



# CRA Public File

2026

**keen**BANK

April 1, 2026

To: All Employees

From: Bernie Gaytko, CRA Officer

RE: Community Reinvestment Act

On October 12, 1977, the Community Reinvestment Act (CRA) was signed into law encouraging financial institutions to help meet the credit needs of the communities they serve. I would like to take this opportunity to briefly review the CRA and its impact to you and the bank.

The intent of the CRA is to encourage our bank to be aware of, and seek to be responsive to, the credit needs of the communities we serve. The CRA file demonstrates our support for this Act and highlights our attempts and accomplishments in meeting the credit needs of individuals and businesses in our communities.

The law states that our CRA file must contain our assessment area and our CRA notice. The CRA notice is also displayed in the lobby of the bank. This notice advises interested parties as to what information they are entitled to from our bank. A copy of our notice is attached.

You will note that the notice advises a petitioner that they are entitled to review certain information including written comments received by us within the last two years along with the Bank's responses to these comments where necessary. It further states that a petitioner is entitled to review any comments received by the Officer of the Comptroller of the Currency (OCC).

Your responsibility, and the responsibility of all staff members, is to know what the CRA file is, and more importantly, to whom inquiries can be directed.

In the event of a request to review our CRA file, the following person should be contacted to fulfill their request: Bernie Gaytko, President and CRA Officer.

If you would like to review this file, please contact me directly. By reviewing with you the contents of the file and who is responsible for its maintenance, we further demonstrate our commitment to the CRA and its purpose.

## Posted Lobby CRA Notice

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency (OCC) evaluates our record of helping to meet the credit needs of this community, consistent with safe and sound operations. The OCC also takes this record into account when deciding on certain applications submitted by us. Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the OCC; and comments received from the public relating to assessment area needs and opportunities, as well as our responses to those comments. You may review this information today by reviewing the public file, which is available at our Waseca location, 101 State Street North, Waseca, MN 56093.

You may also have access to the following additional information, which we will make available to you after you make a request to us: (1) A map showing the assessment area containing a select branch, which is the area in which the OCC evaluates our CRA performance for that particular community; (2) branch addresses and associated branch facilities and hours in any assessment area; (3) a list of services we provide at those locations; (4) our most recent rating in the assessment area; and (5) copies of all written comments received by us that specifically relate to the needs and opportunities of a given assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Deputy Comptroller, 425 S. Financial Place, Suite 1700, Chicago, IL 60605. You may send written comments regarding the needs and opportunities of any of the banks assessment area(s) to Bernard Gaytko, President, Keen Bank of Waseca, 101 North State Street, Waseca, MN 56093, [bgaytko@keen.bank](mailto:bgaytko@keen.bank), and Deputy Comptroller of the OCC at 425 South Financial Place, Suite 1700, Chicago, IL 60605, [CRAComments@occ.treas.gov](mailto:CRAComments@occ.treas.gov). Your comments, together with any response by us, will be considered by the Comptroller in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Deputy Comptroller. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the Comptroller. (We are an affiliate of Frankson Investment Co., a bank holding company). You may request from the Regional Director of the Federal Reserve Bank of Minneapolis, P.O. Box 491, Minneapolis, MN 55408. An announcement of applications covered by the CRA filed by bank holding companies.

## Offices & Branches Keen Bank

### **Waseca**

(Assessment Areas 7901, 7902, 7903, 7904, 7905, Waseca County)

101 State Street N

Waseca, MN 56093

ATM\* - On-Site/Drive-Thru

Waseca High School ATM\*

1717 2nd St NW

Waseca, MN 56093

### **Ellendale**

(Assessment Areas 1801, 1802, 9608, Freeborn County, Steele County)

119 Fifth Avenue

Ellendale, MN 56062

### **Owatonna**

(Assessment Areas 9605, 9608, Steele County)

496 W North Street

Owatonna, MN 56060

ATM\* - On-Site/Drive-Thru

\*ATM's Do Not Accept Deposits at any locations.

## Branches Opened/Closed

**2019** – None

**2020** – None

**2021** - None

**2022** - None

**2023** - The Hope Branch located at 9087 SW 37th Ave, Hope MN was closed on 11.2.23, at 4:30 pm and relocated to Owatonna, located at 496 W North Street, Owatonna, MN where it opened on 11.6.23.

