PUBLIC DISCLOSURE

November 17, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

21st Century Bank
Certificate Number: 9751

699 North Medina Street
Loretto, Minnesota 55357

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

1100 Walnut Street, 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.

TABLE OF CONTENTS

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.

The following points summarize 21st Century Bank's Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and credit needs in the assessment area.
- The institution originated a majority of its small business and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans reflects poor penetration among businesses of different revenue sizes.
- 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.

The institution demonstrated adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of opportunities for community development in the assessment area.

DESCRIPTION OF INSTITUTION

21st Century Bank, a full-service financial institution headquartered in Loretto, Minnesota, is wholly owned by Crosstown Holding Company, a one-bank holding company in Blaine, Minnesota. In addition to the main office, the bank operates six full-service branches in Blaine, Ham Lake, Lilydale (Saint Paul), Minneapolis, Rogers, and Roseville, Minnesota. Since the previous CRA evaluation, 21st Century Bank closed a branch in Blaine in March of 2023 and converted it into a loan production office and relocated the Rogers branch to a different location in Rogers in December of 2023. The bank has not been involved in merger or acquisition activities since the previous evaluation. 21st Century received a "Satisfactory" rating at its previous FDIC Performance Evaluation on November 16, 2022, based on Interagency Intermediate Small Institution Examination Procedures.

21st Century Bank offers various loan products, including commercial, home mortgage, agricultural, and consumer loans. Commercial loans continue to represent the institution's primary business line, followed by home mortgage loans. The bank is a Small Business Administration (SBA) preferred lender, offering programs such as the 504, 7(a), and Express loans.

The bank also offers a variety of deposit products and alternative banking services. Deposit products include checking, savings, health savings accounts, and certificates of deposit accounts. Alternative banking services include online, mobile, and telephone banking; electronic bill and person-to-person payment processing; mobile deposits and electronic statements; and access to a network of ATMs.

According to the Consolidated Reports of Condition and Income (Reports of Condition), as of June 30, 2025, 21st Century Bank had total assets of $819.4 million, total loans of $614.5 million, total deposits of $624.4 million, and total securities of $173.3 million. The following table illustrates the bank's loan portfolio.

Loan Portfolio Distribution as of June 30, 2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	44,797	7.3
Secured by Farmland	5,258	0.8
Secured by 1-4 Family Residential Properties	55,001	8.9
Secured by Multifamily (5 or more) Residential Properties	100,145	16.3
Secured by Nonfarm Nonresidential Properties	305,173	49.7
Total Real Estate Loans	**510,374**	**83.0**
Commercial and Industrial Loans	103,875	16.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	133	<1.0
Obligations of State and Political Subdivisions in the U.S.	132	<1.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
Total Loans	**614,514**	**100.00**
Source: Reports of Condition *Due to rounding totals may not equal 100%*		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit or community development 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 CRA performance will be evaluated. 21st Century Bank has designated one assessment area, which has not changed since the last evaluation. The assessment area includes all of Anoka, Dakota, Hennepin, Ramsey, and Wright counties, which are part of the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area (MSA). 21st Century Bank's Loretto, Minneapolis, and Rogers offices are located in upper-income census tracts in Hennepin County. The Blaine and Ham Lake offices are located in moderate-income census tracts in Anoka County. Further, the Roseville office is located in a moderate-income census tract in Ramsey County. Lastly, the Saint Paul office is located in an upper-income census tract in Dakota County.

