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*Lake Elmo Bank*

*Community Reinvestment Act*

*Public File*

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*Primary Regulator:*      *FDIC (Federal Deposit Insurance Corporation)*

*Established:*              *August 1, 1911*

*Insured Since:*          *December 19, 1936*

*Website:*                  *[www.lakeelmobank.com](http://www.lakeelmobank.com)*

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**LAKE ELMO BANK**  
*A TRADITION OF SERVICE*

## **PERFORMANCE EVALUATION BY THE FDIC**

Dated March 31, 2025

### **CRA Rating: Satisfactory.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

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

- *A copy of the FDIC Public Disclosure Report begins on page 10.*

### **WRITTEN COMMENTS RECEIVED**

**For the Current and preceding, two calendar years.**

The bank has received no written comments from the public relating to our CRA performance during this period.

### **HOME MORTGAGE DISCLOSURE ACT NOTICE**

The HMDA data about our residential mortgage lending is available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions is also available online. For more information, visit the Consumer Financial Protection Bureau's Web site. ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda))

FULL SERVICE and ATM LOCATIONS					
Lake Elmo Office 11465 39 <sup>th</sup> St. N., Lake Elmo, MN Census Tract 704.05		Oakdale Office 600 Inwood Ave N., Oakdale, MN Census Tract 709.10		Stillwater Office 1937 Greeley Street, Stillwater, MN Census Tract 706.02	
<b>Lobby</b> 9:00 a.m. to 5:00 p.m. Monday – Friday 9:00 a.m. to 12:00 p.m. Saturday		<b>Lobby</b> 9:00 a.m. to 5:00 p.m. Monday – Friday		<b>Lobby</b> 9:00 a.m. to 5:00 p.m. Monday – Friday	
<b>Drive-Thru</b> 8:00 a.m. to 5:00 p.m. Monday – Friday 9:00 a.m. to 12:00 p.m. Saturday		<b>Drive-Thru</b> 8:00 a.m. to 5:00 p.m. Monday – Friday		<b>Drive-Thru</b> 8:00 a.m. to 5:00 p.m. Monday – Friday	
ATM on site 24/7		ATM on Site 24/7		ATM on Site 24/7	
<b>Walk-Up</b> 8:00 a.m. to 5:00 p.m. Monday – Friday					

LOCATION BANKING	
<b>Limited-service locations:</b> <i>limited deposit services provided to residents of the following Senior Housing facilities.</i>	
<b>Boutwells’s Landing</b> <b>Census Tract 707.01</b> 5600 Norwich Parkway Oak Park Heights, MN 55082 Hours: <ul style="list-style-type: none"> <li>1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday 10 a.m. to 10:30 a.m.</li> </ul>	<b>Oak Meadows</b> <b>Census Tract 709.10</b> 8131-8133 4 <sup>th</sup> St N. Oakdale, MN Hours: <ul style="list-style-type: none"> <li>1<sup>st</sup> &amp; 3<sup>rd</sup> Tuesday 9:30 a.m. to 10 a.m.</li> </ul>
<b>Echo Ridge</b> <b>Census Tract 709.12</b> 1033 Gershwin Ave. N Oakdale, MN Hours: <ul style="list-style-type: none"> <li>1<sup>st</sup> &amp; 3<sup>rd</sup> Tuesday 11 a.m. to 11:30 a.m.</li> </ul>	<b>St. Therese</b> <b>Census Tract 710.18</b> 7555 Bailey Road St. Paul, MN 55129 Hours: <ul style="list-style-type: none"> <li>1<sup>st</sup> Tuesday 1:30 p.m. to 2:00 p.m.</li> </ul>
<b>New Perspective</b> <b>Census Tract 704.05</b> 11020 39 <sup>th</sup> Street North Lake Elmo, MN Hours: <ul style="list-style-type: none"> <li>1<sup>st</sup> &amp; 3<sup>rd</sup> Tuesday 10:00 a.m. to 10:30 a.m.</li> </ul>	<b>Fields @ New Perspective</b> <b>Census Tract 704.05</b> 11070 39 <sup>th</sup> Street North Lake Elmo, MN Hours: Available at New Perspective Senior Living only

## LAKE ELMO BANK CRA ASSESSMENT AREA

The Bank’s CRA assessment area includes all of Washington County, Minnesota.

Please note that our CRA area is different from our lending area. Lending area is defined within the Bank’s Lending Policy:

- **Section III Commercial Lending Area > A) Commercial-Industrial Loans > 1. General Requirements**
  - **b.** Banks’ Commercial – Industrial lending will generally be limited to the following counties: Washington, northern Dakota, eastern Ramsey in Minnesota, and western St. Croix in Wisconsin.
- **Section III Commercial Lending Area > C) Land Development Loans > 1. General Requirements**
  - **e.** Banks’ commercial and residential land development lending area will generally be limited to the counties detailed in Exhibit’s “C” – Collateral Pledge Area.
- **Section IV Residential Real Estate Lending > residential Construction Loans > 6. General Requirements**
  - Bank’s residential construction lending area will generally be limited to the counties detailed in [Exhibit “C” - Collateral Pledge Area of the Loan Policy](#). Real estate construction loans may also be extended to established Bank customers for properties in other areas of Minnesota and Wisconsin upon approval by the Commercial Lending Manager or the Chief Credit Officer.