**2024** – None

**2025** – None

# Deposit Products

## Checking Accounts

- Choice Checking
- First Choice Checking
- Relationship Checking
- Relationship Plus Checking
- Small Business Checking
- Business Checking
- Complete Business Checking

## Savings Accounts

- Classic Savings
- Health Savings
- Holiday Club Savings
- Business Savings

## Certificates of Deposit

- Terms Available: 6-month, 7-month special, 9-month, 12-month, 18-month, 24-month, 30-month, 36-month, 48-month and 60-months.

## Individual Retirement Accounts (IRAs)

- Traditional/SEP
- Roth

## Miscellaneous Products and Services

- ATM
- Coin Counting
- Safe Deposit Box
- Digital Banking with Remote Deposit
- Debit Cards
- Instant Issue of personal debit card and PIN reset
- In-house check printing
- Credit Cards through Elan Services
- Notary
- Cash Management
- Bill Pay
- Remote Deposit Capture
- SmartPay

These products and services are offered at all Keen Bank locations.

# Important Account Information for Our Customers

From  
Keen Bank  
101 State Street N  
Waseca, MN 56093  
507.835.2740

## COMMON FEATURES

Abandoned Account Fee	\$25.00
Account Activity Printout	\$5.00
Account Charge Off Fee	\$150.00
Account Closing*	\$25.00
*Within 3 months	
Account Research & Balancing	\$35.00 per hour
ATM or Debit Card Replacement Fee	\$10.00
ATM or Debit Card Replacement Fee - Express Order	\$65.00
ATM Withdrawal Limit Per Day	\$500.00
You may request a different daily dollar limit	
Check	\$6.00
Check Images, Monthly	\$3.00
Check Orders	Varies by design
Foreign Collection	\$15.00
Inactivity	\$5.00 per month
Checking inactivating after 12 months, Savings inactivity after 18 months	under \$1,000.00
IRA Transfer / Rollover Fee	\$30.00
Nonsufficient Funds (NSF) Fee	\$5.00 per item
An item or payment may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment.	
Overdraft Fee	\$30.00 per item, Max \$90 per day
Point-Of-Sale (POS) Debit Card Limit Per Day	\$2,000.00
You may request a different daily dollar limit	
Stop Payment	\$30.00
Wire, Incoming Domestic or Foreign	\$10.00
Wire, Outgoing Domestic	\$25.00
Wire, Outgoing Foreign	\$50.00

# Loan Products

## Commercial Loan Products

- Real Estate
- Operating
- Equipment
- SBA

## Agricultural Loan Products

- Real Estate
- Operating
- Equipment
- SBA

## Installment & Consumer

- Personal
- Automobile
- Recreational Vehicles
- Ready Reserve

## Real Estate Loan Programs

- Conventional/Adjustable-Rate Programs
- Mortgage Partnership Finance (MPF) through the Federal Home Loan Bank of Des Moines

## Home Mortgage

- Home Equity
- Home Equity Lines of Credit

Each location is also able to make referrals for:

- Federal Housing Authority (FHA)
- Veterans Association (VA)
- Rural Development Authority (RDA)

These products and services are offered at all Keen Bank locations.

## Office Hours 4/2026

### **Waseca Lobby**

Monday through Friday 8:30 am to 4:30 pm  
Saturday by appointment only

### **Waseca Drive-Thru**

Monday through Friday 7:30 am to 5:30 pm  
Saturday from 9:00 am to Noon

### **Ellendale Lobby**

Monday through Friday, 8:30 am to 4:30 pm  
Saturday from 9:00 am to Noon

### **Owatonna Lobby**

Monday through Friday 8:30 am to 4:30 pm  
Saturday by appointment only

### **Owatonna Drive-Thru**

Monday through Friday 7:30 am to 5:30 pm  
Saturday from 9:00 am to Noon

April 1, 2026

No complaints have been received from the public in 2023, 2024 or 2025 that relate to the bank's performance in helping meet the community credit needs.