<u>Economic and Demographic Data</u>

According to 2020 U.S. Census data, the assessment area includes 49 low-income, 165 moderate-income, 286 middle-income, and 186 upper-income census tracts. Further, the assessment area contains nine census tracts without an income designation. The following table illustrates the demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	695	7.1	23.7	41.2	26.8	1.3
Population by Geography	2,779,023	6.6	22.7	41.9	28.0	1.0
Housing Units by Geography	1,114,431	6.1	22.7	42.5	27.9	0.8
Owner-Occupied Units by Geography	715,545	3.0	18.7	46.1	32.2	0.1
Occupied Rental Units by Geography	350,639	12.1	30.7	35.8	19.4	2.1
Vacant Units by Geography	48,247	9.0	23.8	39.2	26.9	1.2
Businesses by Geography	336,787	4.9	21.3	39.1	33.7	1.0
Farms by Geography	2,556	1.5	13.2	46.9	38.2	0.4
Family Distribution by Income Level	654,780	20.7	18.1	22.5	38.8	0.0
Household Distribution by Income Level	1,066,184	24.3	17.1	18.8	39.8	0.0
Median Family Income - Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA		$103,977	Median Housing Value			$ 284,537
			Median Gross Rent			$1,159
			Families Below Poverty Level			5.7%
Source: 2020 Census and 2024 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2024 D&B data, non-classifiable establishments represent the largest portion of businesses in the assessment area at 26.5 percent; followed by professional, scientific, and technical services at 11.3 percent; other services at 7.7 percent; and construction at 7.1 percent. In addition, 64.3 percent of area businesses have four or fewer employees, and 93.4 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC) provides updated median family incomes 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 Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
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 highly competitive for credit products and financial services. According to 2025 FDIC Deposit Market Share data, 101 financial institutions operate 529 offices within the assessment area. 21st Century Bank ranks 22nd with 0.3 percent of the market share.

21st Century Bank is not required to collect or report its small business CRA loan data and has not elected to do so. Therefore, examiners did not compare the bank's small business lending performance to aggregate CRA data within this evaluation. 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 2024 CRA aggregate data, 165 CRA data reporters collectively reported 61,354 small business loans originated or purchased within the assessment area. This data reflects significant competition for small business loans.

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 business development organization that serves the assessment area.

The contact stated the overall economic conditions have been stable throughout recent years with a slight decrease recently. Further, the contact noted that the economy is transitioning from a year of higher interest rates and businesses have benefited from the decrease in interest rates. However, the contact stated small businesses continue to be negatively impacted by the State of Minnesota's very high taxes. The contact noted there are lending opportunities for financial institutions within the community; however, competition among financial institutions is very high. Lastly, the contact indicated that local financial institutions are responsive in meeting credit needs to businesses, especially smaller businesses in the community.

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 lending is the primary need and opportunity for lending within the assessment area. In addition, there are opportunities for community development, including affordable housing, community services, economic development, and revitalization and stabilization throughout the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated November 16, 2022, to the current evaluation dated November 17, 2025. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate 21st Century Bank's CRA performance under the Lending and Community Development Tests. The criteria for the tests are outlined 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 primary product lines are commercial lending, followed by residential lending. This conclusion considered the loan portfolio distribution, the number and dollar volume of originated loans during the evaluation period, and the bank's business strategy. Therefore, examiners reviewed small business and home mortgage loans to evaluate the bank's lending performance. Examiners did not review agricultural lending because it represents a small portion of the loan portfolio, is not a primary business focus of the institution, and provides no material support for conclusions.

Bank records indicate that 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 lending performance. In addition, examiners reviewed all originated or purchased home mortgage loans reported on the bank's 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Register. 21st Century Bank was not subject to HMDA reporting requirements in 2022. HMDA aggregate lending data for 2023 and 2024 and 2020 U.S. Census data provided standards of comparison for the home mortgage loans reviewed. Examiners placed more weight on the comparisons to the aggregate lending data since 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 and Borrower Profile criteria. When deriving overall conclusions, small business loans received the most weight based on loan portfolio distribution and management's stated business focus.

The following table provides information on the number and dollar volume of loans reviewed.

Loan Products Reviewed				
Loan Category	**Universe**		**Reviewed**	
	#	**$(000s)**	**#**	**$(000s)**
Small Business	149	50,806	118	39,120
Home Mortgage				
2023	35	18,890	30	13,906
2024	28	18,059	25	12,478
Source: 2024 Bank Data; HMDA Reported Data.				

