

PUBLIC DISCLOSURE

November 3, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Harvest Bank
Certificate Number: 11415

75 North Main Street
Kimball, Minnesota 55353

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.

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INSTITUTION RATING

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

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

Harvest Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's performance.

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

DESCRIPTION OF INSTITUTION

Harvest Bank is headquartered in Kimball, Minnesota and operates three branches in Atwater, St. Augusta, and Kandiyohi, Minnesota. All offices are located northwest of the Minneapolis, Minnesota metro area. The bank has not opened or closed any offices, and no merger or acquisition activities have occurred since the previous CRA evaluation. The bank is wholly owned by Cattail Bancshares, Inc., a two-bank holding company based in Atwater, Minnesota. The bank is affiliated with Citizens State Bank of Waverly, Waverly, Minnesota through common ownership. The bank received a “Satisfactory” rating at its December 9, 2019, FDIC Performance Evaluation based on Interagency Small Institution Examination Procedures.

Harvest Bank’s loan product offerings accommodate a range of agricultural, commercial, home mortgage, and consumer purposes, with a primary business focus on agricultural, commercial, and residential real estate lending. In addition to in-house loan products, Harvest Bank offers commercial loans through the Small Business Administration (SBA), including participation in the SBA Paycheck Protection Program, as well as residential real estate loan options such as long-term fixed-rate conventional financing, first-time homebuyer initiatives, and various government sponsored programs through the secondary market.

Harvest Bank provides a variety of deposit account products, including checking, savings, money market, health savings accounts, individual retirement accounts, and certificates of deposit. Harvest Bank also offers electronic banking services such as internet and telephone banking; mobile banking, including mobile deposit; bill pay; electronic statements; and ATMs.

The bank’s June 30, 2025, Consolidated Reports of Condition and Income (Reports of Condition) reflected total assets of \$231.6 million, total loans of \$158.2 million, and total deposits of \$213.0 million. The bank’s loan portfolio distribution is illustrated in the following table.

Loan Portfolio Distribution as of June 30, 2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,364	0.8
Secured by Farmland	27,762	17.5
Secured by 1-4 Family Residential Properties	51,815	32.8
Secured by Multifamily (5 or more) Residential Properties	11,955	7.6
Secured by Nonfarm Nonresidential Properties	19,793	12.5
Total Real Estate Loans	112,689	71.2
Commercial and Industrial Loans	18,325	11.6
Agricultural Production and Other Loans to Farmers	16,114	10.2
Consumer Loans	9,317	5.9
Other Loans	1,720	1.1
Total Loans	158,165	100.0
<i>Source: Reports of Condition</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define one or more assessment areas within which its CRA performance will be evaluated. Harvest Bank has designated two contiguous assessment areas in the State of Minnesota, hereafter referred to as the Metropolitan Assessment Area and the Nonmetropolitan Assessment Area. Since the prior evaluation, bank management has not changed the delineation of these areas. The following table describes the two assessment areas in more depth.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Tracts	# of Branches
Metropolitan	Partial Stearns and Partial Wright	7	2
Nonmetropolitan	Partial Kandiyohi and all of Meeker	15	2
Total		22	4
<i>Source: Bank Data</i>			

Additional details regarding assessment area demographics and other information are included in the Conclusions on Performance section for each respective assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 9, 2019, to the current evaluation dated November 3, 2025. Examiners used the Interagency Small Institution Examination Procedures to evaluate Harvest Bank’s CRA performance. Small institutions are evaluated under the Lending Test, which is described in the Appendix. This evaluation does not include any lending activity performed by affiliates.

