

VersaBank USA, National Association

Community Reinvestment Act

2026-2030 Strategic Plan



Table of Contents

I.	Introduction.....	3
a.	Overview.....	3
b.	VersaBank USA Overview.....	3
c.	Parent Company Overview.....	4
d.	Mission and Vision.....	4
e.	Program Oversight and Resources	4
II.	CRA Strategic Plan Development	4
a.	Public Notice.....	5
b.	Citizen Participation	5
c.	Term and Effective Date of the Plan.....	5
d.	Capacity and Constraints.....	5
III.	Historical CRA Performance.....	6
IV.	Assessment Area.....	6
a.	Description.....	6
b.	Demographic Information	7
c.	Economic Conditions and Characteristics	10
V.	Community Needs	12
VI.	Plan and Measurable Goals	14
a.	Peer Performance	14
b.	Established Goals.....	15
VII.	Plan Administration.....	20
a.	Ongoing Review of Performance Goals and Standards	20
b.	OCC Request for Approval	21
c.	Election of Alternative Performance Evaluation.....	21
d.	Bank Contact Information	21
	Appendix A – Historical Loan Mix	22
	Appendix B – Proof of Publication	23
	Appendix C – Community Needs Assessment References.....	24
	Appendix D - Assessment Area Map.....	25
	Appendix E – Census Tracts	26
	Appendix F – Qualified Investments and Staff Alignment.....	28
	Appendix G – Total Asset Projections	29

I. Introduction

a. Overview

VersaBank USA, National Association (“VersaBank USA or “Bank”) is a federally insured depository institution that is subject to the Community Reinvestment Act (“CRA”). Congress adopted the CRA in 1977, as a way for depository institutions to meet the credit needs of the communities in which they operate, including low- and moderate-income (“LMI”) neighborhoods, in concert with safe and sound operations. Each regulatory agency with CRA oversight was responsible for implementing its own regulations. VersaBank USA, being primarily regulated by the Office of the Comptroller of the Currency (OCC), is subject to 12 C.F.R. Part 25 – Community Reinvestment Act and Interstate Deposit Regulations¹. In addition to meeting the credit needs of LMI neighborhoods, the CRA provides that depository institutions should meet the needs of LMI borrowers, small businesses, small farms, and provide specific community development activities, dependent on their asset sizes and business models.

Depository institutions are subject to CRA examination procedures based on asset size. VersaBank USA is currently categorized as a small bank under current CRA examination procedures and subject to a Lending Test. As an option, Part 25 of the OCC Rules and Regulations provides depository institutions with the ability for banks to be evaluated under the *Examination Procedures for Institutions with Strategic Plans*. Utilizing this option allows the Bank to develop a strategic plan, with community input, detailing how VersaBank USA proposes to meet its CRA obligations. This CRA Strategic Plan (“Plan”) is tailored to the needs of the community using direct community input at the development stage. The Plan will be utilized to assess the Bank’s CRA performance by the VersaBank USA Board of Directors (“Board”) and the OCC.

b. VersaBank USA Overview

VersaBank USA was formed via an acquisition of Stearns Bank Holdingford, N.A. (“Stearns”), on August 30, 2024. The Bank’s main office in Holdingford, Minnesota, is a full-service location and includes an onsite ATM that does not accept deposits. An administrative office is expected to open in Minneapolis in 2025, that will not be physically accessible to the public to make deposits, receive withdrawals, or borrow money. As of March 31, 2025, the Bank has total assets of \$171 million, total deposits of \$54 million, and total equity capital of \$99 million. Historically, Stearns offered equipment financing and a non-substantive volume of consumer loans that were primarily funded by retail deposits. The Bank will continue to offer consumer loans but will not originate new equipment finance loans. Refer to Appendix A for historical information on the loan portfolio.

The Bank will substantially change its product offering and loan mix via a receivable purchase program primarily funded by brokered deposits². The Bank will continue to offer retail deposits to customers via its only branch location but brokered deposits will be the Bank’s primary funding source for future growth. The Bank offers both internet and mobile banking services to its retail customers. VersaBank USA’s Receivable Purchase Program (RPP) involves purchasing loan and lease receivables from finance and leasing companies that operate throughout the USA, providing financing in a variety of industries for both consumers and commercial entities. Based on the Bank’s business model, this program will include no preference to borrowers in the assessment area, thus the vast majority of these loans will be outside of our assessment area. Consumer

¹ The OCC in conjunction with other primary federal regulators published updates to 12 C.F.R. Part 25 that become effective starting January 1, 2026, or 2027. This Plan was developed in accordance with Part 25.51(d)(1) which indicates this Strategic Plan should be developed based on the prior Part 25 content outlined in Appendix G of the regulation if the Plan is submitted to the OCC prior to November 1, 2025.