Although examiners reviewed both the number and dollar volume of loans, more weight was placed on the performance by number of loans as it is a better indicator of the number of businesses and individuals served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services from the previous evaluation date of November 16, 2022, to the current evaluation date of November 17, 2025. Examiners reviewed community development activities for the entire review period. Investments made prior to the previous evaluation that remain outstanding are identified as prior period investments and qualified using current book values.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

21st Century Bank demonstrated reasonable performance under the Lending Test. The bank's collective performance under all the evaluated criteria supports this conclusion. Although Borrower Profile performance was deemed poor overall, it did not negatively impact the Lending Test rating.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs in the assessment area. The bank's net loan-to-deposit ratio, calculated from Reports of Condition data, averaged 99.2 percent over the 11 calendar quarters from December 31, 2022, to June 30, 2025. The ratio ranged from a high of 105.9 percent as of December 31, 2023, to a low of 89.2 percent as of March 31, 2023. The net loan-to-deposit ratio has had some slight fluctuations but has overall remained steady during the evaluation period. As illustrated in the following table, 21st Century Bank's average net loan-to-deposit ratio significantly exceeds the similarly-situated institutions. Examiners selected comparable institutions based on asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 6/30/2025 $(000s)**	**Average Net Loan-to-Deposit Ratio (%)**
21st Century Bank, Loretto, Minnesota	**819,407**	**99.2**
Highland Bank, Saint Paul, Minnesota	778,258	81.2
Northeast Bank, Minneapolis, Minnesota	823,863	76.8
Premier Bank, Maplewood, Minnesota	1,090,659	86.9
MidCountry Bank Minneapolis, Minnesota	1,072,746	91.1
Source: Reports of Condition 12/31/2022 through 6/30/2025		

Assessment Area Concentration

21st Century Bank originated a majority of its small business and home mortgage loans within the assessment area, as illustrated in the following table.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					**Dollar Amount of Loans $(000s)**				
Loan Category	**Inside**		**Outside**		**Total**	**Inside**		**Outside**		**Total**
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Small Business	118	79.2	31	20.8	149	39,120	77.0	11,686	23.0	50,806
Home Mortgage										
2023	30	85.7	5	14.3	35	13,906	73.6	4,984	26.4	18,890
2024	25	89.3	3	10.7	28	12,478	69.1	5,581	30.9	18,059
Total	**55**	**87.3**	**8**	**12.7**	**63**	**26,384**	**71.4**	**10,565**	**28.6**	**36,949**
Source: Bank Data; HMDA Reported Data. Due to rounding, totals may not equal 100.0%										

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 this conclusion. Examiners focused on the percentage of lending, by number of loans, in the low- and moderate-income census tracts within the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank's lending in both the low- and moderate-income census tracts is slightly lower than demographic data. As stated previously, there is a highly competitive market for small business loans that affects lending opportunities in the assessment area, which management and CRA aggregate data confirmed. Specifically, examiners' review of Report of Condition data filed by financial institutions confirmed that competing financial institutions operate 191 offices in these low- and moderate-income geographies, and a majority engage in small business lending. Considering lending is only slightly lower than demographic data and the degree of competition, overall performance is considered reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low	4.9	2	1.7	619	1.6
Moderate	21.3	17	14.4	6,955	17.8
Middle	39.1	64	54.2	21,669	55.4
Upper	33.7	34	28.8	9,847	25.2
NA	1.0	1	0.9	30	0.1
Totals	**100.0**	**118**	**100.0**	**39,120**	**100.0**
Source: 2024 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

Home Mortgage Loans
The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area and is supported by reasonable non-owner-occupied home mortgage lending. A significant portion of 21st Century Bank's home mortgage loans are non-owner-occupied one-to-four family residential and multi-family loans. Specifically, all 30 home mortgage loans in 2023 and 24 of 25 loans in 2024 were non-owner-occupied home mortgage loans. As such, a review of owner-occupied home mortgage loan distribution would not result in meaningful conclusions. Therefore, examiners presented only non-owner-occupied home mortgage loans.

The geographic distribution of nonowner-occupied home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners measured the performance against the percentage of occupied rental housing units (demographic data) and aggregate lending data of home mortgage loans secured by nonowner-occupied properties in the assessment area. As shown in the following table, the bank's home mortgage lending performance in low-income census tracts in 2023 and 2024 is comparable to aggregate data, although slightly lower than demographic data. Further, the bank's home mortgage lending performance in moderate-income census tracts in 2023 is comparable to aggregate and demographic data. In 2024, the bank's home mortgage lending performance is similar to aggregate data and slightly lower than demographic data. Although lending performance in low- and moderate-income tracts declined in 2024, overall performance is generally comparable to demographic and aggregate data and considered reasonable.

