

PUBLIC DISCLOSURE

September 22, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Profinium, Inc.
414 North Fifth Avenue Street
Truman, Minnesota 56088-0040
RSSD 865450

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291**

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 the safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The Community Reinvestment Act (CRA) performance of Profinium, Inc., Truman, Minnesota, demonstrates reasonable responsiveness to the credit needs of its assessment areas (AA) and excellent responsiveness to the community development needs of its AAs. The CRA evaluation uses the Intermediate Small Bank CRA Examination Procedures, which include a Lending Test and a Community Development Test.

The bank's Lending Test rating is Satisfactory based on the following criteria:

- Overall, the bank's lending to farms and businesses of different sizes is reasonable.
- The bank's net loan-to-deposit ratio is reasonable, given the bank's asset size, financial condition, competition, and the credit needs of the AAs.
- The bank's geographic distribution of loans throughout the AAs is reasonable.
- The bank originated a majority of its loans within its AAs.

The bank's Community Development Test rating is Outstanding based on the following criteria:

- Overall, the bank's performance demonstrates excellent responsiveness to the community development needs of its AAs. The bank's level of community development loans, qualified investments (including donations), and community development services are excellent.

The bank received a Satisfactory rating at the previous evaluation, dated June 6, 2022.

SCOPE OF EVALUATION

The evaluation of the bank's CRA performance is based in part on information provided by bank management and community contacts. Information from these sources, the economic and demographic characteristics of the AAs, competitive factors, and the size and financial condition of the bank were analyzed to understand the bank's performance. This CRA evaluation covers the period from June 6, 2022, to September 22, 2025.

The bank designates three AAs in Minnesota for CRA purposes: the Truman and Owatonna non-metropolitan statistical area (MSA) AAs and the Mankato MSA AA. The bank has not made changes to its AAs since the previous evaluation. However, the income classification of some census tracts changed, and the number of tracts in the Truman AA increased, based on U.S. Census updates. The Description of Assessment Areas section includes specific information about each area.

Based on lending data provided by the bank, the bank originated 56.2% of its small business and small farm loans in the Truman AA, followed by 25.6% in the Owatonna AA, and 18.2% in the Mankato MSA AA. Based on the June 30, 2025, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, 65.0% of the bank's deposits are in the Truman AA, 26.3% are in the Owatonna AA, and 8.6% are in the Mankato AA. Based on lending volume and deposit market share, examiners conducted a full-scope review of the Truman AA and limited-scope reviews of the Owatonna AA and Mankato MSA AA.

Examiners weighted the bank's performance as follows for the overall rating:

- Examiners assigned more weight to the Community Development Test than to the Lending Test. The weighting reflects the opportunities for community development loans, qualified investments (including donations), and community development services, and the quantitative and qualitative aspects of the bank's community development activities.
- For the Lending Test performance criteria, examiners placed the greatest weight on the bank's lending to farms and businesses of different sizes. The remaining criteria received less but equal weight.
- By product type, examiners placed equal weight on the bank's small farm and small business lending.

Examiners used demographic characteristics in evaluating the bank's record of lending in the individual AAs throughout this evaluation. Sources for demographic information are primarily the Federal Financial Institutions Examination Council (FFIEC) adjusted census data and the 2024 Dun & Bradstreet data. AA demographics are useful in analyzing the bank's lending because they provide a means of estimating lending opportunities. Examiners used self-reported data collected and published by Dun & Bradstreet regarding the revenue size and location of businesses and farms to evaluate the bank's small business and small farm lending. The demographic data does not define an expected level of lending in a particular area or to a particular group of borrowers.

Examiners interviewed community contacts familiar with economic and demographic characteristics, and community development opportunities and activities in the Truman AA. Examiners used the information obtained to establish a performance context for the CRA evaluation. The full-scope Truman AA section of this evaluation includes specific information obtained from these community contacts. The contacts did not identify any unmet credit needs.

Lending Test Scope

The scope of the Lending Test covers the bank's major product lines, which are small farm and small business loans. The table below shows the composition of the bank's loan portfolio as of June 30, 2025.

Composition of Loan Portfolio as of June 30, 2025		
<i>Loan Type</i>	<i>\$(000)</i>	<i>Percentage of Portfolio</i>
Agriculture	169,032	41.3
Commercial	176,809	43.2
Residential Real Estate	51,164	12.5
Consumer	10,818	2.7
Other	1,317	0.3
Gross Loans	409,140	100.0*
<i>*Note: Percentages may not total 100.0 percent due to rounding.</i>		

The Lending Test is based on a statistical sample of the bank's small farm and small business loans. The loan sample includes 84 small farm loans and 89 small business loans originated between January 1, 2024, and December 31, 2024.