² The Bank received approval from the OCC on June 13, 2024, for a substantial change in its asset composition under 12 CFR 5.53.

loans primarily comprised of automobile and installment loans are expected to comprise a nominal amount of total loans with loans generated via national RPP being the dominant loan product.

c. Parent Company Overview

VersaBank USA is a wholly owned subsidiary of Versa Holdings, US Corp, which is a wholly owned subsidiary of VersaBank. VersaBank is a Schedule I Canadian chartered bank headquartered in London, Ontario. As of April 30, 2025, VersaBank has total assets of \$5 billion, including \$4.5 billion in loans, and total deposits of \$4.2 billion.

VersaBank was chartered in 2002 and became the world's first fully digital financial institution when it adopted its highly efficient business-to-business model using its proprietary state-of-the-art financial technology to profitably address underserved segments of the Canadian banking market while mitigating risk. VersaBank obtains all of its deposits and provides the majority of its loans and leases electronically via a branchless model, with innovative deposit and lending solutions for financial intermediaries that allow them to excel in their core businesses. In addition, leveraging its internally developed IT security software and capabilities, VersaBank established wholly owned, Washington, DC-based subsidiary, DRT Cyber Inc. in 2019, to pursue significant large-market opportunities in cyber security and develop innovative solutions to address the rapidly growing volume of cyber threats challenging financial institutions, multi-national corporations and government entities on a daily basis.

d. Mission and Vision

VersaBank USA is committed to supporting the needs of the local community through lending and investments, charitable donations, and participation in community development services. Through launching our RPP in the United States, our mission is to provide this product to the underserved and support a variety of industries.

e. Program Oversight and Resources

The Bank's Board and management are committed to maintaining a safe and sound compliance management system while meeting the credit and community development needs in which the Bank operates. Tel Matrundola serves as the Bank's President and has extensive experience in the financial services industry and understands the importance of the CRA. The Bank has a Compliance Risk Management Policy that is subject to Board review and approval along with the CRA Strategic Plan. The Board Risk Oversight Committee will assist the Board in providing oversight and monitoring adherence to the CRA Strategic Plan.

The Chief Risk Officer is primarily responsible for the Bank's CRA function. The Bank has appointed a CRA Officer to help ensure the Bank is meeting its community reinvestment obligations. Both individuals serve on the Enterprise Risk Committee, a management committee whose responsibilities include ensuring CRA compliance. Additionally, the Chief Risk Officer works with VersaBank USA's Compliance Officer to continue developing an effective second line risk management framework including ensuring the Bank has an effective compliance management program. The Chief Internal Auditor provides a third line of defense and conducts an independent assessment of the Bank's compliance risk management activities including CRA.

II. **CRA Strategic Plan Development**

Management considered several factors in developing this CRA Strategic Plan that includes changes to the Bank's business plan, product offerings, financial projections, and the competitive environment. Management also utilized a variety of sources to assess demographics, economic conditions, and a community needs assessment that includes public input. This information, along with extensive peer analysis, were considered

to develop the CRA Strategic Plan goals for community development lending or investments, grants and donations, and services.

a. Public Notice

The Bank is required to formally solicit public comment on its CRA Strategic Plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the Plan. As the Bank only operates in one delineated assessment area, the Bank selected the [insert relevant newspaper] as the newspaper of general circulation. The newspaper is widely circulated throughout the Bank's assessment area.

The notice was published on August 26 in the St. Cloud Times and comments were solicited and considered for 30 days from publication of the notice. Refer to **Appendix B** for the content included in the publication.

b. Citizen Participation

Members of the public were invited to provide input on the various facets of the Bank's CRA Strategic Plan. Management met with community leaders concerning a variety of factors including affordable housing needs and opportunities, hunger, homelessness, financial literacy, and other aspects of community development. The information gathered during these discussions assisted in the development of specific goals incorporated into this CRA Strategic Plan. Specific organizations consulted with include:

- Tri-County Community Action Partnership
1210 23rd Ave. S Waite Park, MN 56387
Executive Director: Colleen Orne
- Initiative Foundation
501 West St. Germain Street Suite 101 St. Cloud, MN 56301
President: Brian Voerding
- Greater Minnesota Housing Fund
332 Minnesota Street, Suite 1650 West St. Paul, MN 55101
CEO and President: Andrea Brennan
- African Development Center of Minnesota
101 7th Ave S, Suite 201 St. Cloud, MN 56301
Chief Executive Officer: Nasibu Sareva
- Metropolitan Economic Development Association
1256 Penn Ave, N, Suite 4800 Minneapolis, MN 55411
President and CEO: Dorothy Bridges

c. Term and Effective Date of the Plan

The term of the CRA Strategic Plan spans five years with a proposed effective date of January 1, 2026, or the date approved by the OCC. The fiscal year for measuring Plan goals will span from January to December each Plan year based on the proposed effective date.

d. Capacity and Constraints

As part of the decision process to be evaluated under a CRA Strategic Plan, the Bank considered factors that may significantly impact its ability to provide lending, investments, or services within its assessment area. The Bank does not have any legal constraints that impact the types of activities it can engage in with respect to CRA. However, the Bank's business model and strategy may introduce limitations, as outlined below.