Bernie Gaytko  
CRA Officer

## Loan to Deposit Ratio 4/2026

### 2021

3/31/21	-	72.97%
6/30/21	-	67.56%
9/30/21	-	65.07%
12/31/21	-	71.63%

### 2022

3/31/22	-	71.13%
6/30/22	-	74.54%
9/30/22	-	72.87%
12/31/22	-	72.37%

### 2023

3/31/23	-	76.63%
6/30/23	-	83.91%
9/30/23	-	82.96%
12/31/23	-	79.77%

### 2024

3/31/24	-	77.88%
6/30/24	-	81.04%
9/30/24	-	82.44%
12/31/24	-	78.14%

### 2025

3/31/25	-	77.78%
6/30/25	-	79.55%
9/30/25	-	82.06%
12/31/25	-	80.29%

\* UPBR data - Liquidity and Funding

## Assessment Area of Keen Bank Waseca, Ellendale and Owatonna Offices

Updated March 2026

The assessment area for the Keen Bank includes the following block numbered areas.

Block Number	City	Village	Township	County
7901	Janesville	N/A	Iosco, Janesville	Waseca
7902	New Richland, Waldorf	N/A	Freedom, Vivian, Byron, New Richland	Waseca
7903	N/A	N/A	Alton, St Mary, Wilton, Otisco, Woodville, Blooming Grove, Byron, St. Mary	Waseca
7904	Waseca	N/A	Woodville	Waseca
7905	Waseca	N/A	Woodville	Waseca
9605	N/A	Hope, Meriden	Meriden, Lemond, Berlin, Somerset, Aurora, Deerfield, Owatonna	Steele
9608	Ellendale, Blooming Prairie	N/A	Summit, Blooming Prairie, Berlin, Aurora	Steele
1801	Geneva	Hollandale	Geneva, Newry, Riceland, Moscow, Bath, Hayward, Oakland	Freeborn
1802	Hartland, Manchester, Freeborn, Clarks Grove	N/A	Freeborn, Hartland, Bath, Carlston, Manchester, Bancroft, Geneva	Freeborn

9601	Owatonna	N/A		Steele
9602	Owatonna	N/A		Steele
9603	Owatonna	N/A	Clinton Falls, Owatonna	Steele
9607	Owatonna	N/A		Steele
9606	Owatonna	N/A		Steele
9604	Owatonna	N/A		Steele

2025 FFIEC Census Report - Summary Census Overview Information

State: MINNESOTA

County: 047 - FREEBORN COUNTY

All Tracts: 10



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
MN	FREEBORN COUNTY	1801.00	3 - Middle	110.05	No	\$95,200	\$82,222	2851	252	8.84	1038	1245
MN	FREEBORN COUNTY	1802.00	3 - Middle	107.74	No	\$95,200	\$80,500	2594	163	6.28	1017	1189
MN	FREEBORN COUNTY	1803.00	3 - Middle	110.59	No	\$95,200	\$82,629	3352	301	8.98	1196	1455
MN	FREEBORN COUNTY	1804.00	3 - Middle	108.41	No	\$95,200	\$81,000	3216	458	14.24	1105	1303
MN	FREEBORN COUNTY	1805.00	2 - Moderate	79.91	No	\$95,200	\$59,706	4390	814	18.71	1481	1791
MN	FREEBORN COUNTY	1806.00	2 - Moderate	71.50	No	\$95,200	\$53,419	4049	1556	38.43	1089	1567
MN	FREEBORN COUNTY	1807.00	4 - Upper	120.96	No	\$95,200	\$90,375	2440	284	11.64	780	966
MN	FREEBORN COUNTY	1808.00	2 - Moderate	68.77	No	\$95,200	\$51,382	2452	864	35.24	630	993
MN	FREEBORN COUNTY	1809.00	2 - Moderate	66.02	No	\$95,200	\$49,325	3416	980	28.69	888	1334
MN	FREEBORN COUNTY	1810.00	3 - Middle	93.69	No	\$95,200	\$70,000	2175	152	6.99	818	1035