### MSA – Metropolitan Statistical Area

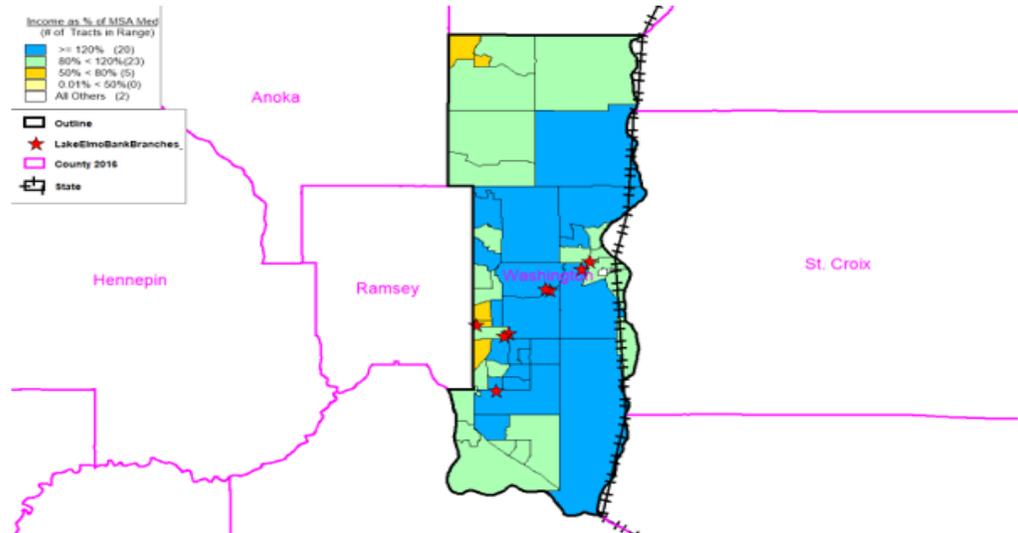
Minneapolis – St. Paul – Bloomington, MN-WI:	33460
State of Minnesota:	27
Washington County:	163

DETAILED CENSUS TRACT REPORT						
Census Tracts in LEB CRA - All Tracts are in Washington County, MN						
701.03	701.04	701.05	701.07	701.08	702.04	702.05
702.06	702.07	702.08	703.01	703.03	703.04	704.03
704.04	704.05	704.06	705.01	705.02	706.02	706.03
706.04	707.03	707.04	707.05	707.06	708.01	708.02
709.06	709.07	709.09	709.10	709.11	709.12	710.01
710.03	710.06	710.10	710.11	710.12	710.13	710.14
710.16	710.19	710.20	710.21	710.22	710.23	710.24
710.25	711.01	711.02	712.07	712.08	712.09	712.10
712.11	713.00	714.00				

// United States / Minnesota / Washington County, Minnesota

<p><b>Populations and People</b> Total Population <b>267,568</b> <small>PI   2020 Decennial Census</small></p>	<p><b>Income and Poverty</b> Median Household Income <b>\$106,509</b> <small>SI901   2022 American Community Survey 1-Year Estimates</small></p>	<p><b>Education</b> Bachelor's Degree or Higher <b>48.0%</b> <small>SI501   2022 American Community Survey 1-Year Estimates</small></p>
<p><b>Employment</b> Employment Rate <b>67.7%</b> <small>DP03   2022 American Community Survey 1-Year Estimates</small></p>	<p><b>Housing</b> Total Housing Units <b>104,014</b> <small>HI   2020 Decennial Census</small></p>	<p><b>Health</b> Without Health Care Coverage <b>4.0%</b> <small>S2701   2022 American Community Survey 1-Year Estimates</small></p>
<p><b>Business and Economy</b> Total Employer Establishments <b>6,243</b> <small>CB2100CBP   2021 Economic Surveys Business Patterns</small></p>	<p><b>Families and Living Arrangements</b> Total Households <b>106,606</b> <small>DP02   2022 American Community Survey 1-Year Estimates</small></p>	<p><b>Race and Ethnicity</b> Hispanic or Latino (of any race) <b>13,094</b> <small>P9   2020 Decennial Census</small></p>

## MAP of CRA Assessment Area



### United States Census Demographics For Lake Elmo, Minnesota (Zip Code 55042)

	Lake Elmo	MN	Minnesota	United States
<b>Population</b>				
Population estimates, July 1, 2025, (V2025)	NA	5,830,405	341,784,857	
Population estimates, July 1, 2024, (V2024)	14,161	5,793,151	340,110,988	
Population, Census, April 1, 2020	11,335	5,706,494	331,449,281	
Population, Census, April 1, 2010	8,069	5,303,925	308,745,538	
<b>Age and Sex</b>				
Persons under 5 years, percent	6.90%	5.60%	5.50%	
Persons under 18 years, percent	27.00%	22.40%	21.50%	
Persons 65 years and over, percent	16.90%	18.20%	18.00%	
Female persons, percent	50.40%	49.90%	50.50%	
<b>Race and Hispanic Origin</b>				
White alone, percent	87.30%	81.50%	74.80%	
Black alone, percent (a)	2.30%	8.20%	13.70%	
American Indian and Alaska Native alone, percent (a)	0.00%	1.50%	1.40%	
Asian alone, percent (a)	3.20%	5.70%	6.70%	
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.00%	0.10%	0.30%	
Two or More Races, percent	3.90%	2.90%	3.10%	
Hispanic or Latino, percent (b)	2.80%	6.70%	20.00%	
White alone, not Hispanic or Latino, percent	86.80%	76.00%	57.50%	
<b>Population Characteristics</b>				
Veterans, 2020-2024	744	259,988	16,185,883	
Foreign-born persons, percent, 2020-2024	4.60%	8.70%	14.10%	