Geographic Distribution of Home Mortgage Loans Non-Owner Occupied						
Tract Income Level	**% of Rental Occupied Housing Units**	**HMDA Aggregate % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	12.1	8.1	2	6.7	2,140	15.4
2024	12.1	8.6	1	4.2	210	1.7
Moderate						
2023	30.7	27.5	10	33.3	8,059	58.0
2024	30.7	26.9	5	20.8	2,270	18.4
Middle						
2023	35.8	39.6	15	50.0	3,148	22.6
2024	35.8	38.0	6	25.0	2,810	22.8
Upper						
2023	19.4	23.6	3	10.0	559	4.0
2024	19.4	25.3	10	41.7	4,878	39.5
Not Available						
2023	2.1	1.3	0	0.0	0	0.0
2024	2.1	1.2	2	8.3	2,184	17.7
Total						
2023	**100.0**	**100.0**	**30**	**100.0**	**13,906**	**100.0**
2024	**100.0**	**100.0**	**24**	**100.0**	**12,352**	**100.0**
Source: 2020 U.S. Census Data; Bank Data; 2023 and 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.						

Borrower Profile

The distribution of borrowers reflects poor penetration among businesses of different sizes. The bank's small business lending performance primarily supports this conclusion as the home mortgage loan analysis did not result in meaningful conclusions. Examiners focused on the percentage of loans to businesses with gross annual revenues of $1 million or less.

Small Business Loans

The distribution of small business loans reflects poor 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 revenues of $1 million or less significantly lags demographic data. As previously stated, competition for small business loans in the assessment area is significant, which was confirmed through aggregate data, the community contact, and management. The bank is an active SBA preferred lender and consistently named a top SBA Lender in Minnesota throughout the evaluation period, illustrating the bank's willingness to lend to businesses of different sizes. Also noted was the existence of multiple loans to the same five businesses with gross annual revenues of greater than $1 million, skewing the percentage. Despite these factors, the bank's overall performance is considered poor when considering that demographic data, aggregate data, and the community contact indicate there are opportunities and demand in the assessment area for loans to businesses with gross annual revenues of $1 million or less. Further, a review of two recent CRA

Performance Evaluations for similarly-situated top SBA lenders operating in the assessment area revealed 21st Century Bank's performance is lower than the comparable institutions.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	90.2	47	39.8	16,395	41.9
>1,000,000	3.1	71	60.2	22,725	58.1
Revenue Not Available	6.7	0	0.0	0	0.0
Total	**100.0**	**118**	**100.0**	**39,120**	**100.0**

Source: 2024 D&B Data; 2024 Bank Data.
Due to rounding, totals may not equal 100.0%.

Home Mortgage Loans
Examiners use the Borrower Profile analysis to show the dispersion of loans to individuals of low, moderate, middle, and upper-income levels. Because 21st Century Bank's home mortgage lending focus is primarily for non-owner-occupied and multi-family properties, a vast majority of the home mortgage loans reviewed were to business entities. Specifically, only two loans in 2023 and two loans in 2024 out of 55 total home mortgage loans were to natural persons; all to upper-income borrowers. Since a limited number of loans were made to individuals of different income levels, a review of the Borrower Profile criterion for home mortgage loans would not result in meaningful conclusions.

Response to Complaints
The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

21st Century 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 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 four institutions that either have operations in a similar assessment area and/or have a similar lending focus as 21st Century Bank and were evaluated using Interagency Intermediate Small Institution Examination Procedures during the evaluation period.

Community Development Loans
During the review period, the bank originated or renewed 73 community development loans totaling approximately $72.4 million throughout the assessment area and broader statewide area. 21st

Century Bank extended loans in an effort to support affordable housing initiatives; community services targeting low- or moderate-income individuals or families; promote economic development; and revitalize and stabilize low- and moderate-income geographies. The bank was responsive to its assessment area credit needs; therefore, qualified community development lending activity totaling $1.9 million that benefited the broader statewide area was also included.