Examiners analyzed the following criteria to determine the Lending Test rating:

- Lending to farms and businesses of different sizes.
- Geographic distribution of loans.
- Net loan-to-deposit ratio.
- Lending inside the AAs.
- The bank's record of responding to complaints about its CRA performance.

Community Development Test Scope

Examiners reviewed the bank's community development lending, qualified investments (including donations), and community development services since the previous evaluation for each AA, for larger regional or statewide areas that include the bank's AAs, as well as for activities that benefited areas outside of the bank's AAs. Examiners based the Community Development Test rating on the bank's community development activities occurring from February 25, 2022, to September 22, 2025.¹

DESCRIPTION OF INSTITUTION

Structure. Profinium, Inc. is headquartered in Truman and is wholly owned by Profinium Financial Holdings, Inc., Fairmont, Minnesota, a one-bank holding company.

Offices and Retail Delivery Systems. The bank provides full-service banking through four offices in Minnesota. The bank's main office is in Truman, and its three branches are in Fairmont, Owatonna, and Mankato, Minnesota. The main office and the Fairmont and Owatonna branches are in middle-income census tracts, and the Mankato branch is in a moderate-income tract. The bank operates a deposit-taking ATM at the Fairmont branch and cash-dispensing-only ATMs at the other three offices.² All offices have drive-up facilities; the Fairmont drive-up offers extended weekday hours.

Loan Portfolio. The bank's assets total \$518.9 million, according to the June 30, 2025, Report of Condition, which is a 6.4% increase from the previous evaluation. The composition of the loan portfolio is shown in the table above; it has remained relatively consistent since the previous evaluation.

Credit Products. Profinium, Inc., is primarily an agricultural and commercial lender but offers a variety of closed- and open-end commercial, agricultural, residential real estate, and consumer loan products. Additionally, the bank continues to participate in Small Business Administration (SBA) and Farm Service Agency guaranteed loan programs. Since the previous evaluation, the bank introduced individual and business credit cards.

DESCRIPTION OF ASSESSMENT AREAS

As mentioned, the bank has three AAs: Truman, Owatonna, and Mankato. The Truman AA consists of Martin County and two census tracts in Watonwan County. The bank has not changed the Truman AA since the previous evaluation. However, the number of census tracts increased by one, and the income

¹ At the previous evaluation, the community development activity period ended on February 24, 2022. Therefore, the current community development activity period starts before the June 6, 2022, evaluation to ensure all the bank's community development activity is considered.

² The Fairmont office ATM was cash-dispensing-only for part of the previous evaluation period; the bank replaced it with a deposit-taking ATM in March 2021.

classification of one tract changed (from middle to moderate income), based on census changes. In addition, the middle-income tracts in Martin County were classified as underserved for the evaluation period.³ The Truman AA includes nine census tracts consisting of one moderate-, seven middle-, and one upper-income census tracts. At the previous evaluation, the AA consisted of eight middle-income census tracts.

The Owatonna AA is comprised of Steele County. The bank has not changed the delineation of this AA since the previous evaluation. However, the income classification of two census tracts changed (one from moderate to middle income and the other from middle to upper income). The AA consists of four middle- and four upper-income census tracts. At the previous evaluation, the AA consisted of one moderate-, four middle-, and three upper-income tracts.

The Mankato AA includes part of the Mankato, MN MSA; it is comprised of all of Blue Earth County and three census tracts in Nicollet County. The bank has not changed the delineation of this AA since the previous evaluation. However, the income classification of five census tracts changed (one from upper to middle income, one from middle to moderate, and three from middle to upper income), based on census changes. The Mankato AA includes 19 census tracts, consisting of five moderate-, 11 middle-, and three upper-income tracts. At the previous evaluation, the AA consisted of four moderate-, 14 middle-, and one upper-income tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's CRA rating is Outstanding. The rating is based on a Satisfactory rating for the Lending Test and an Outstanding rating for the Community Development Test.

LENDING TEST

The Lending Test is rated Satisfactory. The factors supporting this rating include the following:

- Overall, lending to farms and businesses of different sizes is reasonable.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AAs.
- The bank's net loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs.
- The bank originated a majority of loans within its AAs.