- Nationwide Lending Platform – the Bank will indirectly generate the vast majority of its loans outside of the assessment area via a nationwide RPP with no preference to borrowers in the assessment area. The Holdingford main office location will be used to provide deposit services to customers and to continue to provide a small volume of consumer loans. Section 25.27 of the OCC Rules and Regulations provide in part that a bank should address in its plan all three performance categories that include lending, investments, and services, as appropriate and “shall emphasize lending and lending-related activities.” It continues with: “Nevertheless, a different emphasis, including a focus on one or more performance categories, may be appropriate if responsive to the characteristics and credit needs of its assessment area(s), considering public comment and the bank’s capacity and constraints, product offerings, and business strategy.” Given this regulatory flexibility and considering the Bank’s product offerings and business and lending strategy, the Bank has established performance goals for community development loans and investments on a combined basis, allowing for the Bank to meet this goal through investments if necessary.
- Employees – the Bank will obtain the vast majority of its loans via the RPP that are funded by brokered deposits, thus some employees will live outside of the assessment area and work from home. This impacts the ability of some Bank employees to provide community development services within the assessment area. As a result, the Bank will establish goals for community service activities by considering those employees located within the assessment area.
- Economic Conditions – a recession could impact the Bank’s business plan or strategy. The Company has prior experience in managing through challenging economic times, and such conditions may require management to take more conservative actions to preserve earnings and capital. As a result, the Bank believes the Plan should have flexibility, particularly to make loans, investments, or donations during strong economic conditions when there may be a greater demand for such funding and the Bank has the most financial capacity.

III. Historical CRA Performance

Prior to its acquisition by VersaBank, Stearns Bank Holdingford, N.A., has only been subject to the small bank performance standards. Historically, Stearns was able to demonstrate its CRA record under the Lending Test primarily via its loan-to-deposit ratio and offering consumer loans inside of the assessment area and was not required to demonstrate performance in making community development loans, investments, and services. Stearns received a rating of Satisfactory in the last Performance Evaluation dated October 4, 2021, that covered November 30, 2015, to December 31, 2020. Given the new business model and anticipated increased size of the Bank, the Bank will not be able to generate a sufficient volume of consumer loans to demonstrate its CRA record. However, we believe the Bank can demonstrate its CRA commitment by focusing on community development loans or investments, donations, and services.

IV. Assessment Area

a. Description

The CRA requires a bank to delineate one or more assessment areas in compliance with 12 CFR Part 25 – Community Reinvestment, §25.41.

The Bank delineates a single assessment area that includes portions of the Minneapolis-St. Paul Combined Statistical Area (CSA) which encompasses the St. Cloud and the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Areas along with four micropolitan statistical areas. The assessment area is limited to six contiguous counties in Minnesota and each county is delineated in its entirety as illustrated in Appendices D and E. The following table indicates those counties within the CSA that are included or excluded from the assessment area.

Table 1: Assessment Area Delineation by Metropolitan Division		
Metropolitan Division	County	Inside Assessment Area
St. Cloud, MN MSA	Stearns	Yes
	Benton	Yes
Minneapolis-St. Paul-Bloomington, MN-WI MSA	Anoka	No
	Carver	No
	Chisago	No
	Dakota	No
	Hennepin	Yes
	Isanti	No
	Le Sueur	No
	Mille Lacs	No
	Pierce	No
	Ramsey	Yes
	Scott	No
	Sherburne	Yes
	St Croix, Wisconsin	No
	Washington	No
	Wright	Yes
Faribault-Northfield, MN Micropolitan Statistical Area	Rice	No
Red Wing, MN Micropolitan Statistical Area	Goodhue	No
Owatonna, MN Micropolitan Statistical Area	Steele	No
Hutchinson, MN Micropolitan Statistical Area	McLeod	No

b. Demographic Information

The following tables provide demographic information for the Bank's single assessment area. There are a total of 565 census tracts in the assessment area. Of those 565 census tracts, 49 (8.7%) were categorized as low-income and 126 (22.3%) were categorized as moderate-income. The low and moderate income census tracts

are primarily concentrated in Hennepin and Ramsey counties, with only one low income census tract contained within the other four counties. No distressed census tracts are identified in the assessment area.