Examiners conducted full-scope reviews for both assessment areas given the lending volume in each assessment area for all products reviewed, equal distribution of offices, and management comments. When reaching overall conclusions, examiners attributed equal weight to each assessment area given these factors. The following table provides additional details.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Metropolitan	94,733	61.2	148,558	69.7	2	50.0
Nonmetropolitan	60,052	38.8	64,719	30.3	2	50.0
Total	154,785	100.0	213,277	100.0	4	100.0
<i>Source: 9/30/2025 Bank Data</i>						

Activities Reviewed

Examiners determined that the bank’s major product lines are home mortgage, small business, and small farm loans. This conclusion considered the bank’s business strategy, the number and dollar volume of loans originated during the evaluation period, and a review of the Reports of Condition data. When arriving at overall conclusions, examiners weighed home mortgage, small business, and small farm lending performance equally based on the loan portfolio composition, loan originations

during the review period, and management’s comments on the bank’s business focus. This weighting remained consistent across both assessment areas.

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small business and small farm loans originated or renewed between January 1, 2024, and December 31, 2024, as bank management considered this period representative of the bank’s performance during the entire evaluation period. D&B data for 2024 provided a standard of comparison for small business and small farm lending. Additionally, examiners reviewed home mortgage loans reported as originated or purchased on the bank’s 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. When analyzing the bank’s 2023 and 2024 home mortgage lending performance, the 2020 U.S. Census data and 2023 and 2024 HMDA aggregate data provided a standard of comparison.

Examiners reviewed HMDA data for 2023 and 2024, which is included in the Assessment Area Concentration criterion. However, the remainder of the evaluation presents only 2024 as examiners did not identify any divergent trends in 2023 compared to the 2024 data that would materially affect conclusions.

Examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. Examiners further reviewed all loans inside the assessment area to evaluate the Geographic Distribution criterion. Finally, examiners reviewed all home mortgage loans and a sample of small business and small farm loans originated inside the assessment areas to evaluate the Borrower Profile criterion. The following table provides information on the number and dollar volume of loans reviewed.

Loan Products Reviewed				
Loan Category	Universe		Sampled/ Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage				
2023	51	5,083	33	3,380
2024	59	10,611	32	4,103
Small Business	94	10,885	55	6,159
Small Farm	76	10,204	46	6,253
<i>Source: HMDA Data; Bank Data.</i>				

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

CONCLUSIONS ON PERFORMANCE CRITERIA (BANKWIDE)

LENDING TEST

Harvest Bank demonstrated reasonable performance under the Lending Test. The bank’s performance under Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile supports this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and credit needs in the assessment areas. Harvest Bank’s net loan-to-deposit ratio, calculated from Reports of Condition data, averaged 70.6 percent over the past 23 calendar quarters from December 31, 2019, to June 30, 2025. The ratio ranged from a low of 63.5 percent as of March 31, 2022, to a high of 80.3 percent as of March 31, 2020. Examiners compared the bank’s ratio to similarly-situated banks to help evaluate performance. The comparable institutions were selected based on their asset size, geographic location, and lending focus. As illustrated in the following table, Harvest Bank’s average net loan-to-deposit ratio exceeds other similarly-situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2025 \$(000s)	Average Net Loan-to-Deposit Ratio (%)
Center National Bank Litchfield, Minnesota	239,086	59.0
Harvest Bank Kimball, Minnesota	231,558	70.6
Home State Bank Litchfield, Minnesota	209,584	56.8
Perennial Bank Darwin, Minnesota	148,533	34.9
<i>Source: Reports of Condition 12/31/2019 through 6/30/2025</i>		

Assessment Area Concentration

Harvest Bank originated a majority of its home mortgage, small business, and small farm loans by number within its assessment areas, as shown in the following table. Further, a majority of its loans by dollar volume are within the assessment areas, with the exception of 2024 home mortgage lending.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2023	33	64.7	18	35.3	51	3,380	66.5	1,703	33.5	5,083
2024	32	54.2	27	45.8	59	4,103	38.7	6,508	61.3	10,611
Home Mortgage Subtotal	65	59.1	45	40.9	110	7,483	47.7	8,211	52.3	15,694
Small Business	70	74.5	24	25.5	94	7,631	70.1	3,254	29.9	10,885
Small Farm	59	77.6	17	22.4	76	8,019	78.6	2,185	21.4	10,204

*Source: HMDA Data; Bank Data.
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion overall. This conclusion is primarily based on the bank’s performance in the Nonmetropolitan Assessment Area. Emphasis under the Geographic Distribution criterion is generally placed on the bank’s record of lending in low- and moderate-income census tracts; however, the Metropolitan Assessment Area does not include any low- and moderate-income geographies and therefore, geographic distribution was not reviewed in that assessment area. Refer to comments specific to each assessment area later in this evaluation for further information.