<b>Housing</b>			
Housing Units, July 1, 2024, (V2024)	X	2,597,286	146,770,711
Owner-occupied housing unit rate, 2020-2024	93.50%	72.20%	65.20%
Median value of owner-occupied housing units, 2020-2024	\$597,000	\$329,300	\$332,700
Median selected monthly owner costs - with a mortgage, 2020-2024	\$2,839	\$1,947	\$1,963
Median selected monthly owner costs - without a mortgage, 2020-2024	\$1,010	\$698	\$638
Median gross rent, 2020-2024	\$2,407	\$1,280	\$1,413
<b>Families &amp; Living Arrangements</b>			
Households, 2020-2024	4,714	2,307,955	129,227,496
Persons per household, 2020-2024	2.78	2.43	2.53
Living in the same house 1 year ago, percent of persons aged 1 year+ , 2020-2024	94.40%	87.80%	87.70%
<b>Computer and Internet Use</b>			
Households with a computer, percent, 2020-2024	97.90%	95.80%	95.50%
Households with a broadband Internet subscription, percent, 2020-2024	94.90%	91.60%	91.00%
<b>Education</b>			
High school graduate or higher, percent of persons aged 25 years+, 2020-2024	98.50%	93.90%	89.60%
Bachelor's degree or higher, percent of persons aged 25 years+, 2020-2024	61.90%	39.40%	35.70%
<b>Health</b>			
With a disability, under age 65 years, percent, 2020-2024	5.50%	8.20%	9.30%
Persons without health insurance, under age 65 years, percent	1.20%	6.10%	9.60%
<b>Economy</b>			
In civilian labor force, total, percent of population age 16 years+, 2020-2024	63.80%	68.00%	63.00%
In civilian labor force, female, percent of population age 16 years+, 2020-2024	61.30%	64.70%	58.80%
Total accommodation and food services sales, 2022 (\$1,000) (c)	16,618	16,896,884	1,196,315,575
Total health care and social assistance receipts/revenue, 2022 (\$1,000) (c)	68,572	63,326,593	3,330,304,719
Total transportation and warehousing receipts/revenue, 2022 (\$1,000) (c)	15,174	25,461,406	1,316,303,546
<b>Transportation</b>			
Mean travel time to work (minutes), workers aged 16 years+, 2020-2024	22.8	22.7	26.4
<b>Income &amp; Poverty</b>			
Median households' income (in 2024 dollars), 2020-2024	\$153,669	\$89,062	\$80,734
Per capita income in past 12 months (in 2024 dollars), 2020-2024	\$76,087	\$48,237	\$44,673
Persons in poverty, percent	4.80%	9.30%	10.60%
<b>Businesses</b>			
All employer firms, Reference year 2022	289	110,242	5,876,787
Men-owned employer firms, Reference year 2022	S	67,395	3,633,787
Women-owned employer firms, Reference year 2022	S	22,395	1,309,282
Minority-owned employer firms, Reference year 2022	15	10,334	1,326,462
Nonminority-owned employer firms, Reference year 2022	S	91,455	4,230,881
Veteran-owned employer firms, Reference year 2022	S	5,600	273,542

**Fact Notes**

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also included in applicable race categories
- (c) Economic Census – Puerto Rico data are not comparable to U.S. Economic Census data

**Value Notes**

- S Suppressed; does not meet publication standards
- X Not applicable

**Source:** <https://www.census.gov/quickfacts/fact/table/US/PST045222>

<b>SERVICES OFFERED AT OUR FULL-SERVICE LOCATIONS:</b>	
<p><b>LOANS</b></p> <ul style="list-style-type: none"> <li>• COMMERCIAL LOANS               <ul style="list-style-type: none"> <li>○ Business Loans and Lines of Credit</li> <li>○ Including: Small Business Administration Loans (SBA)</li> </ul> </li> <li>• CONSUMER LOANS               <ul style="list-style-type: none"> <li>○ Automobile, Truck and Motor Home Loans</li> <li>○ Motorcycles, Snowmobiles, Boats, Motors, Trailers, and mobile homes</li> <li>○ Overdraft Checking</li> <li>○ Loans Secured by Certificate of Deposit</li> <li>○ Home Improvement Loans</li> </ul> </li> <li>• REAL ESTATE LOANS               <ul style="list-style-type: none"> <li>○ 1-4 Family Conventional (existing owner occupied)</li> <li>○ 1-4 Family Construction</li> <li>○ One Time Close Construction/Permanent</li> <li>○ Commercial</li> <li>○ Home Equity Loans and Lines</li> </ul> </li> </ul> <p><b>DEPOSITS</b></p> <ul style="list-style-type: none"> <li>• Business and Consumer Checking Accounts</li> <li>• Savings Accounts</li> <li>• Money Market Deposit Accounts</li> <li>• Certificates of Deposit</li> <li>• HSA Accounts</li> </ul>	<p><b>IRA PRODUCTS</b></p> <ul style="list-style-type: none"> <li>• Traditional</li> <li>• Roth</li> <li>• Education</li> <li>• SEP (simplified Employee Pension)</li> </ul> <p><b>OTHER PRODUCTS &amp; SERVICES</b></p> <ul style="list-style-type: none"> <li>• On-line Banking Services               <ul style="list-style-type: none"> <li>○ Mobile Banking</li> <li>○ Bill Pay</li> <li>○ Bank-to-bank Transfers</li> <li>○ Mobile Deposit (deposit anywhere)</li> <li>○ Real-Time Payments (RTP)</li> </ul> </li> <li>• Wire Transfers</li> <li>• Debit Cards</li> <li>• Safe Deposit Box Rental</li> <li>• Gift Cards</li> <li>• Additional Services for Business Customers               <ul style="list-style-type: none"> <li>○ Cash Management Services                   <ul style="list-style-type: none"> <li>▪ ACH origination.</li> </ul> </li> <li>○ Remote Deposit Capture</li> <li>○ Remit Plus</li> <li>○ Lock Box Services</li> </ul> </li> <li>• Trust and Estate Services</li> <li>• Non-deposit Investment Products Offered through Cetera Advisors Networks, LLC</li> </ul>

At this time all deposit accounts are opened in-person or with electronic signature validation software.