The Truman AA section of this evaluation includes detailed discussions of the bank's lending to farms and businesses of different sizes, as well as the geographic distribution of loans. In addition, the limited-scope review of the bank's remaining AAs is discussed in separate sections of this evaluation. Examiners analyzed the bank's net loan-to-deposit ratio and lending inside and outside the AAs at the institution level, as described below.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The bank's net loan-to-deposit ratio is reasonable given its asset size, financial condition, and the credit needs and competition in the AAs. As of June 30, 2025, the net loan-to-deposit ratio for the bank is 91.4%, which is above the national peer group's net loan-to-deposit ratio of 78.5%. The bank's national peer group includes all insured commercial banks with assets between \$300 million and \$1 billion. The

³ At the previous evaluation, none of the Truman AA middle-income tracts were classified as distressed or underserved.

table below shows the total assets and 13-quarter average net loan-to-deposit ratio for the bank and a similarly situated financial institution operating in at least one of the bank's AAs.

13-Quarter Average Net Loan-to-Deposit Ratios		
<i>Bank Name and Location</i>	<i>Assets as of June 30, 2025 (in millions)</i>	<i>Average Net Loan-to-Deposit Ratio</i>
Profinium, Inc., Truman, MN	\$518.9	89.0%
Pioneer Bank, Mapleton, MN	\$855.6	76.1%

The bank's 13-quarter average net loan-to-deposit ratio of 88.8% is higher than the 14-quarter average net loan-to-deposit ratio of 81.9% at the previous evaluation. The bank's quarterly net loan-to-deposit ratio has ranged from 83.6% to 94.1% since that evaluation. During the current evaluation period, loan demand remained steady. The bank's net loan-to-deposit ratio is reasonable given the competition in its AAs, which includes several financial institutions, including large national banks. Finally, community contacts did not identify any unmet credit needs in the AAs.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREAS

The bank originated a majority of its loans, 68.9% by number and 64.3% by dollar amount, within its AAs. The table below shows the lending activity by loan type within the AAs.

Distribution of Loans Inside and Outside the Assessment Areas								
<i>Loan Type</i>	<i>Inside</i>				<i>Outside</i>			
	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>
Small Farm	60	71.4	7,977	70.8	24	28.6	3,287	29.2
Small Business	61	68.5	8,072	58.9	28	31.5	5,640	41.1
Total Loans	121	68.9	16,049	64.3	52	30.1	8,927	35.7
<i>*Note: Percentages may not total 100.0 percent due to rounding.</i>								

A majority of the small farm and small business loans originated outside of the AAs were in adjacent counties, such as Waseca and Faribault counties, or counties in the Minneapolis St. Paul Bloomington, MN WI MSA but close to the bank's AAs. The bank's lending outside the AAs is slightly higher than at the previous evaluation. Management attributes this trend to its reputation in the community and its engagement with new farmer development. Although the percentage of small business loan dollars outside the AAs is significant, only four loans account for almost half of these loan dollars.

LENDING TO BUSINESSES AND FARMS OF DIFFERENT SIZES

Overall, the bank's lending to businesses and farms of different sizes is reasonable. The bank actively lends to farms and businesses with gross annual revenues of \$1 million or less. The Conclusions with Respect to Performance Criteria section for the Truman AA includes a detailed discussion of the borrower distribution of loans.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of loans shows a reasonable dispersion throughout the AAs. Lending patterns do not reveal any unexplained gaps in lending. The Conclusions with Respect to Performance Criteria section for the Truman AA includes a detailed discussion of the geographic distribution of loans.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints concerning the bank since the previous evaluation.

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test rating is Outstanding. Overall, the bank's community development activities demonstrate excellent responsiveness to the needs of the AAs. The majority of the bank's community development activities occurred in the Truman AA, which is reasonable as most of the bank's activities, including its headquarters, are in this AA.

Community Development Loans. The level of community development lending is excellent. During the evaluation period, the bank originated 35 loans totaling \$24.9 million that benefited the AAs. The following table shows the bank's community development loans by category.

Community Development Loans by Category		
<i>Category</i>	<i>#</i>	<i>\$</i>
Affordable Housing	2	1,135,000
Community Services	1	1,335,000
Economic Development	30	22,342,411
Revitalize/Stabilize	2	95,000
Total	35	24,907,411

The majority of community development loans promoted economic development by financing businesses and farms that meet size eligibility standards and created or retained low- and moderate-income (LMI) jobs. Other loans supported affordable housing and community services for LMI individuals and revitalized and stabilized middle-income, underserved areas.

The distribution of the loans by AA is as follows:

Community Development Loans by Benefiting AA		
<i>AA</i>	<i>#</i>	<i>\$</i>
Truman	23	19,104,411
Owatonna	7	3,206,000
Mankato	5	2,597,000

Because the bank was responsive in meeting the credit and community development needs of its AAs, examiners also considered five loans for \$17.6 million that benefited areas outside of its AAs. Four of these loans supported affordable housing and one related to community services benefiting LMI individuals.