Borrower Profile

The distribution of borrowers reflects reasonable penetration of loans overall. The bank’s performance in the Metropolitan and Nonmetropolitan assessment areas is consistent with this conclusion. Examiners focused on the percentage, by number, of home mortgage loans to low- and moderate-income borrowers and on the percentage, by number, of loans to businesses and farms with gross annual revenues of \$1 million or less. Refer to comments specific to each assessment area later in this evaluation for further information.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall CRA rating.

METROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE METROPOLITAN ASSESSMENT AREA

The Metropolitan Assessment Area consists of census tracts 4.01, 4.02, 112.01, 112.02, and 114 in southeastern Stearns County and census tracts 1003 and 1005 in northwestern Wright County. Stearns County is in the St. Cloud, Minnesota Metropolitan Statistical Area (MSA) and Wright County is in the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA. The Kimball and St. Augusta offices are in middle-income census tracts within Stearns County. Harvest Bank does not have any offices or deposit taking ATMs located in Wright County; therefore, examiners combined performance in Wright County with the adjacent tracts in Stearns County for analysis purposes.

Economic and Demographic Data

While the boundaries of the assessment area have not changed since the prior evaluation, the 2020 U.S. Census resulted in an increase of one census tract when compared to 2015 American Community Survey (ACS) data used at the previous evaluation when there were five middle- and one upper-income census tracts. Specifically, census tract 112 split into tracts 112.01 and 112.02. The following table illustrates select 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)	7	0.0	0.0	85.7	14.3	0.0
Population by Geography	34,208	0.0	0.0	83.2	16.8	0.0
Housing Units by Geography	14,629	0.0	0.0	86.2	13.8	0.0
Owner-Occupied Units by Geography	9,789	0.0	0.0	82.2	17.8	0.0
Occupied Rental Units by Geography	3,107	0.0	0.0	92.0	8.1	0.0
Vacant Units by Geography	1,733	0.0	0.0	98.4	1.6	0.0
Businesses by Geography	3,582	0.0	0.0	80.1	19.9	0.0
Farms by Geography	150	0.0	0.0	94.7	5.3	0.0
Family Distribution by Income Level	9,208	16.9	15.8	26.1	41.2	0.0
Household Distribution by Income Level	12,896	18.0	15.5	18.4	48.1	0.0
Median Family Income - Minneapolis-St. Paul-Bloomington, Minnesota- Wisconsin MSA	\$103,977	Median Housing Value				\$ 253,414
Median Family Income - St. Cloud, Minnesota MSA	\$80,403	Median Gross Rent				\$952
			Families Below Poverty Level			5.9%
<i>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%.</i>						

According to 2024 D&B data, non-classifiable establishments represent the largest portion of businesses in the assessment area at 24.4 percent; followed by construction at 10.7 percent; and professional, scientific, and technical services at 7.6 percent. In addition, 67.3 percent of area businesses have four or fewer employees, and 95.2 percent operate from a single location.

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

Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper >= 120%
Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin					
2024	\$123,700	< \$61,850	\$61,850 to < \$98,960	\$98,960 to < \$148,440	>= \$148,440
St. Cloud, Minnesota					
2024	\$97,800	< \$48,900	\$48,900 to < \$78,240	\$78,240 to < \$117,360	>= \$117,360
<i>Source: FFIEC</i>					

Competition

The assessment area is a highly competitive market for credit products and financial services. According to Reports of Condition data filed by financial institutions as of June 30, 2025, there were 44 financial institutions operating 81 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Harvest Bank is ranked 21st with 1.4 percent of the deposit market share.