2025 FFIEC Census Report - Summary Census Overview Information

State: MINNESOTA

County: 161 - WASECA COUNTY

All Tracts: 5



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
MN	WASECA COUNTY	7901.00	3 - Middle	107.63	No	\$95,200	\$80,417	3541	225	6.35	1268	1499
MN	WASECA COUNTY	7902.00	3 - Middle	99.83	No	\$95,200	\$74,583	2617	162	6.19	871	1121
MN	WASECA COUNTY	7903.00	4 - Upper	121.89	No	\$95,200	\$91,071	3065	178	5.81	1213	1378
MN	WASECA COUNTY	7904.00	3 - Middle	99.84	No	\$95,200	\$74,592	5550	780	14.05	1721	1991
MN	WASECA COUNTY	7905.00	2 - Moderate	67.78	No	\$95,200	\$50,645	4195	1085	25.86	909	1284
MN	WASECA COUNTY	9999.99	3 - Middle	99.72	No	\$95,200	\$74,505	18968	2430	12.81	5982	7273

2025 FFIEC Census Report - Summary Census Overview Information

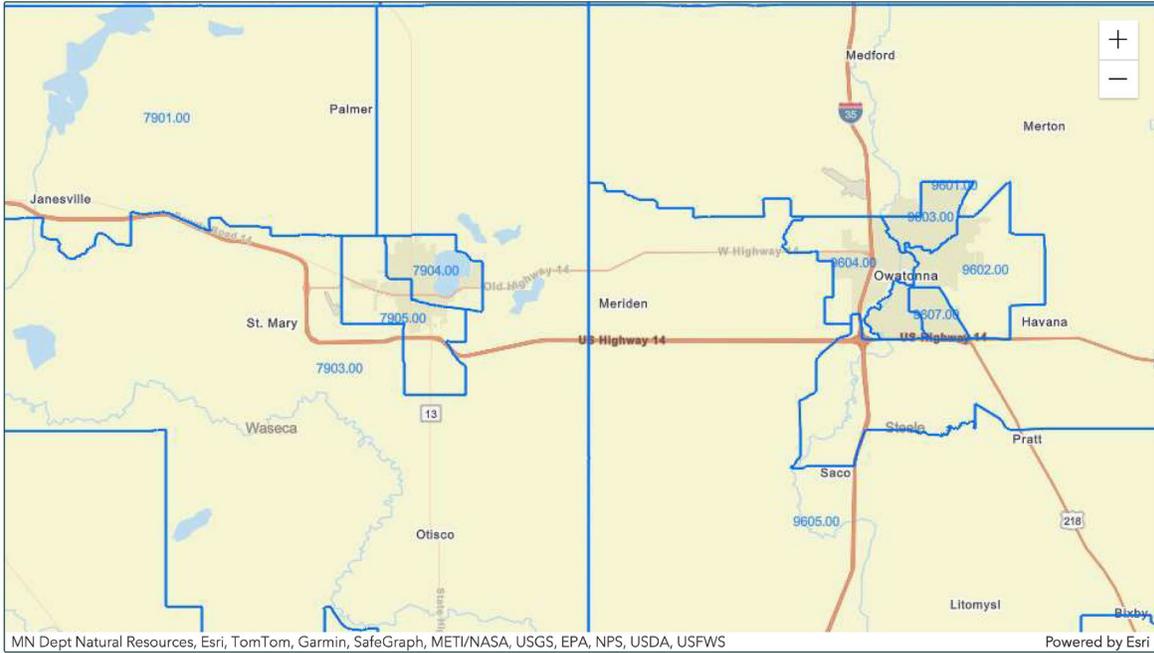
State: MINNESOTA

County: 147 - STEELE COUNTY

All Tracts: 8



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
MN	STEELE COUNTY	9601.00	3 - Middle	117.29	No	\$95,200	\$87,632	5017	788	15.71	1475	1821
MN	STEELE COUNTY	9602.00	4 - Upper	136.17	No	\$95,200	\$101,738	6311	729	11.55	2048	2424
MN	STEELE COUNTY	9603.00	4 - Upper	123.20	No	\$95,200	\$92,044	6419	1544	24.05	1846	2163
MN	STEELE COUNTY	9604.00	3 - Middle	87.49	No	\$95,200	\$65,365	4351	1464	33.65	1057	1344
MN	STEELE COUNTY	9605.00	4 - Upper	121.22	No	\$95,200	\$90,568	2832	133	4.70	984	1217
MN	STEELE COUNTY	9606.00	3 - Middle	100.24	No	\$95,200	\$74,896	3571	516	14.45	1053	1324
MN	STEELE COUNTY	9607.00	4 - Upper	131.03	No	\$95,200	\$97,898	5295	524	9.90	1702	2030
MN	STEELE COUNTY	9608.00	3 - Middle	101.43	No	\$95,200	\$75,785	3610	332	9.20	1228	1521