The bank's community development lending increased since the last evaluation and continues to focus on agricultural lending opportunities that are particularly impactful in the Truman AA. Although this evaluation period is slightly longer than the previous, the bank almost doubled its community development lending by number of loans and significantly increased its lending by dollar amount.

The bank continued its focus on beginning farmers' credit needs in the Truman AA, which is particularly impactful given that 34.2% of farm producers in Martin and Watonwan counties are aged 65 and older.⁴ Bank management and community contacts confirmed that the generational transition of farming activity creates the need to support newer producers, and the need is in part fulfilled by banks. The bank addresses this need by offering loans to small farms and helping newer producers navigate the loan process. In addition, the bank works with a state program through the Minnesota Rural Finance Authority, which has a basic beginning farmer loan program; the bank is an approved lender for this program.

Overall, the bank's community development lending is excellent.

Qualified Investments. The level of qualified investments, including donations, is excellent. Since the previous evaluation, the bank purchased two new bonds totaling \$655,000 that funded infrastructure improvements. The bonds funded water tower improvements and filter rehabilitation projects for Truman, which is in a middle-income, underserved area. These purchases are notable because of the lack of opportunities and competition for qualified investments in the AAs during the evaluation period. In addition, the bank continued to hold four prior-period securities totaling \$1.3 million that benefited a school district in the middle-income, underserved areas in the Truman AA.⁵

Additionally, the bank made qualifying donations totaling \$290,044 during the evaluation period that benefited its AAs as well as regional and statewide or multistate areas that include the AAs. This dollar amount represents a significant increase in donations since the bank's last evaluation. The donations in regional and statewide or multistate areas are typically large and focused on supporting agricultural and business programs. Other donations benefited organizations focused on community services and affordable housing. The primary focus of the bank's local donation activity is the Truman AA, which is reasonable. The distribution of the donations by AA is as follows:

Qualified Investment Donations by Benefiting AA		
AA	#	\$
Truman	55	55,089
Owatonna	35	26,796
Mankato	18	10,493
Regional/State/Multistate	36	197,667
Total	144	290,044

The distribution of the bank's community development activities by type of activity tended to reflect the nature of the AAs. For example, the Truman AA is largely an underserved, middle-income rural area. For that reason, the bank provided numerous donations to support revitalization and stabilization activities. The bank also actively supported organizations that provide community services to LMI people in each of the three AAs as well as affordable housing activities in the Truman and Mankato AAs, and in broader regional or statewide areas. Finally, the bank contributed donations to economic development activities in the Owatonna AA as well as in broader regional, statewide, and multi-state areas.

⁴ 2022 USDA Census of Agriculture County Profiles.

⁵ The bank sold three of the prior-period investments during the current evaluation period.

Because the bank was responsive in meeting the community development needs of its AAs, examiners also considered four donations totaling \$10,132, one of which related to economic development and three related to community services benefiting LMI individuals outside the bank's three AAs.

The bank's qualified investment activity is excellent given the dollar amount of activity, the acquisition of new securities, and increased donation activity.

Community Development Services. The bank's level of community development services is excellent. During the evaluation period, the bank provided 77 community development services, as shown in the table below.

Community Development Services by Benefiting AA and Category					
<i>AA</i>	<i>Community Services</i>	<i>Affordable Housing</i>	<i>Economic Development</i>	<i>Revitalize/Stabilize</i>	<i>Total</i>
Truman	18	4	11	19	52
Owatonna	5	0	6	0	11
Mankato	3	0	0	0	3
Regional/Statewide	7	3	1	0	11
Totals	33	7	18	19	77

Twenty employees, including senior management, engaged in community development services with 25 organizations, serving as board members, executive officers, committee members, presenters, and financial trainers. Many of the activities involve bank staff providing financial expertise in a leadership role. At the previous evaluation, the bank provided 62 community development services to 24 organizations through 20 employees.

The bank continues to expand its community development service activities not only by the number of activities and employees involved, but also by pursuing new opportunities. These new opportunities include:

- A partnership with the Federal Home Loan Bank of Des Moines (FHLB). This activity helps increase the distribution of donations within the assessment areas. The partnership involves the FHLB matching donations at a level of \$3 for each \$1 contributed by the bank. The bank applied to be a partner in the program and manages the distribution of donations from the FHLB to organizations. The donations typically meet the definition of community development given the program's focus on underserved and financially vulnerable populations. This program benefits all three of the bank's assessment areas.
- A partnership with Habitat for Humanity (Habitat). The bank's relationship with the organization during the evaluation period included leadership activities and acquiring a pool of mortgage loans made by the organization, which provided Habitat with funds to make new affordable housing loans. The bank's activities with the organization benefited a multi-county area that includes the bank's Owatonna AA. The organization projects the need to build 20 or more homes during the current four-year period, evidencing need and suggesting the importance of the impact of the bank's activities.