Harvest Bank is not required to collect or report its small business or small farm CRA loan data and has elected not to do so; therefore, small business and small farm loan analyses do not include comparisons against CRA aggregate data. However, the aggregate CRA data provides an indication of the level of demand for loans and the level of competition within the assessment area. According to 2023 aggregate CRA data, the most recent available, 78 CRA data reporters originated or purchased 4,409 small business loans within the counties in the assessment area. Further, 18 reporting institutions originated or purchased 187 small farm loans in these same counties. These figures do not include a high number of loans originated by smaller institutions, such as Harvest Bank, that are not required to report small business or small farm lending data but that operate within the assessment area. The overall volume of small business lending reflects significant competition, and the overall volume of small farm lending reflects moderate competition.

Harvest Bank also faces significant competition for home mortgage loans from financial institutions and mortgage companies originating or purchasing loans within the assessment area. According to 2023 HMDA aggregate market share data, the most recent available, 132 HMDA-reporting institutions originated or purchased 791 home mortgage loans in the assessment area. Harvest Bank ranked 12th with 2.3 percent of the market share by number. The aggregate data provides an indication of the demand for home mortgage loans and the level of competition. The top lenders consist of larger national banks and credit unions or national mortgage companies.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information also helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this performance evaluation, examiners reviewed recently completed community contacts from an economic development organization and a government farming organization that serves the assessment area.

The first contact indicated there are numerous smaller communities within the assessment area that have a lower standard of living and average income. Regarding housing, the contact stated Wright County overall is growing but housing turnover is low. There are primarily only market-rate single family homes being built in the larger communities in the area. The contact indicated a need for affordable housing throughout Wright County, particularly in the smaller communities. The contact stated that all financial institutions in Wright County participate in providing financing and that there do not appear to be any unmet credit needs. Further, financial institutions have opportunities to participate in revolving loan funds or provide financing to small businesses through SBA loan programs.

The second contact indicated the general economic condition of the agricultural economy has declined in recent years, which is attributed to rising input costs. However, land prices have remained steady. Larger farming operations continue to grow in order to remain viable. The contact indicated yields in the assessment area were impacted in 2024 due to flooding and in 2023 due to drought. Farmers and their spouses are also working part-time as it is difficult to make a living wage strictly by farming. Regarding housing, the area has experienced increased home costs. Home prices coupled with higher interest rates have slowed borrowing. Overall, the contact indicated financial institutions are meeting the credit needs in the area, particularly for agricultural lending.

Credit Needs

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage lending, including affordable housing, represent credit needs of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN METROPOLITAN ASSESSMENT AREA

LENDING TEST

Harvest Bank demonstrated reasonable performance under the Lending Test in the Metropolitan Assessment Area. The bank's Borrower Profile performance supports this conclusion.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The bank's lending performance reflects reasonable penetration among individuals of different income levels and businesses and farms of different revenue sizes. The bank's reasonable performance in all three lending products supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. As illustrated in the following table, Harvest Bank's lending performance among low-income borrowers exceeded aggregate data, while lending among moderate-income borrowers lagged aggregate data. In both instances, the bank's performance lagged demographic data. However, as confirmed by the community contact, there is limited availability of affordable housing stock within the assessment area, which is compounded by low housing turnover and increased home costs. Examiners confirmed the bank had a limited volume of residential real estate denials during the evaluation period, which reflects the bank's willingness to lend. Additionally, the bank participates in a downpayment and closing cost assistance program, which is targeted to low- or moderate-income borrowers. Considering these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	16.9	6.4	1	10.0	30	1.7
Moderate	15.8	25.0	1	10.0	175	10.1
Middle	26.1	24.5	2	20.0	374	21.5
Upper	41.2	31.4	4	40.0	653	37.5
Not Available	0.0	12.7	2	20.0	510	29.3
Total	100.0	100.0	10	100.0	1,742	100.0