● Matched Address:  
MSA: || State: || County: || Tract Code:

● Selected Tract  
MSA: || State: || County: || Tract Code:



## **PUBLIC DISCLOSURE**

October 24, 2022

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Keen Bank, National Association  
Charter Number 6544

101 S State St,  
Waseca, MN 56093

Office of the Comptroller of the Currency

222 South Ninth Street  
Suite 800  
Minneapolis, Minnesota 55402-3393

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated: **Outstanding.**

**The lending test is rated: Outstanding.**

The major factors that support this rating include:

- The distribution of loans to borrowers of different income levels and businesses of different sizes is excellent.
- A majority of loans are originated or purchased inside the assessment area (AA).
- The loan-to-deposit (LTD) ratio is reasonable.
- The bank did not receive any CRA related complaints during the evaluation period.

### Loan-to-Deposit Ratio

Keen Bank's LTD ratio is reasonable considering the bank's size, financial condition, and credit needs of the AA.

The bank's average quarterly LTD was 82.3 percent over the 14 quarters between September 30, 2018, and December 31, 2021. The LTD ratio ranged from 64.0 percent to 94.1 percent during that time. Keen Bank is ranked second out of four similarly situated institutions. Similarly situated institutions shared at least one assessment area and had a similar asset-size, ranging from \$121.5 million to \$181.4 million as of December 31, 2021.

<b>Loan-to-Deposit Ratio</b>		
<b>Institution</b>	<b>Total Assets \$(000s)</b>	<b>Average LTD Ratio (%)</b>
Security Bank Minnesota	149,442	90.5
<b>Keen Bank, National Association</b>	<b>172,056</b>	<b>82.3</b>
Arcadian Bank	181,439	81.6
Produce State Bank	121,534	60.4

*Source: Call Report Data from September 30, 2018, to December 31, 2021.*

### Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 55 percent by number and 51.7 percent by dollar of its loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level, by selecting a sample of 20 home mortgage and 20 small business loans originated or purchased during the evaluation period.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage	10	50.0	10	50.0	20	1,139	29.6	2,698	70.3	3,837
Small Business	12	60.0	8	40.0	20	4,496	63.6	2,573	36.4	7,069
<b>Total</b>	<b>22</b>	<b>55.0</b>	<b>18</b>	<b>45.0</b>	<b>40</b>	<b>5,635</b>	<b>51.7</b>	<b>5,271</b>	<b>48.3</b>	<b>10,906</b>

## **Description of Institution**

Keen Bank is a \$172 million, single state community bank with three branch locations. The bank is 100 percent owned by Frankson Investment Corporation, a single bank holding company located in Waseca, MN. Keen Bank does not have any subsidiaries or affiliates, aside from the holding company. Holding company assets total \$13.6MM as of 12/31/21. No merger or acquisition activities affected the bank during the evaluation period. The bank recently changed its name to Keen Bank, from First National Bank of Waseca, in April 2022.

The bank is headquartered in Waseca, MN, 70 miles south of Minneapolis, MN in Waseca County. The other two branches are located in Hope, MN and Ellendale, MN, in Steele County and Freeborn County, respectively. The Waseca branch has an onsite ATM and night drop that are available to customers 24 hours a day, seven days a week. There is also a second ATM located inside the Waseca High School. The bank does not operate any deposit-taking ATMs. The bank has one AA, referred to as the Waseca AA, including Waseca County, the northern portion of Freeborn County, and the southern portion of Steele County.

Keen Bank offers traditional banking products and services. Home mortgage and business loans are the banks primary products. As of December 31, 2021, the bank's outstanding loan portfolio totaled \$111.6 million. The loan portfolio by dollar volume is comprised of 50.0 percent home loans, 44.5 percent business loans, 3.0 percent consumer loans, and 2.6 percent farm loans. Net loans and leases represented 61.91 percent of average assets, and Tier 1 capital is \$13.8 million.