Table 2: Assessment Area Census Tracts by Income Level³							
Metropolitan Statistical Area	County	CRA Income Level					
		Low	Moderate	Middle	Upper	Unknown	Total
St. Cloud, MN	Stearns	1	5	24	6	1	37
	Benton	0	3	6	1	0	10
Minneapolis-St. Paul-Bloomington, MN-WI (only includes portions of)	Hennepin	26	69	109	117	8	329
	Ramsey	22	44	49	27	1	143
	Sherburne	0	2	16	1	0	19
	Wright	0	3	21	3	0	27
TOTAL		49	126	225	155	10	565

The assessment area has a total population of 2,250,721 residents. Approximately 80% of the residents are concentrated in Hennepin and Ramsey counties that include the cities of Minneapolis and St. Paul, respectively. Population density is also vastly different among the counties comprising the assessment area, as shown in the Population Per Square Mile column in the table below.

Table 3: Assessment Area Population and Density⁴			
Metropolitan Division	County	Population	Population Per Square Mile (2020)
St. Cloud, MN	Stearns	160,977	117.9
	Benton	41,600	101.3
Minneapolis-St. Paul-Bloomington, MN-WI	Hennepin	1,258,713	2,313.1
	Ramsey	536,075	3,628.0
	Sherburne	102,206	224.5
	Wright	151,150	213.8
TOTAL		2,250,721	Not Applicable

The following table provides select demographics for the assessment area. Approximately 30% of the population in the assessment area is located in LMI census tracts with 91% contained in Hennepin and Ramsey counties. Hennepin and Ramsey have 99% of the population within the assessment area that are in low income census tracts. While Benton County does not have any low income census tracts, 31% are located in moderate income areas while Stearns, Sherburne, and Wright each have 15% or less of their population in LMI areas. However, as indicated above, Benton County has the lowest population of all counties in the assessment area.

³ FFIEC Census Reports - 2024 Delineations

⁴ U.S. Census Bureau QuickFacts, Population estimates, July 1, 2023

The distribution of LMI housing units generally aligns with household or family population within each county. However, with the exception of Wright County, generally at least 50% of the LMI population live in rental units vs. owner-occupied housing.

Table 4: Select Demographic Information for Assessment Area⁵						
Demographic Characteristic	#	Low	Moderate	Middle	Upper	Unknown
Distribution by Geography Income Level:						
Census Tracts	565	49 8.7%	126 22.3%	225 39.8%	155 27.4%	10 1.8%
Population	2,272,108	181,962 8.0%	487,691 21.5%	927,297 40.8%	646,801 28.5%	28,357 1.2%
Family Population	523,098	34,301 6.6%	100,493 19.2%	224,565 42.9%	162,022 31.0%	1,717 0.3%
Household Population	882,662	63,356 7.2%	187,541 21.2%	368,871 41.8%	254,087 28.8%	8,408 1.0%
Housing Units	929,639	67,804 7.3%	197,285 21.2%	389,093 41.8%	266,393 28.7%	9,064 1.0%
Owner-Occupied Housing Units	567,424	20,746 3.7%	95,285 16.8%	260,188 45.8%	190,432 33.6%	773 0.1%
Renter-Occupied Units	314,838	42,610 13.5%	92,256 29.3%	108,683 34.5%	63,654 20.2%	7,635 2.4%
Vacant Units	47,377	4,448 9.4%	9,744 20.6%	20,222 42.3%	12,307 25.98%	656 1.38%

Median Income, Housing Values and Gross Rent

As reflected in the table below, house prices are increasing at a faster pace than income, negatively impacting housing affordability as evidenced by deteriorating trends in the housing affordability ratio. The ratio is calculated by dividing the median household income by the median housing value with a lower ratio reflecting less affordable housing.

Table 5: Housing Affordability Ratio for St. Cloud MSA⁶			
ACS Data Source	Median Household Income	Median Housing Value	Housing Affordability Ratio
2023: ACS 1-Year Estimate	\$73,963	\$287,800	25.7%
2022: ACS 1-Year Estimate	\$71,370	\$264,100	27.0%
2021: ACS 1-Year Estimate	\$65,641	\$231,700	28.3%
2019: ACS 1-Year Estimate	\$66,076	\$204,800	32.2%

⁵ 2024 FFEIC Flat File that includes demographic data from the 2020 Census Demographic and Housing Characteristics (DHC) file and fields from the 2016-2020 5 -year American Community Survey (ACS)

⁶ United States Census Bureau, Tables S1903 and B25077

Table 6: Housing Affordability Ratio for Minneapolis-St. Paul-Bloomington MSA⁷			
ACS Data Source	Median Household Income	Median Housing Value	Housing Affordability Ratio
2023: ACS 1-Year Estimate	\$95,102	\$369,500	25.7%
2022: ACS 1-Year Estimate	\$91,341	\$359,800	25.4%
2021: ACS 1-Year Estimate	\$87,433	\$330,400	26.5%
2019: ACS 1-Year Estimate	\$93,698	\$284,500	32.9%