*Source: 2020 Census Data; 2024 HMDA Data; 2024 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%.*

Small Business Loans

The distribution of small business loans reflects reasonable lending penetration to businesses with gross annual revenues of \$1 million or less. As illustrated in the following table, the bank's record of lending to businesses with gross annual revenues of \$1 million or less lags demographic data. However, examiners determined that of the 91.5 percent of businesses that reported gross annual revenues of \$1 million or less, 68.2 percent reported revenues less than \$100,000. These smaller businesses may not require financing. Further, the bank made over two-thirds of small business loans to businesses with gross annual revenues of \$1 million or less, which includes 13 of the 16 that had original amounts of less than \$100,000. Finally, as noted previously, Harvest Bank is an SBA lender, which demonstrates the bank's willingness to originate loans to businesses of all sizes, including small businesses. Considering these factors, the bank's performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000	91.5	16	64.0	949	39.8
> \$1,000,000	3.1	9	36.0	1,437	60.2
Revenue Not Available	5.4	0	0.0	0	0.0
Total	100.0	25	100.0	2,386	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. As illustrated in the following table, the bank’s record of lending to farms with gross annual revenues of \$1 million or less slightly lags demographic data. While the bank’s performance is less than demographic data, according to the 2022 Census of Agriculture, 57.3 percent of the producers in Wright and Stearns County have a primary occupation other than farming. The 2022 Census of Agriculture also revealed that 61.8 percent of farm operations in these counties did not report interest expenses related to their operations. This information indicates that many farms in the assessment area have off-farm income and may not need credit to finance farm operations. Considering these factors, overall performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000	97.3	13	81.3	1,421	74.4
> \$1,000,000	0.7	3	18.8	490	25.6
Revenue Not Available	2.0	0	0.0	0	0.0
Total	100.0	16	100.0	1,911	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area consists of census tracts 7709, 7801, 7803, 7804, 7805, 7807, 7808, 7810, and 7811 in central and eastern Kandiyohi County and all of Meeker County. The Atwater office is in a middle-income census tract, and the Kandiyohi office is in an upper-income census tract, both of which are within Kandiyohi County.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area is comprised of four moderate-, nine middle-, and two upper-income census tracts. The income classifications have changed since the 2015 ACS data used at the previous evaluation when there was one moderate-, 13 middle-, and one upper-income census tracts. The following table illustrates select 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)	15	0.0	26.7	60.0	13.3	0.0
Population by Geography	56,613	0.0	28.2	58.0	13.9	0.0
Housing Units by Geography	25,887	0.0	24.3	60.6	15.0	0.0
Owner-Occupied Units by Geography	16,335	0.0	19.5	63.7	16.9	0.0
Occupied Rental Units by Geography	5,640	0.0	46.0	45.6	8.4	0.0
Vacant Units by Geography	3,912	0.0	13.3	69.7	17.0	0.0
Businesses by Geography	4,732	0.0	26.9	55.5	17.6	0.0
Farms by Geography	455	0.0	5.3	85.5	9.2	0.0
Family Distribution by Income Level	14,662	19.5	17.4	22.2	40.9	0.0
Household Distribution by Income Level	21,975	22.2	15.6	18.1	44.2	0.0
Median Family Income – Nonmetropolitan Minnesota		\$74,710	Median Housing Value		\$ 182,099	
			Median Gross Rent		\$736	
			Families Below Poverty Level		6.1%	
<i>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%.</i>						

According to 2024 D&B data, non-classifiable establishments represent the largest portion of businesses in the assessment area at 19.5 percent; followed by Other Services (except Public Administration) at 9.4 percent; and Agriculture, Forestry, Fishing and Hunting at 8.8 percent. In addition, 71.8 percent of area businesses have four or fewer employees, and 91.2 percent operate from a single location.