## LOAN TO DEPOSIT RATIO

Figures for determining the LTD ratios are pulled from the Bank's call reports – Call reports can be viewed on the FFIEC website at: <https://cdr.ffiec.gov/public/>

The figures to be used can be found on the following Schedules:

RC Schedule (Balance Sheet)

- Deposits #13a
- Loan's use # 4a & 4d

The same numbers can also be found on the FFIEC website under the UBPR Executive Summary report.

2025 Ratios			
Date	Total Loans X 1,000	Total Deposits X1,000	Loan to Deposit Ratio (Loans / Deposits)
3/31/2025	389,620	457,603	85.14 %
6/30/2025	396,393	438,417	90.42 %
9/30/2025	406,047	452,597	89.72 %
12/31/2025	404,559	466,270	86.77 %
2024 Ratios			
Date	Total Loans X 1,000	Total Deposits X1,000	Loan to Deposit Ratio (Loans / Deposits)
3/31/2024	379,916	437,533	86.83 %
6/30/2024	389,007	438,846	88.64 %
9/30/2024	396,127	446,638	88.69 %
12/31/2024	393,893	456,659	86.26 %
2023 Ratios			
Date	Total Loans X 1,000	Total Deposits X1,000	Loan to Deposit Ratio (Loans / Deposits)
03-31-2023	367,250	474,490	77.40 %
06-30-2023	373,009	455,187	81.95 %
09-30-2023	377,993	441,377	85.64 %
12-31-2023	377,641	446,188	84.64 %
2022 Ratios			
Date	Total Loans X 1,000	Total Deposits X1,000	Loan to Deposit Ratio (Loans / Deposits)
03-31-2022	309,871	479,466	64.63 %
06-30-2022	332,303	485,867	68.39 %
09-30-2022	354,480	495,178	71.59 %
12-31-2022	363,925	477,291	76.25 %

The Bank's miscellaneous fee schedule was last updated on June 12, 2025.

## Miscellaneous Fees



Fees	Effective June 12, 2025
Business Continuous Overdraft Fee	\$7.00 per day (after the 5th day and every day thereafter)
Cashiers Checks (Customers Only)	\$5.00
Check Ordering Fee	Dependent on Style Selected
Coin Sorting	Customer - Free Non-Customer - 10% of Total, \$10.00 min.
Collection Fee	\$30.00/Item
Copy of Check	\$3.00
Counter Check Fee	\$2.00 for 4 checks
Debit Card Replacement Fee	\$8.00
MasterCard Cross Border Fee	.9% of the transaction amount
MasterCard Currency Conversion Fee	.2% of the transaction amount
Deposit Bags - Locked	\$20.00, \$3.00 Key
Deposit Bags - Unlocked	\$5.00
Dormant Accounts	\$10.00/Month (on balances \$100.00 or less)
Early Account Closing	\$20.00/Account (within 90 days of opening)
Excess Reg D Withdrawal Fee	\$10.00/Item
Fax Fees	Local - \$3.00 1st Page \$1.00 each additional page Long Distance - \$5.00 1st Page \$2.00 each additional page
Garnishment/Levy Fee	\$100.00
IRA Transfer to another institution	\$50.00
Notary (Non-Customer)	\$5.00
Non-Sufficient Funds Item*	\$35.00/Item (returned checks)
Overdraft Fee*	\$35.00/Item
Overdraft sweep/transfer	\$5.00 (per transfer)
Photocopies	\$1.00 each
Ready Reserve Annual Fee	\$25.00
Research and Account Reconciliation	\$30.00/Hr. (\$30.00 minimum)
Return Deposit Item	\$5.00/Item
Return Deposit Item (Business)	\$5.00/Item
Signature Guarantee (Customers Only)	Free

Special Handling	\$5.00
Statement Copy	\$5.00
Stop Payment	\$35.00
Recurring Electronic Stop Payment	\$10.00/Item
Returned Statement Fee**	\$10.00
Visa Gift Cards	\$3.95
Wire Transfers Domestic (Customers Only)	\$25.00 Outgoing \$10.00 Incoming
Wire Transfers Foreign (Customers Only)	\$50.00 Outgoing \$10.00 Incoming

\*Overdrafts and non-sufficient funds fees may result from: The payment of checks, electronic funds transfers, or other withdrawal requests you initiate. Payments authorized by you. The return of unpaid items deposited by you. Charging your account for our applicable service charges and fees.

\*\*Beginning with the second returned statement and for each returned statement thereafter.

### Safe Deposit Box

Safe Deposit Box	Rates
3'x5'	\$35.00 Annual Rent
5'x5'	\$45.00 Annual Rent
3'x10'	\$55.00 Annual Rent
5'x10'	\$75.00 Annual Rent
10'x10'	\$125.00 Annual Rent

All boxes are 21 deep. Discounted rates available for Relationship<sup>SM</sup> and Integrity<sup>SM</sup> Checking Account customers. Fees are automatically deducted from a Lake Elmo Bank checking or savings account.