Rental rates have increased considerably across the assessment area. In the St. Cloud MSA, the median gross rent was \$849 in 2019 and \$1,023 in 2023, increasing 20.4%. Within the Minneapolis-St. Paul-Bloomington MSA, the average rent increased from \$1,144 in 2019 to \$1,427 in 2023, representing a 24.7% increase.⁸ While median gross rents vary by county within the assessment area, Hennepin and Ramsey have the highest rates, but all counties have experienced similar increases in rental rates in recent years.

c. Economic Conditions and Characteristics

The following table provides unemployment rates for each county comprising the assessment area. Unemployment rates are generally favorable across the assessment area and below national unemployment rates which measures 3.9% as of September 30, 2024, and averaged 3.6% in both 2023 and 2022.

Table 7: Unemployment Rates by Counties Inside Assessment Area⁹				
Metropolitan Division	County	9/30/2024	2023 Average	2022 Average
St. Cloud, MN	Stearns	2.5	2.8	2.6
	Benton	3.0	3.5	3.3
Minneapolis-St. Paul-Bloomington, MN-WI (portions of)	Hennepin	3.1	2.6	2.4
	Ramsey	3.2	2.7	2.6
	Sherburne	2.8	3.2	2.8
	Wright	2.8	2.9	2.5

The following table provides full-time and part-time employment figures for the assessment area based on the North American Industry Classification System (NAICS). This data reflects 2022 employment patterns from the Bureau of Economic Analysis (BEA). The BEA indicates that some employment data are “not shown to avoid disclosure of confidential information.” As a result, some rows in Table 8 and Table 9 may not total 100%.

⁷ United States Census Bureau, Tables S1903 and B25077

⁸ United States Census Bureau, Table B25064

⁹ Minnesota Employment and Economic Data. Unemployment rates shown are not seasonally adjusted.

Table 8: Total Full-time and Part-time Employment by NAICS Industry¹⁰		
Description	Number of Employees	Percent of Employees
Total Employment (Number of Jobs)	1,871,139	100%
By Type		
Wage and Salary Employment	1,517,515	81.1%
Proprietors Employment	353,624	18.9%
By Industry		
Farm Employment	8,081	0.4%
Nonfarm Employment	1,863,058	99.6%
Private vs. Government		
Private Nonfarm Employment	1,673,661	89.4%
Government and Government Enterprises	189,397	10.1%

As shown in the table above, total employment for the assessment area equaled 1,871,139 employed persons. Those employed were primarily wage and salary employment (81.1%) relative to proprietor employment (18.9%). By industry, a substantial majority of those employed were in nonfarm employment (99.6%), with farm employment only representing 0.4% of all employees. Most people employed within the assessment area consisted of private nonfarm employment (89.4%), with government and government enterprise employees accounting for 10.1% of total employed.

The following table breaks down private nonfarm employment and government and government enterprises employment into the various NAICS industries.

Table 9: Employment by Industry¹¹		
Description	Number of Employees	Percent of Employees
Private Nonfarm Employment		
Forestry, Fishing, and Related Activities	1,399	0.1%
Mining, Quarrying, and Oil and Gas Extraction	1,564	0.1%
Utilities	4,952	0.3%
Construction	77,610	4.1%
Manufacturing	136,065	7.3%
Wholesale Trade	73,259	3.9%
Retail Trade	140,659	7.5%
Transportation and Warehousing	81,685	4.4%
Information	34,414	1.8%
Finance and Insurance	151,152	8.1%
Real Estate and Rental and Leasing	90,390	4.8%
Professional, Scientific, and Technical Services	163,925	8.8%
Management of Companies and Enterprises	73,791	3.9%

¹⁰ Bureau of Economic Analysis

¹¹ Bureau of Economic Analysis

Administrative and Support and Waste Management and Remediation Services	101,979	5.5%
Education Services	53,266	2.8%
Health Care and Social Assistance	245,436	13.1%
Arts, Entertainment, and Recreation	45,297	2.4%
Accommodation and Food Services	102,200	5.5%
Other Services (Except Government and Government Enterprises)	82,586	4.4%
Government and Government Enterprises		
Federal Civilian	18,524	1.0%
Military	7,384	0.4%
State and Local	163,489	8.7%

As noted in the table above, health care and social assistance accounted for the largest percentage of total employees (13.1%). This was followed by professional, scientific and technical services (8.8%), state and local government employees (8.7%), and finance and insurance (8.1%).

Economic Projections

The Federal Reserve's efforts through restrictive monetary policy have reduced inflation. With consumer spending in line with the desired operating level of the Federal Reserve, the Federal Reserve is expected to reduce interest rates in 2025. However, the increased use of tariffs in international trade agreements, and their potential impact on inflation and overall economic indicators, are currently impacting decisions to reduce interest rates. While there is a risk of slowdown and some risk of recession, unemployment is forecasted to remain low and relatively flat. Overall, the current economic trends do not present a material concern at the national or assessment area level.