The bank's community development service activities increased slightly during the evaluation period and included notable changes through the partnerships with the FHLB and Habitat. For these reasons, the bank's community development services are excellent.

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, Regulation C – Home Mortgage Disclosure Act, and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

NONMETROPOLITAN AREA – FULL REVIEW

DESCRIPTION OF THE TRUMAN ASSESSMENT AREA

Bank Information. Profinium, Inc., operates two full-service offices in the Truman AA: the main office in Truman and a branch in Fairmont, Minnesota. Each office has a drive-up; the Fairmont drive-up offers extended weekday hours. Both offices also operate ATMs: the Fairmont branch has a deposit-taking ATM, and the Truman office has a cash-dispensing-only ATM.

According to the June 30, 2025, FDIC Deposit Market Share Report, the bank ranked second out of 16 financial institutions operating in Martin and Watonwan counties, with an 18.5% deposit market share and \$287.3 million in deposits. The bank’s deposits in this AA represent 65.0% of the bank’s total deposits. Bank management and community contacts indicated that competition for financial services in the Truman AA is strong.

Assessment Area. The Truman AA includes Martin County and two of three census tracts in Watonwan County. The Truman AA has not changed since the previous evaluation. However, the number of tracts increased by one, the income classification of an existing tract changed, and the middle-income tracts in Martin County were classified as underserved for the evaluation period. The Truman AA comprises nine census tracts consisting of one moderate-, seven middle-, and one upper-income tracts. At the previous evaluation, the AA included eight middle-income census tracts.

The following table shows the demographic characteristics of the AA based on 2024 FFIEC adjusted census data and 2024 Dun & Bradstreet data.

2024 Truman 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	1,542	21.0
Moderate	1	11.1	991	13.5	200	20.2	1,475	20.1
Middle	7	77.8	5,772	78.5	505	8.7	1,611	21.9
Upper	1	11.1	590	8.0	6	1.0	2,725	37.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	7,353	100.0	711	9.7	7,353	100.0
	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	2,100	964	10.9	45.9	1,027	48.9	109	5.2
Middle	10,364	7,215	81.6	69.6	1,857	17.9	1,292	12.5
Upper	976	662	7.5	67.8	133	13.6	181	18.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	13,440	8,841	100.0	65.8	3,017	22.4	1,582	11.8

	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	341	27.1	301	26.9	36	35.6	4	10.5
Middle	838	66.7	750	67.1	55	54.5	33	86.8
Upper	77	6.1	66	5.9	10	9.9	1	2.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,256	100.0	1,117	100.0	101	100.0	38	100.0
Percentage of Total Businesses:				88.9		8.0		3.0
	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	5	1.5	4	1.2	1	25.0	0	0.0
Middle	328	95.3	325	95.6	3	75.0	0	0.0
Upper	11	3.2	11	3.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	344	100.0	340	100.0	4	100.0	0	0.0
Percentage of Total Farms:				98.8		1.2		0.0
<i>Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>								

Income. The table below shows the FFIEC’s estimated median family income for non-MSA areas of Minnesota and the range for low-, moderate-, middle- and upper-income families for the years in the evaluation period.

**Borrower Income Levels
Non-MSA Minnesota**

FFIEC Estimated Median Family Income		Low	Moderate	Middle	Upper
		0 - 49.99%	50% - 79.99%	80% - 119.99%	120% - & above
2022	\$83,600	0 - \$41,799	\$41,800 - \$66,879	\$66,880 - \$100,319	\$100,320 - & above
2023	\$90,400	0 - \$45,199	\$45,200 - \$72,319	\$72,320 - \$108,479	\$108,480 - & above
2024	\$90,300	0 - \$45,149	\$45,150 - \$72,239	\$72,240 - \$108,359	\$108,360 - & above

For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC adjusted census data median family income for the non-MSA areas of Minnesota, which was \$74,710 for 2024.

The table below shows the median family income for the Truman AA, the counties comprising the AA, and the state of Minnesota, based on U.S. Census Bureau data. The 2020 median family income in the

AA increased since the 2015 census; however, it is below the nonmetropolitan statewide median family income figure.