Safe Deposit Box	Fee
Safe Deposit Box Late Payment Fee	\$15.00 (after 60 days)
Safe Deposit Box Drilling	Cost + \$25.00
Safe Deposit Box Lost Key	\$25.00
Safe Deposit Box - Manual Billing Fee	\$10.00

# **PUBLIC DISCLOSURE**

March 31, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Lake Elmo Bank  
Certificate Number: 15443

11465 39th Street North  
Lake Elmo, Minnesota 55042

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

1100 Walnut St, Suite 2100  
Kansas City, Missouri 64106

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Lake Elmo Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. The following points summarize the bank's performance.

**The Lending Test is rated Satisfactory.**

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

**The Community Development Test is rated Satisfactory.**

- Lake Elmo Bank demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

## DESCRIPTION OF INSTITUTION

Lake Elmo Bank is headquartered in Lake Elmo, Minnesota, and is wholly owned by Lake Elmo Bancshares, Inc., a one-bank holding company also based in Lake Elmo, Minnesota. The bank currently operates three full-service offices and five limited-service offices in Minnesota. The full-service offices are in Lake Elmo, Oakdale, and Stillwater, while the limited-service offices are in Lake Elmo, Oakdale (2), Oak Park Heights, and Woodbury. The institution has not closed any offices or been involved in any mergers or acquisitions since the prior evaluation. Lake Elmo Bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated May 6, 2022, which was based on Intermediate Small Institution Examination Procedures.

Lake Elmo Bank’s business focus continues to be commercial and home mortgage lending. The institution also offers a variety of consumer loan products. The bank offers and originates secondary market residential loans, first-time home buyer loans, and loan products through the Small Business Administration (SBA).

Lake Elmo Bank provides a variety of deposit account services including checking, savings, money market, health savings, individual retirement accounts, and certificates of deposit. The bank also offers electronic banking services such as internet and mobile banking, mobile deposit, bill pay, electronic statements, and access to a network of ATMs. In addition, Lake Elmo Bank offers investment, insurance, estate planning, and trust services through non-affiliated and affiliated entities.

According to the Consolidated Reports of Condition and Income (Reports of Condition and Income) as of December 31, 2024, assets totaled approximately \$515.7 million, loans totaled \$399.4 million, and deposits totaled \$456.6 million. The loan portfolio distribution is illustrated in the following table.

<b>Loan Portfolio Distribution as of December 31, 2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	25,505	6.4
Secured by Farmland	639	0.1
Secured by 1-4 Family Residential Properties	184,107	46.1
Secured by Multifamily (5 or more) Residential Properties	8,700	2.2
Secured by Nonfarm Nonresidential Properties	116,465	29.2
<b>Total Real Estate Loans</b>	<b>335,416</b>	<b>84.0</b>
Commercial and Industrial Loans	54,787	13.7
Agricultural Production and Other Loans to Farmers	0	0
Consumer Loans	8,607	2.2
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	564	0.1
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
<b>Total Loans</b>	<b>399,374</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Lake Elmo Bank continues to designate one assessment area that includes all of Washington County, which is part of the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area (MSA). The assessment area has not changed since the previous evaluation.

### Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	59	0.0	10.2	52.5	33.9	3.4
Population by Geography	267,568	0.0	9.3	55.4	34.6	0.7
Housing Units by Geography	99,696	0.0	10.9	57.1	32.1	0.0
Owner-Occupied Units by Geography	78,168	0.0	8.8	56.6	34.6	0.0
Occupied Rental Units by Geography	17,628	0.0	20.0	60.5	19.5	0.0
Vacant Units by Geography	3,900	0.0	10.6	51.8	37.6	0.0
Businesses by Geography	30,984	0.0	8.3	57.0	34.6	0.0
Farms by Geography	903	0.0	6.2	52.3	41.5	0.0
Family Distribution by Income Level	68,673	13.9	17.5	23.3	45.3	0.0
Household Distribution by Income Level	95,796	15.9	15.5	19.5	49.1	0.0
Median Family Income MSA – 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA	\$103,977	Median Housing Value				\$314,163
		Median Gross Rent				\$1,265
		Families Below Poverty Level				3.1%

*Source: 2020 U.S. Census and 2024 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\* ) The NA category consists of geographies that have not been assigned an income classification.*

According to 2024 D&B data, the services industry represents the largest portion of businesses in the assessment area at 35.3 percent; followed by non-classifiable establishments at 26.6 percent; and finance, insurance and real estate at 11.4 percent. In addition, 62.2 percent of area businesses have 4 or fewer employees, and 94.6 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC) provides updated median family incomes that are used to analyze home mortgage loans under the Borrower Profile criterion, as well as community development activities. The low-, moderate-, middle-, and upper-income categories for the evaluation period are presented in the following table.

<b>Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$117,800)	<\$58,900	\$58,900 to <\$94,240	\$94,240 to <\$141,360	≥\$141,360
2023 (\$124,300)	<\$62,150	\$62,150 to <\$99,440	\$99,440 to <\$149,160	≥\$149,160
2024 (\$123,700)	<\$61,850	\$61,850 to <\$98,960	\$98,960 to <\$148,440	≥\$148,440

*Source: FFIEC*

**Competition**

The assessment area is a competitive market for credit products and financial services. According to Reports of Condition and Income data filed by financial institutions as of June 30, 2024, there are 38 financial institutions operating 57 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Lake Elmo Bank is ranked 4<sup>th</sup> with 5.9 percent of the deposit market share.