The most recent CRA Performance Evaluation, dated August 13, 2018, resulted in a Satisfactory overall rating. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

Keen Bank was evaluated under CRA small bank procedures, which consists of the Lending Test. The evaluation period for the LTD analysis covered the quarters ending September 30, 2018, to December 31, 2021. The complaints analysis period covered August 14, 2018, to October 24, 2022. The evaluation period for the remaining portions of the Lending Test covered January 1, 2019, through December 31, 2021.

We determined Keen Bank's primary loan products for the AA by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. Home and business loans were Keen Bank's primary loan products in the AA as they represented the largest volume by dollar. We reviewed samples of 20 home and 20 business loans originated or purchased during the evaluation period to complete the Lending Test analysis.

The table below to reflects total loan purchases and originations by dollar and number during the evaluation period.

<b>Loan Originations and Purchases 2019-2021</b>				
<b>Loan Type</b>	<b>Number of Loans</b>		<b>Dollar of Loans</b>	
	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Farm	27	2	1,808	2
Business	247	22	37,477	40
Consumer	524	47	5,962	6
Home	323	29	48,983	52
<b>Total</b>	<b>1,121</b>	<b>100</b>	<b>94,230</b>	<b>100</b>
<i>Source: Bank data. Due to rounding, totals may not equal 100.0</i>				

We reviewed the AA's financial, economic, and environmental factors to determine the bank's lending performance. We also contacted a community member with knowledge of the area's economic conditions and demographics to gather additional insight on lending needs in the AA.

### **Selection of Areas for Full-Scope Review**

The Waseca AA was selected for a full-scope review as it is the bank's only AA. Refer to Appendix A: Scope of Examination for an outline of the examination scope.

### **Ratings**

The bank's overall rating is based on the state of Minnesota, as the bank only has branches in Minnesota. The state rating is based on performance in the bank's single AA, the Waseca AA. The bank's lending performance was evaluated on four performance criteria: the loan-to-deposit ratio, lending in the AA, lending to borrowers of different incomes, and responses to CRA related complaints. We did not assess the distribution of loans to geographies of different income levels. The AA is comprised entirely of middle- and upper-income geographies, As a result, the geographical distribution would not provide a meaningful analysis.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Minnesota

**CRA rating for the State of Minnesota:** Outstanding

**The Lending Test is rated:** Outstanding

The major factors that support this rating include:

- The distribution of loans to businesses of different sizes and borrowers of different income levels is excellent.
- Keen Bank did not receive any CRA related complaints during the review period.
- Geographic distribution is not meaningful since the bank's AA does not include any low- or moderate-income (LMI) CTs.

### Description of Institution's Operations in Minnesota

Keen Bank has three branches, entirely located in the state of Minnesota. Locations include Waseca, Hope, and Ellendale, MN.

The bank has one AA, which includes the five CTs in Waseca County, two CTs in northern Freeborn County, and two CTs in southern Steele County. Eight of the CTs in the AA are middle-income and one CT is upper-income. There are no low- or moderate-income CTs in the AA. The bank's AA reasonably excludes several census tracts in Steele and Freeborn counties where the bank does not have a presence.

Competition within the AA is strong. According to the FDIC Deposit Market Share Report as of June 30, 2022, twenty-two financial institutions operate within the AA . Keen Bank ranks fifth in deposit market share with \$160 million in deposits, representing 6.9 percent of the deposit market share. Wells Fargo holds the largest share of deposits within the AA, with \$420 million representing 18.0 percent of the deposit market share. US Bank holds the next largest share in the AA with \$264 million representing 11.4 percent of the deposit market share.

The AA's unemployment rate tends to follow Minnesota's trend overall. The AA's economy was moderately impacted by the Covid-19 pandemic but is recovering quickly. According to the Bureau of Labor Statistics (BLS), the Waseca County unemployment rate reached a high of 9.7 percent in 2020, while Minnesota's high was 10.9 percent. This is an increase from the Waseca County annual average in 2019, pre-pandemic, of 4.1 percent. The average unemployment rate in Waseca county fell back to an average of 3.9 percent in 2021.

We contacted one community member with a local organization located in Waseca. The community contact stated there are multiple opportunities available for local financial institutions in the Waseca area to be involved with and invest in the community, despite tighter household disposable income and decreased housing availability. They also noted banks in the Waseca area are highly involved, providing financial support to local organizations in numerous ways including schools within the community.