Table 10: FOMC Economic Projections¹²				
Indicator	2025	2026	2027	Longer Run
Change in real GDP	1.4	1.6	1.8	1.8
Unemployment rate	4.5	4.5	4.4	4.2
PCE inflation	3.0	2.4	2.1	2.0
Core PCE inflation	3.1	2.4	2.1	-
Federal funds rate	3.9	3.6	3.5	3.0

V. Community Needs

To help identify and understand community development needs, the Bank conducted a community needs assessment, with a focus on LMI individuals. In identifying community needs, the Bank considered the demographic data, discussions with local community organizations, and publications by local governments and community need organizations listed in **Appendix C**. Major findings of the needs assessment are outlined below with many of these needs being exacerbated by inflationary pressures:

- **Housing:**
 - A lack of supply of affordable housing particularly among those with incomes at or below 30% of area median income
 - Housing availability to low-to-moderate income earners continues to decline
 - Median rental rates are continuing to increase, particularly in one and two bedroom units
 - Large disparity in home ownership among non-Latino white households and other households
 - Many state, county, or organizations have initiatives underway to develop affordable housing units

¹² Federal Reserve Federal Open Markets Committee June 2025

- LMI population needs help paying energy bills or improving their homes to reduce energy costs
- Homelessness:
 - Homelessness statistics in the assessment area are below the national average but still represent an area of need
 - American Indian represent the highest population of homeless followed by African American and Latino
 - In 2023, Hennepin County had 2,843 people staying in shelters and transitional housing programs and 469 people experiencing unsheltered homelessness
 - Ramsey County has similar homelessness statistics and has identified the need for more shelter beds to accommodate families and children
 - The Minnesota Interagency Council of Homelessness has a Crossroads to Justice initiative to reduce homelessness by 15% statewide
- Hunger:
 - Food insecurity is a problem across the assessment area with Hennepin and Ramsey County having the highest number of people experiencing food insecurity
 - Based on available data, Black and Latino are most likely to experience food insecurity across the assessment area
 - Ramsey and Hennepin County has the greatest proportion of children experiencing hunger
 - Inflationary environment is creating further challenges for those with food insecurity
- Healthcare:
 - Unmet healthcare needs due to cost (premiums, copays, deductibles) or lack of insurance
 - Mental health is an issue with many experiencing suicide ideation, particularly young females.
 - Approximately 14% of residents in Stearns, Sherburne, and Benton counties reported they did not or delayed getting mental health assistance and less happiness of care reported by persons of color
 - Drug overdose is becoming an increasing problem
 - American Indian, Black/African American, and Hispanic Latino generally experience more challenges with access to healthcare
- Domestic Violence:
 - Majority of individuals suffering domestic violence are women that are at or below poverty level and have dependent children
 - Each year the St. Paul Police Department receives approximately 5,000 domestic violence calls
 - In Hennepin County, 5,099 domestic violence cases were received from 2021-2023
- Childcare:
 - Lack of access to affordable, quality, early childcare.
 - Gaps for families with low incomes, children of color, and American Indian children accessing early learning opportunities
 - As children enter kindergarten, too many face experience gaps in outcomes and opportunities driven by income, race, ethnicity, and language
 - Minnesota has some of the worst achievement gaps nationally between white and students of color, and an underlying cause of these gaps is lack of access to quality early learning programs
- Education:
 - Education gaps by race and socioeconomic status which was exacerbated by COVID

- Low-income white students significantly trail higher-income white students across Minnesota
- Disparities span all parts of the state and all types of schools, whether district or charter school
- Racial and income gaps in standardized test scores and college readiness have increased over time, while gaps in graduation rates have decreased
- Financial Literacy:
 - Expand financial literacy programs available in schools, career training programs, after school events, and underserved populations
 - Population in need includes East Africans, Native Americans, Black people, white people and people from other ethnic and racial backgrounds including refugees and immigrants
 - Many young constituents and other students are not getting enough information in school about how to manage money
 - Many LMI individuals can benefit from tax filing assistance programs
- Career Development:
 - Reduce educational, skills training, and employment disparities based on race, disability, disconnected youth or gender
 - Build employer-led industry sector partnerships that expand the talent pipeline to be inclusive of gender, race and disability to meet industry demands for a skilled workforce
 - During COVID, all workers were impacted but Black, Indigenous, People of Color (BIPOC) workers, were disproportionately impacted by job losses
 - Twin Cities has approximately 353,000 foreign born residents presenting 78.8% of Minnesota's foreign born population and generally have a greater need for career development

VI. Plan and Measurable Goals

This section discusses the Bank's strategy for demonstrating CRA performance through the establishment of measurable goals under which the Bank will be assessed. In developing the goals, management considered demographic and economic data, a community needs assessment, peer performance, and the Bank's capacity and constraints previously discussed in **Section II.d**.