The FFIEC provides updated median family incomes that are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for nonmetropolitan Minnesota are presented in the following table.

Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024	\$90,300	< \$45,150	\$45,150 to < \$72,240	\$72,240 to < \$108,360	≥ \$108,360
<i>Source: FFIEC</i>					

Competition

The assessment area is a very competitive market for credit products and financial services. According to Reports of Condition data filed by financial institutions as of June 30, 2025, there were 19 financial institutions operating 30 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Harvest Bank is ranked 13th with 2.6 percent of the deposit market share.

According to 2023 aggregate CRA data, the most recent available, 47 CRA data reporters originated or purchased 789 small business loans within the counties in the assessment area. Further, 16 reporting institutions originated or purchased 128 small farm loans in these same counties. These figures do not include a high number of loans originated by smaller institutions, such as Harvest Bank, that are not required to report small business or small farm lending data but that operate within the assessment area. The overall volume of small business lending reflects significant competition, and the overall volume of small farm lending reflects moderate competition.

Harvest Bank also faces significant competition for home mortgage loans from financial institutions and mortgage companies originating or purchasing loans within the assessment area. According to 2023 HMDA aggregate market share data, the most recent available, 149 HMDA-reporting institutions originated or purchased 916 home mortgage loans in the assessment area. The aggregate data provides an indication of the demand for home mortgage loans and the level of competition. The top lenders consist of larger national banks and credit unions or national mortgage companies.

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 also helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this performance evaluation, examiners conducted a community contact interview with a representative from a community organization dealing with economic development.

The contact indicated the area is diverse, with concentrations of Somali, Asian, and Hispanic populations. Major industries include retail manufacturing, service sector, agriculture (chicken and goat processing), assisted living, and elderly housing. Additionally, there are culturally specific businesses such as groceries and restaurants. Kandiyohi County is comprised of numerous smaller businesses, which includes the downtown “Mainstreet” Willmar area. The contact indicated there is heavy demand for lending as there are a lot of business entrepreneurs in the surrounding county and

downtown Willmar area. The contact indicated that some smaller businesses rely on alternative financing such as through CDFIs, other non-profit organizations, angel investors, credit cards, etc. Additionally, the larger Somali population relies on alternative financing rather than traditional banks due to cultural factors. Generally, the contact believes area banks are doing a great job of meeting credit needs. Further, the area includes potential borrowers who do not have credit history or exhibit qualities that could make them less likely to qualify for a traditional bank loan. The contact indicated that these borrowers rely on alternative financing, such as through the contact's organization or similar entities.

Regarding housing, the contact indicated developers are disincentivized to build in more rural areas, which limits the availability of affordable housing stock. Further, the contact attributed a shortage of housing to the elderly population holding onto homes longer, which would be affordable starter homes for younger families. The contact identified small businesses, entrepreneurship lending, financing for housing developments, and individual homeownership all as credit needs of the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage lending, including affordable housing, represent credit needs of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NONMETROPOLITAN ASSESSMENT AREA

LENDING TEST

Harvest Bank demonstrated reasonable performance under the Lending Test in the Nonmetropolitan Assessment Area. The bank's Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects overall reasonable dispersion throughout the assessment area. The bank's reasonable home mortgage and small farm lending performance primarily supports this conclusion. Although the bank's small business performance is considered poor, it did not impact the overall conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area when considering several factors. The following table indicates the bank's lending in moderate-income census tracts lagged demographic and aggregate data. However, these moderate-income census tracts are on the far edge of the bank's assessment area, some distance from the bank's closest branch in Kandiyohi, with several competing banks located in between. Examiners determined there are seven bank offices operating inside these moderate-income tracts, which are primarily located around the Willmar downtown area. Management stated, and examiners confirmed, that the bank includes these areas in general marketing efforts; although, there is no specific product focus. Further, as previously stated, the level of competition for home mortgage lending is significant. As indicated by 2023 HMDA aggregate data, 69 financial