The following tables provide demographic information on the Waseca AA during the evaluation period. We analyzed and incorporated relevant demographic information from the AA in the Lending Test to evaluate the bank's home mortgage and business lending performance.

### Waseca AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB Waseca - Waseca AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	0.0	88.9	11.1	0.0
Population by Geography	30,878	0.0	0.0	90.6	9.4	0.0
Housing Units by Geography	12,945	0.0	0.0	90.2	9.8	0.0
Owner-Occupied Units by Geography	9,616	0.0	0.0	89.2	10.8	0.0
Occupied Rental Units by Geography	2,236	0.0	0.0	94.6	5.4	0.0
Vacant Units by Geography	1,093	0.0	0.0	90.2	9.8	0.0
Businesses by Geography	2,303	0.0	0.0	88.5	11.5	0.0
Farms by Geography	472	0.0	0.0	78.8	21.2	0.0
Family Distribution by Income Level	8,323	15.3	16.8	23.8	44.1	0.0
Household Distribution by Income Level	11,852	18.8	14.6	19.4	47.1	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$140,363
			Median Gross Rent			\$583
			Families Below Poverty Level			5.7%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Minnesota

The rating for the state of Minnesota is based fully on the performance in the Waseca AA as it is the bank's only AA. We completed a full-scope review of the Waseca AA. Refer to Appendix A, Scope of Examination, for more information.

## LENDING TEST

The bank's performance under the Lending Test in Minnesota is rated Outstanding.

The bank's lending activity reflects outstanding responsiveness to AA credit needs for home mortgage and small business loans.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review the bank's performance in the Waseca AA is excellent.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits excellent distribution of loans to individuals of different income levels and businesses of different sizes when compared to aggregate lending data and AA demographics.

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

Refer to Table P in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans to individuals of income levels is excellent. The bank originated 35 percent of its home loans to low-income borrowers, significantly exceeding demographic and aggregate lending comparators. The bank's lending to moderate-income borrowers represented 20 percent of home mortgage loans in our sample, exceeding the demographic comparator and near to the aggregate lending comparator. Demographic lending performance is considered a better comparator as it reflects the credit needs of the community. Strong competition hindered the bank from exceeding the aggregate comparator for moderate-income borrowers.

### ***Small Loans to Businesses***

Refer to Table R in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of loans to businesses of different sizes is excellent. The bank's lending to small businesses significantly exceeds the aggregate lending to small businesses comparator and is near to the demographic comparator.

## **Distribution of Loans by Income Level of the Geography**

Refer to Tables O and Q in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of home mortgage and small business loans.

Geographic distribution is not meaningful because there are no LMI CTs in the bank's AA.

## **Responses to Complaints**

There were no consumer complaints pertaining to Keen Bank's CRA performance during the evaluation period.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	(Home mortgage, small business)	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Frankson Investment Corporation.	Holding Company	None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Minnesota</b>		
Waseca AA	Full Scope	Waseca County (full) Freeborn County (partial), including CTs: 1801, 1802 Steele County (partial), including CTs: 9605, 9608

# Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS – Keen Bank</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
Keen Bank	Outstanding
<b>State:</b>	
Minnesota	Outstanding

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

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

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests 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., 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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 under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area 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 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 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.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

**Small Loan(s) to Farm(s):** 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 are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Waseca AA	20	\$1,918	100	1,133	0.0	0.0	0.0	0.0	0.0	0.0	89.2	90.0	90.1	10.8	10.0	9.9	0.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																				

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% Of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Waseca AA	20	\$1,918	100.0	1,133	15.3	35.0	8.3	16.8	20.0	22.5	23.8	20.0	23.2	44.1	25.0	28.3	0.0	0.0	17.7	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																				

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2019
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Waseca AA	20	6,371	100.0	369	0.0	0.0	0.0	0.0	0.0	0.0	88.6	83.3	86.2	11.4	16.7	13.8	0.0	0.0	0.0	
<i>Source: 2019 D&amp;B Data; 01/01/2019 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																				

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% Of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Waseca AA	20	6,371	100.0	297	84.8	75.0	44.1	4.7	25.0	10.6	0.0
<i>Source: 2021 D&amp;B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>											