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Truman AA	\$68,748	\$70,778	3.0%
Martin County, MN	\$68,174	\$71,626	5.1%
Watonwan County, MN	\$67,492	\$71,735	6.3%
Non-MSA Minnesota	\$68,851	\$74,710	8.5%
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 income for the non-MSA areas of Minnesota has continued to increase and is \$90,300 for 2024, which is a 20.9% increase from 2020.

Population Characteristics. According to 2024 FFIEC adjusted census data, the population of the Truman AA is 27,775. The table below shows the population change from 2015 to 2020 for the counties in the AA, the non-MSA portion of Minnesota, and the state of Minnesota. The largest city in the Truman AA is Fairmont, with a 2024 population of 10,176, according to U.S. Census Bureau estimates.

Population Change			
Area	2015 Population	2020 Population	Percent Change
All Counties in AA	31,404	31,278	-0.4%
Martin County, MN	20,350	20,025	-1.6%
Watonwan County, MN	11,054	11,253	1.8%
NonMSA Minnesota	1,244,292	1,260,920	1.3%
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>			

Economy. Agriculture continues to be the main industry in the AA. Management describes the agriculture economy as good since the previous evaluation with reasonable prices for commodities. The main crops are corn and soybeans. Management and community contacts indicated crop yields have been good, and elevated yields were expected for 2025, but soybean prices are suffering due to tariffs. Community contacts stated that when the agricultural economy in the AA does well, the overall economy of AA does well. Farmers had good years in 2022 through 2024 due to reasonable prices, good yields, and significant government support. Livestock operations in the AA have also been stable. Martin County hog producers are among the lead producers in the state. Community contacts and management classified hog production as good with stable prices. Overall, most farmers' financial positions are considered sound. However, due to the increasing production costs, as well as the effects of tariffs, more agricultural producers are drawing on their lines of credit to finance operations. They are also hesitant to buy new equipment.

In addition to agriculture, the AA includes a manufacturing hub in Fairmont, as well as several pork

processors, which employ many area workers. Bank management stated that employment in the area is stable. Although the area's population continues to decrease, a new school is being built in Sherburn. Finally, a community contact indicated that Fairmont's local business district is doing well.

The table below shows the recent annual average unemployment rates in the AA, and in the counties that are part of the AA, as well as the broader non-MSA areas of Minnesota, and statewide.

Unemployment Rates			
Area	2022	2023	2024
Truman AA	2.5%	2.9%	3.0%
Martin County, MN	2.4%	2.8%	2.9%
Watonwan County, MN	2.6%	3.1%	3.2%
NonMSA Minnesota	3.0%	3.4%	3.5%
Minnesota	2.5%	2.8%	3.0%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>			

Housing. Community contacts and management stated there is a lack of housing in the AA. A contact mentioned that housing is among the top economic restraints affecting the Fairmont and Martin County economy. Per the contact, the last multi-family housing unit constructed in Fairmont occurred over 10 years ago. The significant hurdle affecting housing development results from real estate developers' inability to earn an acceptable return on their investment from prevailing market rents. The table below shows the housing cost burden faced by renters and homeowners by geography and income level in the AA, the counties comprising the AA, the non-MSA areas of Minnesota, and the state of Minnesota. Overall, low-income renters and homeowners, as well as some moderate-income renters in some areas, face significant cost burdens.

Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Truman AA	56.4%	23.5%	33.9%	52.3%	14.4%	14.2%
Martin County, MN	61.0%	25.6%	35.3%	57.9%	14.0%	15.2%
Watonwan County, MN	46.6%	17.8%	30.7%	42.0%	15.1%	12.1%
NonMSA Minnesota	64.8%	23.9%	37.5%	56.9%	24.7%	17.0%
Minnesota	72.7%	30.1%	41.5%	61.2%	29.0%	16.7%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE TRUMAN AA

The bank's overall performance under the Lending Test in the Truman AA is reasonable. The bank's overall Community Development Test performance in this AA demonstrates excellent responsiveness to community development needs. This AA accounts for a majority of the bank's lending and a significant portion of community development activities.

LENDING TEST

Overall, the bank's lending to businesses and farms of different sizes is reasonable. The geographic distribution of loans reflects a reasonable dispersion throughout the AA.

LENDING TO BUSINESSES AND FARMS OF DIFFERENT SIZES

Small Farm Lending. The bank's small farm lending in the Truman AA is reasonable. The table below shows the bank's 2024 small farm lending by farm revenue and loan size, as well as demographic data.