Lake Elmo Bank is not required to collect or report small business CRA loan data and has elected not to do so. However, the aggregate CRA data provides an indication of the level of demand for small business loans and the level of competition within the assessment area. According to 2023 aggregate CRA data (most recent available), 85 CRA data reporters collectively reported 5,189 small business loans originated within the assessment area. These figures do not include the number of loans originated by smaller institutions that are not required to report small business lending data but operate within the assessment area. The overall volume of small business lending in the assessment area reflects a competitive market.

Lake Elmo Bank also faces significant competition for home mortgage loans from financial institutions and mortgage companies originating or purchasing loans within the assessment area. According to 2023 Home Mortgage Disclosure Act (HMDA) aggregate data (most recent available), 324 HMDA-reporting institutions originated or purchased 7,043 home mortgage loans in the assessment area. Lake Elmo Bank ranked 30<sup>th</sup> with 0.9 percent of the market share by number. The aggregate data provides an indication of the demand for home mortgage loans and the level of competition. The top lenders consist of large national banks and credit unions or national mortgage companies. The overall volume of home mortgage lending reflects significant competition.

**Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners conducted a community contact with a representative of a community organization familiar with the assessment area.

The contact stated the local economy was stationary after the pandemic. Businesses had an influx of funds; therefore, they were not aggressively borrowing for a few years. Demand for financing has been steadily on the rise with some disruption due to recent economic uncertainty. The contact indicated the area includes start-up businesses as well as existing businesses that are expanding. The contact also noted that lending standards, regulatory limits, and credit education are challenges

businesses and consumers face in the community. The contact confirmed community banks have opportunities to get involved with small business lending and identified small business loans as the primary credit need within the area. In addition, the contact also noted that local lenders have been responsive in helping to meet the credit needs of the area.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business and home mortgage lending represent the primary needs and opportunities for lending within the assessment area. In addition, community development opportunities in the area include affordable housing, economic development, revitalization and stabilization of applicable geographies, and community services for low- and moderate-income individuals.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated May 6, 2022, to the current evaluation dated March 31, 2025. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate the institution's performance. Intermediate small institutions are evaluated under the Lending Test and Community Development Test, which are described in the Appendices. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating.

### **Activities Reviewed**

Examiners determined the bank's major product lines are commercial and home mortgage lending. This conclusion considered discussions with management regarding the bank's business strategy, the number and dollar volume of loans originated during the evaluation period, and Reports of Condition data. When arriving at overall conclusions, small business and home mortgage loans received equal weight based on the loan portfolio composition and the bank's business focus. Examiners did not review small farm lending activities as they represent a minimal portion of the total loan portfolio.

Bank records indicate the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small business loans originated or renewed in 2024, as this period was considered representative of the bank's performance during the entire evaluation period. D&B data for 2024 provided a standard of comparison for the bank's small business performance. In addition, examiners reviewed all home mortgage loans reported as originated or purchased on the bank's 2022, 2023, and 2024 HMDA Loan Application Registers. When analyzing the bank's home mortgage lending performance, 2020 U.S. Census data as well as 2022 and 2023 HMDA aggregate lending data provided a standard of comparison. Examiners placed more weight on the comparisons to the aggregate lending data, when available, as it is typically a better indicator of market conditions and loan demand.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment area were further reviewed to evaluate the Geographic Distribution criterion. To evaluate the Borrower Profile criterion,

examiners reviewed a sample of small business loans, and all home mortgage loans originated inside the assessment area. Small business loans considered under the Community Development Test were excluded from the Lending Test review. The following table provides information on the number and dollar volume of loans reviewed.

<b>Loan Products Reviewed</b>						
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed*</b>		<b>Sampled</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Business	164	30,066	114	20,412	54	10,309
Home Mortgage						
2022	221	56,970	122	32,142	--	--
2023	122	28,379	63	14,752	--	--
2024	109	29,442	58	13,647	--	--
<i>Source: Bank Data; HMDA Reported Data</i>						
<i>(*) Universe of loans made inside the assessment area; (--) Not Sampled</i>						

While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services from the prior evaluation date of May 6, 2022, to the current evaluation date of March 31, 2025. Examiners reviewed community development activity for the entire review period and presented the information for each year within this performance evaluation.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Lake Elmo Bank demonstrated satisfactory performance under the Lending Test. The bank’s performance under all evaluated criteria supports this conclusion.

### **Loan-to-Deposit Ratio**

Lake Elmo Bank’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and the credit needs in the assessment area. The bank’s net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 81.5 percent over the past 11 calendar quarters from June 30, 2022, to December 31, 2024. The ratio ranged from a low of 68.4 percent as of June 30, 2022, to a high of 88.6 percent as of September 30, 2024. As illustrated in the following table, Lake Elmo Bank’s average net loan-to-deposit ratio is within the range of comparable institutions. Examiners selected comparable institutions based on their asset size, lending focus, and geographic location.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/24 \$(000s)	Average Net Loan-to- Deposit Ratio (%)
First Resource Bank, Lino Lakes, Minnesota	660,735	105.5
First State Bank and Trust, Bayport, Minnesota	423,940	72.2
<b>Lake Elmo Bank, Lake Elmo, Minnesota</b>	<b>515,771</b>	<b>81.5</b>
Platinum Bank, Oakdale, Minnesota	655,059	103.3
<i>Source: Reports of Condition and Income 6/30/2022 through 12/31/2024</i>		