Goals are established for community development lending and investments, grants and donations, and services. Activities of our affiliates can be used to meet plan goals if they are not used by another institution for CRA credit and provide benefit to our assessment area or otherwise qualify for CRA credit. Since this Plan covers five years, interim annual goals are established for each of these categories based on a fiscal year of January 1 to December 31. While this section introduces some examples of CRA activities that may be conducted under each category, the Bank will consider its needs assessment and ongoing contact with local community organizations and governments in determining to whom it will provide community development loans or investments, grants or donations, or service activities in order to meet the Plan goals.

a. Peer Performance

A quantitative approach was used to establish the goals and standards outlined below to allow the success of the Plan to be determined more objectively and to be compared to peer institutions. For the purposes of this Plan, peer institutions include banks with a similar lending strategy (i.e., a nationwide lending platform with a lower volume of loans made in its assessment area). The Bank had to rely on peers outside of its assessment area, as local institutions did not engage in such lending strategies. Peer institutions identified include Varo Bank, National Association; Nelnet Bank; Medallion Bank; EnerBank USA (acquired by Regions Bank); and

WebBank. Goals for peer institutions were obtained from their Strategic Plans. While not formally designated as peers, CRA strategic plans of other banks were also reviewed.

b. Established Goals

Community Development Loans and Investments (Goals #1 and #2)

The Bank recognizes there are distinctions between community development loans and investments. However, in setting goals, the CRA Strategic Plan considers them collectively as either category can contribute to meeting the outlined goals. Such an approach gives the Bank flexibility to ensure it deploys funding to projects that provide the most benefit to the assessment area. As outlined in Section II.d., the Bank may meet this goal in whole or part through community development investments. Such practice is also consistent with other banks that file strategic plans and have similar constraints.

The Bank is establishing a goal for new community development loans or investments each year. The following represents information from peer institutions:

Table 11: Annual Interim Peer Goals New Loans & Investments to Average Assets					
	Satisfactory / Outstanding				
	Year 1	Year 2	Year 3	Year 4	Year 5
Varo Bank, NA	0.20 / 0.30	0.30 / 0.40	0.40 / 0.45	0.40 / 0.50	0.50 / 0.60
Nelnet Bank	0.50 / 0.60	0.50 / 0.60	0.50 / 0.60	0.50 / 0.60	0.50 / 0.60
Medallion	0.40 / 0.60	0.40 / 0.60	0.40 / 0.60	0.40 / 0.60	0.40 / 0.60
EnerBank	0.45 / 0.55	0.45 / 0.55	0.45 / 0.55	0.45 / 0.55	N/A
WebBank	0.40 / 0.60	0.40 / 0.60	0.40 / 0.60	0.40 / 0.60	N/A

Based on the information presented above, the peer goals for a Satisfactory rating for new qualified loans and investments ranged from 0.20% to 0.50% of average assets, or an average of 0.42%. For an Outstanding rating, peer goals ranged from 0.30% to 0.60% for an average of 0.56%. Using these metrics as a guide, the Bank established the goals outlined in the table below that exceed the peer group minimum and over time will meet or exceed peer averages.

Table 12: Goal #1 New Community Development Loans and Investments		
1/1 to 12/31	Satisfactory	Outstanding
2026	0.30%	0.40%
2027	0.35%	0.45%
2028	0.40%	0.50%
2029	0.40%	0.55%
2030	0.45%	0.60%

Calculations:

New Loans and Investments - represents the total committed balance at origination for all qualified loans or investments in the current fiscal plan year. A renewal of a loan or time deposits at a qualifying institution is considered a new activity. However, such loan or investment can only be counted one time during a plan year regardless of its tenure. All time deposits must have a tenure of at least 12 months.

Average Assets - calculated by taking the average of line 9 (Total Assets) of Schedule RC-K (Quarterly Averages) of the Report of Income and Condition for the Bank's four quarters in the preceding fiscal plan year.

As addressed in Section II.d, economic uncertainties could impact the Bank's capacity to lend or invest. Additionally, there could be a greater need or demand within the assessment area during certain times. In recognition of these events, the Bank will allow any excess loans or investments that exceed Outstanding goals for a given year to be applied to the subsequent plan year's goal. For example, in 2028, the Bank may make 0.55% of average assets in qualifying loans or investments meeting the Outstanding threshold. The Bank may opt to carry forward the dollar amount of loans and investments representing 0.05% of average assets towards meeting the 2028 goal.