Distribution of 2024 Small Farm Lending by Revenue Size of Farms Truman AA					
	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	39	97.5	4,823	98.5	98.8
Over \$1 Million	1	2.5	75	1.5	1.2
Revenue Unknown	0	0.0	0	0.0	0.0
Total	40	100.0	4,898	100.0	100.0
By Loan Size					
\$100,000 or Less	23	57.5	909	18.6	
\$100,001 - \$250,000	12	30.0	2,143	43.8	
\$250,001 - \$500,000	5	12.5	1,846	37.7	
Total	40	100.0	4,898	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	22	56.4	834	17.3	
\$100,001 - \$250,000	12	30.8	2,143	44.4	
\$250,001 - \$500,000	5	12.8	1,846	38.3	
Total	39	100.0	4,823	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

The bank originated 97.5% of its small farm loans to entities with gross annual revenues of \$1 million or less, which is slightly below demographics. According to Dun & Bradstreet data, 98.8% of the farms in the AA have gross annual revenues of \$1 million or less. The bank operates in a very competitive banking environment for small farm loans. Management and contacts stated that five financial institutions operate their main or branch offices in Fairmont. The bank originated 56.4% of its loans to small farms in amounts of \$100,000 or less, which indicates a willingness to serve the credit needs of smaller farm operators. Bank management indicated that small farm loan demand has been steady, including demand from beginning farms who need loans to help them prepare to assume the ownership and operations of the family farms.

Small Business Lending. The bank's lending to small businesses is excellent. The following table shows the bank's 2024 small business lending by business revenue and loan size, as well as demographic data.

Distribution of 2024 Small Business Lending by Revenue Size of Businesses Truman AA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	27	96.4	2,618	96.4	88.9
Over \$1 Million	1	3.6	100	3.7	8.0
Revenue Unknown	0	0.0	0	0.0	3.0
Total	28	100.0	2,717	100.0	100.0
By Loan Size					
\$100,000 or Less	23	82.1	817	30.1	
\$100,001 - \$250,000	2	7.1	315	11.6	
\$250,001 - \$1 Million	3	10.7	1,586	58.4	
Total	28	100.0	2,717	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	22	81.5	717	27.4	
\$100,001 - \$250,000	2	7.4	315	12.0	
\$250,001 - \$1 Million	3	11.1	1,586	60.6	
Total	27	100.0	2,618	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

The bank originated 96.4% of its small business loans to entities with gross annual revenues of \$1 million or less. According to Dun & Bradstreet data, 88.9% of the businesses in the AA are small businesses. The bank's lending exceeds demographics. While management considers itself primarily an agricultural lender, competition for small business loans is equally strong based on the number of financial institutions serving the market. Community contacts stated small businesses in the Fairmont area are doing well; there are minimal empty commercial spaces and businesses have recovered from the pandemic. The bank originated 81.5% of its loans to small businesses in amounts of \$100,000 or less, which indicates a willingness to serve the needs of small businesses in the AA. Given the performance context, the bank's small business lending is excellent.

GEOGRAPHIC DISTRIBUTION OF LOANS

Overall, the geographic distribution and dispersion of the bank's small business and small farm loans in the Truman AA is reasonable, and there are no unexplained gaps in lending. The AA includes no low-, one moderate-, seven middle-, and one upper-income census tracts. The moderate-income tract is mostly within the city of Fairmont.

Small Farm Lending. The geographic distribution and dispersion of the bank's small farm loans in the Truman AA is reasonable. The table below shows the bank's small farm lending by census tract income level, as well as demographic data.

Distribution of 2024 Small Farm Lending By Income Level of Geography Truman AA					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	2	5.0	50	1.0	1.5
Middle	36	90.0	4,743	96.8	95.3
Upper	2	5.0	105	2.1	3.2
Total	40	100.0	4,898	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

The bank originated two small farm loans in the moderate-income tract. According to 2024 Dun & Bradstreet data, only 1.5% of the AA's farms are in the moderate-income tract. As mentioned previously, most of the moderate-income tract is within the city of Fairmont, which likely results in lower agricultural loan demand and makes farm lending here difficult. The overall dispersion of small farm loans in the AA does not reveal any unexplained gaps in lending.

Small Business Lending. The geographic distribution and dispersion of the bank's small business loans in the Truman AA is reasonable. The table below shows the bank's small business lending by census tract income level, as well as demographic data.