### **Assessment Area Concentration**

Lake Elmo Bank originated a majority of its small business and home mortgage loans by number within its assessment area, as shown in the following table. In 2024, the majority of home mortgage loans, by dollar volume, were made outside of the assessment area. However, as previously stated, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals served.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$	%	\$	%	
Small Business	114	69.5	50	30.5	164	20,412	67.9	9,654	32.1	30,066
Home Mortgage										
2022	122	55.2	99	44.8	221	32,142	56.4	24,828	43.6	56,970
2023	63	51.6	59	48.4	122	14,752	52.0	13,627	48.0	28,379
2024	58	53.2	51	46.8	109	13,647	46.4	15,795	53.6	29,442
<b>Subtotal</b>	<b>243</b>	<b>53.8</b>	<b>209</b>	<b>46.2</b>	<b>452</b>	<b>60,541</b>	<b>52.7</b>	<b>54,250</b>	<b>47.3</b>	<b>114,791</b>
<i>Source: Bank Data, HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable small business and home mortgage lending performance supports the overall conclusion. There are no low-income census tracts in the assessment area; therefore, examiners focused on the percentage by number of loans in the moderate-income tracts in the assessment area.

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

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows the bank's lending in moderate-income census tracts is comparable to the demographic data.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	8.3	10	8.7	2,664	13.0
Middle	57.0	63	55.3	10,380	50.9
Upper	34.7	41	36.0	7,368	36.1
<b>Totals</b>	<b>100.0</b>	<b>114</b>	<b>100.0</b>	<b>20,412</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; 2024 Bank Data</i>					

***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects a reasonable dispersion throughout the assessment area. The following table shows that Lake Elmo Bank’s home mortgage lending performance in moderate-income census tracts lagged demographic and aggregate lending data for all years reviewed. Management stated, and aggregate HMDA data confirmed, the competition for home mortgage loans is significant and affects lending opportunities in these areas. The distance from Lake Elmo Bank’s offices to the moderate-income census tracts within the assessment area also limits the bank’s ability to penetrate these areas, especially when considering the competition present. Examiners’ review of aggregate data filed by HMDA reporters confirmed that competing financial institutions with the highest market share of lending activity in moderate-income census tracts were large national banks, credit unions, and national mortgage companies. Further, examiners’ review of Reports of Condition and Income data filed by financial institutions confirmed that three competing financial institutions operate three branches in the moderate-income census tracts within the assessment area. Considering these factors, the bank’s performance is reasonable.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Moderate</b>						
2022	8.8	8.1	0	0.0	0	0.0
2023	8.8	7.6	0	0.0	0	0.0
2024	8.8	--	1	1.7	22	0.2
<b>Middle</b>						
2022	56.6	53.5	65	53.3	14,360	44.7
2023	56.6	54.4	34	54.0	6,428	43.6
2024	56.6	--	41	70.7	9,402	68.9
<b>Upper</b>						
2022	34.6	38.4	57	46.7	17,782	55.3
2023	34.6	38.0	29	46.0	8,324	56.4
2024	34.6	--	16	27.6	4,223	30.9
<b>Not Available</b>						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>122</b>	<b>100.0</b>	<b>32,142</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>63</b>	<b>100.0</b>	<b>14,752</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>58</b>	<b>100.0</b>	<b>13,647</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data 2022 &amp; 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels. The bank's reasonable small business and home mortgage lending performance supports the overall conclusion.

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

The distribution of small business loans sampled reflects reasonable lending penetration to businesses with gross annual revenues of \$1 million or less. As shown in the following table, the bank's record of lending to businesses with gross annual revenues of \$1 million or less lags demographic data. However, examiners compared the bank's performance to two similarly situated institutions (SSI) operating in the assessment area and evaluated for CRA performance during the review period. The SSI's had a distribution of small business loans to businesses with revenues of less than or equal to \$1 million of 38.7 and 46.9 percent by number. One of the SSI's performance was assessed as poor and the other was assessed as reasonable, and Lake Elmo Bank's performance exceeds both institutions. Further, although the bank is not required to collect or report its small business loan data and has not elected to do so, aggregate data can be used to provide context about the size of businesses in which other banks are able to lend. Aggregate data for 2023 (most recent available) indicated 54.1 percent of small business loans were to businesses with gross annual

revenues of \$1 million or less, which is comparable to Lake Elmo Bank’s performance. Finally, as noted previously, Lake Elmo Bank is an SBA lender, which demonstrates the bank’s willingness to originate loans to businesses of all sizes, including small businesses. Considering these factors, the bank’s performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	92.2	30	55.5	4,471	43.4
>1,000,000	2.2	23	42.6	5,828	56.5
Revenue Not Available	5.6	1	1.9	10	0.1
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>10,309</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; 2024 Bank Data</i>					

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including low and moderate-income borrowers, is reasonable. The bank’s performance, as noted in the following table, compares reasonably to aggregate and demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	13.9	8.2	12	9.8	1,894	5.9
2023	13.9	8.0	6	9.5	356	2.4
2024	13.9	--	7	12.1	262	1.9
Moderate						
2022	17.5	21.5	28	23.0	4,413	13.7
2023	17.5	22.7	11	17.5	1,227	8.3
2024	17.5	--	9	15.5	996	7.3
Middle						
2022	23.3	23.1	18	14.8	4,112	12.8
2023	23.3	24.4	15	23.8	2,108	14.3
2024	23.3	--	7	12.1	1,678	12.3
Upper						
2022	45.3	33.0	55	45.1	20,013	62.3
2023	45.3	32.6	25	39.7	8,749	59.3
2024	45.3	--	25	43.1	7,595	55.7
Not Available						
2022	0.0	14.2	9	7.4	1,710	5.3
2023	0.0	12.3	6	9.5	2,312	15.7
2024	0.0	--	10	17.2	3,116	22.8
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>122</b>	<b>100.0</b>	<b>32,142</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>63</b>	<b>100.0</b>	<b>14,752</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>58</b>	<b>100.0</b>	<b>13,647</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### **Response to Complaints**

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

### **COMMUNITY DEVELOPMENT TEST**

Lake Elmo Bank demonstrated satisfactory performance under the Community Development Test. The bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. The bank's level of community development lending, investments, and services primarily supports this conclusion. Examiners considered the bank's capacity, investment strategies, and the need and availability of such opportunities within the assessment area.

