	66.6	443	73.3	95	69.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>8,818</b>	<b>100.0</b>	<b>8,077</b>	<b>100.0</b>	<b>604</b>	<b>100.0</b>	<b>137</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.6</b>		<b>6.8</b>		<b>1.6</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	126	48.3	125	48.1	1	100.0	0	0.0
Upper	135	51.7	135	51.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>261</b>	<b>100.0</b>	<b>260</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>		<b>0.4</b>		<b>0.0</b>
<p>Source: 2024 FFIEC Census Data                  2024 Dun &amp; Bradstreet Data                  2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

## APPENDIX C – 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.

**Census tract:** A small subdivision 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. Census tracts 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.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

**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, other secured consumer loans, and other unsecured consumer loans.

**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 nonrelatives 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).

**Full-scope review:** Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes 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.

**Limited-scope review:** Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

**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.

**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.

**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 a geography.

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

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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