institutions made or purchased 233 home mortgage loans within the moderate-income tracts. Considering these factors, overall performance is reasonable.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Moderate	19.5	20.2	1	4.6	80	3.4
Middle	63.7	64.3	18	81.8	2,159	91.4
Upper	16.9	15.5	3	13.6	122	5.2
Total	100.0	100.0	22	100.0	2,361	100.0
<i>Source: 2020 Census Data; 2024 HMDA Data; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. The following table indicates the bank did not make any loans within moderate-income census tracts inside the assessment area. At the previous evaluation, while the bank did not make any loans in moderate-income tracts, examiners considered performance reasonable given the limited demographic of 6.3 percent. Changes in census tract designations since the previous evaluation resulted in three additional moderate-income census tracts, which increased the demographic to 26.9 percent. As stated previously, these moderate-income census tracts are distant from the bank’s closest branch, with several competing banks located in or near the moderate-income tracts. Further, the community contact indicated some area businesses rely on various alternative financing sources, such as from non-profit organizations. However, the contact further stated there is heavy demand for business loans in the Willmar area, which is supported by 2023 aggregate CRA data, the most recent available, which showed that 39 lenders made 574 small business loans in the moderate-income census tracts. When considering the increased opportunities and overall demand for small business lending in the moderate-income areas, the bank’s performance is poor.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	26.9	0	0.0	0	0.0
Middle	55.5	42	93.3	5,197	99.1
Upper	17.6	3	6.7	46	0.9
Totals	100.0	45	100.0	5,243	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The following table indicates the bank did not make any loans within moderate-income census tracts inside the assessment area. However, the demographic data indicates that only 5.3 percent of farms are in the moderate-income census tracts within the assessment area, which limits

lending opportunities. Further, these moderate-income census tracts are distant from the bank’s closest branch, with several competing banks located in between. Considering these factors, overall performance is reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	5.3	0	0.0	0	0.0
Middle	85.5	38	88.4	5,768	94.5
Upper	9.2	5	11.6	339	5.6
Totals	100.0	43	100.0	6,107	100.0

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

Borrower Profile

The bank’s lending performance reflects reasonable penetration among individuals of different income levels and businesses and farms of different revenue sizes. The bank’s reasonable home mortgage, small business, and small farm lending performance supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. As illustrated in the following table, Harvest Bank’s lending performance among low- and moderate-income borrowers exceeded aggregate data. While lending performance lagged demographic data in both instances, examiners primarily focused on performance in comparison to aggregate data since it is typically a better indicator of market conditions and loan demand. Overall, the bank’s performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	19.5	8.3	2	9.1	60	2.5
Moderate	17.4	26.4	7	31.8	799	33.8
Middle	22.2	21.2	5	22.7	676	28.6
Upper	40.9	30.3	8	36.4	826	35.0
Not Available	0.0	13.8	0	0.0	0	0.0
Total	100.0	100.0	22	100.0	2,361	100.0

*Source: 2020 Census Data; 2024 HMDA Data; 2024 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%.*

Small Business Loans

The distribution of small business loans reflects reasonable lending penetration to businesses with gross annual revenues of \$1 million or less. As illustrated in the following table, the bank’s record

of lending to businesses with gross annual revenues of \$1 million or less reasonably compares to demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	87.4	26	86.7	2,304	61.1
>1,000,000	2.3	4	13.3	1,469	38.9
Revenue Not Available	10.3	0	0.0	0	0.0
Total	100.0	30	100.0	3,773	0.0
<i>Source: 2024 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. As illustrated in the following table, the bank’s record of lending to farms with gross annual revenues of \$1 million or less reasonably compares to demographic data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.5	29	96.7	4,067	93.7
>1,000,000	0.9	1	3.3	275	6.3
Revenue Not Available	2.6	0	0.0	0	0.0
Total	100.0	30	100.0	4,342	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

APPENDICES

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 institution'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).

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 institution 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.

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.

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.

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.

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 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.

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.