The bank's community development loans represent 8.8 percent of total assets and 11.9 percent of net loans, which compares reasonably to the ratios of the comparable institutions. The ratios for comparable institutions varied greatly from 1.1 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 area, purpose, and activity year.

Community Development Lending by Area										
Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Assessment Area	28	28,157	6	1,774	20	30,342	17	10,245	**71**	**70,518**
Broader Statewide	0	0	0	0	1	1,076	1	775	**2**	**1,851**
Total	**28**	**28,157**	**6**	**1,774**	**21**	**31,418**	**18**	**11,020**	**73**	**72,369**
Source: Bank Data										

Community Development Lending by Year										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2022	6	4,915	0	0	2	4,867	2	1,125	**10**	**10,907**
2023	5	5,772	0	0	6	14,328	2	817	**13**	**20,917**
2024	10	8,280	5	1,418	9	8,646	4	3,000	**28**	**21,344**
Year-to-Date 2025	7	9,190	1	356	4	3,577	10	6,078	**22**	**19,201**
Total	**28**	**28,157**	**6**	**1,774**	**21**	**31,418**	**18**	**11,020**	**73**	**72,369**
Source: Bank Data										

Qualified Investments

Qualified investments and donations since the previous evaluation were considered under this criterion as well as qualifying investments purchased prior to this evaluation that were still outstanding as of the evaluation date. 21st Century Bank made or retained 116 qualified investments totaling approximately $4.5 million that directly benefited the assessment area. Qualified investments included 111 donations totaling approximately $137,000 that primarily provided support to organizations offering community services to low- and moderate-income families and individuals, promoted economic development, and revitalized or stabilized low- and moderate-income geographies within the assessment area.

The bank's volume of qualified investments represented 0.6 percent of total assets and 2.6 percent of total securities. The bank's ratios are similar to the comparable institutions' ratios, which range from 0.5 percent to 1.6 percent of total assets and 1.6 percent to 9.6 percent of total securities. The bank's investment and grant activity by purpose and funding year are illustrated in the following table.

Community Development Qualified Investments by Year										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	4	2,154	0	0	0	0	0	0	**4**	**2,154**
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	**0**	**0**
Year-to-Date 2025	1	2,185	0	0	0	0	0	0	**1**	**2.185**
Subtotal	**5**	**4,339**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**4,339**
Qualified Grants & Donations	0	0	100	119	7	15	4	3	**111**	**137**
Total	**5**	**4,339**	**100**	**119**	**7**	**15**	**4**	**3**	**116**	**4,476**
Source: Bank Data										

Community Development Services

21st Century Bank employees provided 103 instances of financial expertise or technical assistance to 23 different community development-related organizations during the evaluation period. These services directly benefited the assessment area. The bank's level of community development services exceeded that of comparable institutions whose community development services ranged from 7 to 41 during their respective evaluation periods. The following table provides a breakdown of community development services by year and activity for each community development purpose.

Community Development Services by Year					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	**#**	**#**	**#**	**#**
2022	0	5	0	1	6
2023	0	24	4	6	34
2024	0	26	6	6	38
Year-to-Date 2025	0	17	2	6	25
Total	**0**	**72**	**12**	**19**	**103**
Source: Bank Data					

In addition to the services noted above, 21st Century Bank offers retail services and products that increase access to financial services in the assessment area, as described in the Description of Institution section. These services and products are generally free of charge to bank customers, which benefits low- and moderate-income individuals. Additionally, branch hours provide residents with easy access to personalized services, while electronic banking options provide convenient 24-hour access to account information and transaction capabilities. Further, customers have access to a network of ATMs. Lastly, the bank operates the Blaine, Ham Lake, and Roseville offices in moderate-income census tracts, and the remaining offices are centrally located throughout the assessment area. Overall, 21st Century 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

Examiners did not identify any evidence of discriminatory or other illegal credit practices. Therefore, this consideration did not affect the institution's overall CRA rating.

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 <u>financial</u> 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.