Distribution of 2024 Small Business Lending By Income Level of Geography Truman AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	5	17.9	217	8.0	27.1
Middle	19	67.9	2,220	81.7	66.7
Upper	4	14.3	280	10.3	6.1
Total	28	100.0	2,717	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

The bank originated 17.9% of its small business loans in the moderate-income tract, which is below demographics. According to 2024 Dun & Bradstreet data, 27.1% of the AA's businesses are in the moderate-income tract. The tract includes the northern portion of the city of Fairmont, near US Interstate Highway 90. The bank's lending in this tract is reasonable given demographics and the competitive banking environment. The overall dispersion of small business loans in the AA does not reveal any unexplained gaps in lending.

COMMUNITY DEVELOPMENT TEST

The bank's overall level of community development activities shows excellent responsiveness to community development needs in the Truman AA. Most of the bank's community development activities occurred in the Truman AA, where the bank has a larger presence and serves in a more significant leadership role as compared with the bank's other two assessment areas. In the Truman AA, the bank engaged in all types of community development activity: loans, investments (including donations), and services.

Community Development Loans. The bank's community development lending in the Truman AA is excellent. The bank originated 23 community development loans totaling \$19.1 million that benefited the AA. Most of the loan dollars supported economic development activities in this AA with the primary focus on beginning farmers; 16 of the loans had this focus. Other economic development loans benefited local small businesses. Lastly, two community development loans primarily helped to revitalize or stabilize middle-income, underserved areas.

Qualified Investments. The bank's level of qualified investments, including donations, in the Truman AA is excellent. Since the previous evaluation, the bank purchased two new bonds totaling \$665,000 that funded infrastructure improvements in Truman, which is in a middle-income, underserved area. In addition, the bank continued to hold four prior-period securities totaling \$1.3 million that benefited a school district in the middle-income, underserved areas in the Truman AA (three were sold during the evaluation period). As previously mentioned, the acquisition of new qualified investment bonds is notable given the limited opportunities to acquire them in the AA.

The bank made 55 donations totaling \$55,089 in the Truman AA. This level of activity represents a significant increase since the previous evaluation. The AA is rural with an agricultural focus, thus benefiting from the bank's support of agricultural organizations that serve regional or statewide areas and multistate areas that include the AA. At a more local level, the bank's donations in the AA mostly focused on revitalization and stabilization efforts and community services to LMI individuals, which is impactful given that the middle-income geographies in Martin County are underserved and 41.1% of AA families are LMI. The range of activities supported by these organizations is broad.

Community Development Services. The bank provided an excellent level of services in the Truman AA. The bank provided 52 community development services to 16 organizations. Bank officers and staff provided financial expertise primarily to organizations that serve LMI people, including youth, and that promote revitalization or stabilization of middle-income, underserved areas, but also to organizations that promote economic development and support affordable housing. At the last evaluation, the bank provided 26 services to 11 organizations. Given the number of offices and its historical presence in the Truman AA, the bank provides most of its community development services in this AA, which is reasonable. The bank provides its community development services often in leadership roles as board or committee members. The Truman AA also benefits from the bank's partnership with the FHLB. For these reasons, the bank provided an excellent level of services in the Truman AA.

METROPOLITAN AREA – LIMITED REVIEW

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MANKATO, MINNESOTA, ASSESSMENT AREA

Examiners conducted a limited-scope review of the bank's CRA performance in the Mankato MSA AA and determined that the bank's community development performance in this AA is below that of the bank's overall performance. Examiners evaluated community development activities to ascertain consistency with the bank's overall performance at the institution level. Examiners did not review lending activity in this AA, given limited loan volume. Conclusions in this AA did not affect the overall ratings.

NONMETROPOLITAN AREA – LIMITED REVIEW

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE OWATONNA, MINNESOTA, ASSESSMENT AREA

Examiners conducted a limited-scope review of the bank's CRA performance in the Owatonna AA and determined that the bank's lending test performance in this AA is generally consistent with the bank's performance in the full-scope non-MSA AA.⁶ The bank's community development performance in this AA is below the performance in the full-scope non-MSA AA. Conclusions in this AA did not affect the overall ratings.

⁶ Examiners did not include small farm loans in the analysis because of low loan volume in the AA.

Appendix A

Glossary of Common CRA Terms

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 statistical area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 on 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: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; or (5) Neighborhood Stabilization Program (NSP)-eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and census tracts.

Consumer loan: A loan to one or more individuals for household, family, or other personal expenditures. It 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.

Distressed nonmetropolitan middle-income census tract: A middle-income, nonmetropolitan census tract will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (i.e., approved, denied, or 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments).

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 statistical area/assessment area.

Metropolitan statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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 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 MSA. 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 MSA, the institution will receive a rating for the multistate metropolitan area.

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

Small loan to farm: 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 or classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income census tract: A middle-income, nonmetropolitan census tract will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)