Comparable institutions are used in the analysis of a financial institution to help provide perspective on a bank’s performance. For this evaluation, examiners reviewed the activities of three institutions that have a similar lending focus, operations, and assessment area as Lake Elmo Bank, and were evaluated using Interagency Intermediate Small Institution Examination Procedures during the evaluation period.

Lake Elmo Bank was responsive to the community development needs of its assessment area. Therefore, community development activity that benefitted a broader statewide area was also considered.

**Community Development Loans**

The bank originated or renewed 13 community development loans totaling approximately \$11.8 million throughout its assessment area. Lake Elmo Bank extended loans to support affordable housing, community services to low- and moderate-income individuals, and to promote economic development. The bank’s community development loans represent 2.3 percent of total assets and 3.0 percent of net loans. The bank’s ratios are comparable to the similarly situated institutions ratios, which ranged from 1.9 percent to 27.5 percent of total assets and 1.3 percent to 43.1 percent of net loans. The following table reflects the number and dollar volume of community development loans in each category by purpose and activity year.

<b>Community Development Lending by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2022	1	90	0	0	4	4,889	0	0	5	4,979
2023	0	0	0	0	1	2,315	0	0	1	2,315
2024	0	0	1	528	6	3,932	0	0	7	4,460
YTD 2025	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>90</b>	<b>1</b>	<b>528</b>	<b>11</b>	<b>11,136</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>11,754</b>

*Source: Bank Data*

**Qualified Investments**

Qualified investments and donations funded since the previous evaluation were considered under this criterion. Lake Elmo Bank received consideration for 5 qualified investments primarily supporting revitalization and stabilization of applicable geographies, as well as affordable housing. All qualified investments were made during the prior evaluation period but remained outstanding during the current evaluation. Additionally, the bank received credit for 22 donations totaling approximately \$34,000, which promoted community development by donating to organizations that provide affordable housing and community services to low- and moderate-income individuals.

When aggregated for the evaluation period, the bank’s qualified investments represent 0.4 percent of total assets and 4.4 percent of total securities. The bank’s qualified investments as a percentage of total assets are slightly lower than comparable institutions whose ratios range from 0.5 percent to 1.8 percent. The bank’s qualified investments as a percentage of total securities are comparable to the comparable institutions whose ratios ranged from 1.6 percent to 14.7 percent. Overall, Lake Elmo Bank’s community development investment and donation activities are responsive to the

needs of the assessment area and statewide area during the evaluation period. The following tables illustrate the bank’s qualified investments by area benefitted and activities by year for each community development purpose.

<b>Community Development Qualified Investments by Area</b>										
<b>Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Assessment Area	2	693	17	26	0	0	1	210	<b>20</b>	<b>929</b>
Statewide Activities	0	0	4	3	0	0	3	1,259	<b>7</b>	<b>1,262</b>
<b>Total</b>	<b>2</b>	<b>693</b>	<b>21</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,469</b>	<b>27</b>	<b>2,191</b>
<i>Source: Bank Data</i>										

<b>Community Development Qualified Investments by Year</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	688	0	0	0	0	4	1,469	<b>5</b>	<b>2,157</b>
2022	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
2023	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
2024	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
YTD 2025	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
<b>Subtotal</b>	<b>1</b>	<b>688</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,469</b>	<b>5</b>	<b>2,157</b>
Qualified Grants & Donations	1	5	21	29	0	0	0	0	<b>22</b>	<b>34</b>
<b>Total</b>	<b>2</b>	<b>693</b>	<b>21</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,469</b>	<b>27</b>	<b>2,191</b>
<i>Source: Bank Data</i>										

**Community Development Services**

Lake Elmo Bank employees provided 16 instances of financial expertise or technical assistance to 3 different community development-related organizations during the evaluation period. The bank’s level of community development services exceeds similarly situated institutions, whose community development services range from 7 to 13 during their respective evaluation periods. The following table provides a breakdown of community development services by year and activity for each community development purpose.

<b>Community Development Services by Year</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2022	0	2	1	0	<b>3</b>
2023	0	4	1	0	<b>5</b>
2024	0	3	1	0	<b>4</b>
YTD 2025	0	3	1	0	<b>4</b>
<b>Total</b>	<b>0</b>	<b>12</b>	<b>4</b>	<b>0</b>	<b>16</b>
<i>Source: Bank Data</i>					

Lake Elmo Bank waives surcharges and bank fees at Money Pass network ATMs, offers free checking and savings accounts, and provides no cost electronic and mobile banking services. Branch hours provide residents easy access to personalized services, while electronic and mobile banking provides convenient 24-hour access to account information. Further, Lake Elmo Bank’s limited-service branch in a senior housing facility in Oakdale is in a moderate-income geography. Overall, the bank provides reasonable access to products and services, specifically designed to meet the needs of the communities served, including low- and moderate-income residents.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

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

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

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

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

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

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

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

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

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

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

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

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography 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 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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

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

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

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

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

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

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

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

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

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

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

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

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

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

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

**Qualified Investment:** A 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.

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

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating 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 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

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

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