Community Development Loans and Investments include those activities that provide for affordable housing for LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing small businesses or farms meeting size eligibility requirements defined by regulation; or activities that revitalize or stabilize low-to-moderate income geographies, designated disaster areas, or certain distressed or underserved nonmetropolitan middle income geographies. In making investment decisions, the Bank may investments in nationwide funds in accordance with regulatory guidance¹³ and which is consistent with our nationwide footprint.

Examples of qualified investments include, but are not limited to, investments, grants, deposits, or shares in or to:

- Financial intermediaries (including Community Development Financial Institutions, New Markets Tax Credit-eligible Community Development Entities, Community Development Corporations, minority- and women-owned financial institutions, community loan funds, and low-income or community development credit unions¹⁴) that primarily lend or facilitate lending in low- and moderate-income areas or to low- and moderate-income individuals in order to promote community development, such as a Community Development Financial Institution (CDFI) that promotes economic development on an Indian reservation;
- Organizations engaged in affordable housing rehabilitation and construction, including multifamily rental housing;
- Organizations, including, for example, Small Business Investment Companies (SBIC), specialized SBICs, and Rural Business Investment Companies (RBIC) that promote economic development by financing small businesses;
- Community development venture capital companies that promote economic development by financing small businesses;
- Facilities that promote community development by providing community services for low- and moderate-income individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds, that specifically support affordable housing or other community development;

¹³ Section 25.23(a)-1 and 25.12(h)-6 of the Interagency Questions and Answers Regarding Community Reinvestment

¹⁴ Section 25.21(f) of the Interagency Questions and Answers Regarding Community Reinvestment states the Agencies apply a broader geographic criterion when evaluating capital investments, loan participations, and other ventures undertaken by that institution in cooperation with minority- and women-owned financial institutions and low income credit unions (MWLI), as provided by the CRA. Thus, such activities will be favorably considered in the CRA performance evaluation of the institution (as loans, investments, or services, as appropriate), even if the MWLIs are not located in, or such activities do not benefit, the assessment area(s) of the majority-owned institution or the broader statewide or regional area that includes its assessment area(s). Examples could include making a deposit, capital investment, purchasing a participation in a loan, etc.

- Not-for-profit organizations serving low- and moderate-income housing or other community development needs, such as counseling for credit, home-ownership, home maintenance, and other financial literacy programs; and
- Organizations supporting activities essential to the capacity of low- and moderate-income individuals or geographies to utilize credit or to sustain economic development, such as, for example, day care operations and job training programs or workforce development programs that enable low- or moderate-income individuals to work.

Some specific examples of qualified loans or investment opportunities within our assessment area include the following below but do not represent our commitment to provide funds to.

Midwest Minnesota Community Development Corporation

A CDFI and private non-profit company providing commercial and home mortgage lending, as well as housing, business and community development services throughout Minnesota and the Upper Midwest. Midwest Minnesota CDC's vision is to help businesses and communities succeed by providing capital, training and technical assistance through the financing and development of housing, commercial, and community facilities and to also help communities and individuals achieve a better quality of life.

Initiative Foundation

A certified CDFI that works to create economic opportunity throughout Central Minnesota by lending funds to locally owned businesses. The Foundation's lending initiatives play a crucial role in promoting economic development, revitalizing underserved communities, and fostering financial inclusion. By providing access to capital and support to borrowers who may face barriers, Initiative Foundation helps to create opportunities for economic growth and empowerment in disadvantaged areas.

Greater Minnesota Housing Fund (GMFH)

A CDFI and a 501(c)(3) nonprofit organization that supports the creation of strong communities and affordable homes through strategic investments and effective partnerships. GMHF is dedicated to social and racial justice and committed to advancing solutions that support equity for communities of color throughout Minnesota.

Metropolitan Consortium of Community Developers (MCCD)

An association of nonprofit affordable housing and economic development organizations from across the state, committed to expanding wealth building opportunities and advancing racial and economic justice. As a certified CDFI, MCCD provides business advising services and access to low-cost capital for entrepreneurs and business owners who have been locked out of traditional banking institutions, with a focus on Black, Indigenous and People of Color (BIPOC), low-wealth individuals, women and other marginalized groups.

Twin Cities Housing Development Corporation

A nonprofit developer incorporated in 1984, that works to create and sustain safe, quality and affordable housing working conventional mortgage lenders, federal, state and municipal housing funders, foundations, and for profit investors to offer housing to meet a variety of needs.

Opportunity Zones

An opportunity zone is an economically distressed area designated by the U.S. Department of the Treasury to attract private investment from qualified opportunity funds. Minnesota has 128 designated Opportunity Zone census tracts out of over 8,700 in every state and territory across the country. Of Minnesota's 128 zones, over 40 are located in the assessment area¹⁵.

Community Development Grants and Donations (Goal #2)

The Bank is committed to making charitable contributions with a primary purpose of community development that supports the institution's assessment area. Goals for grants and donations are established by dollar amount, an approach that is commensurate with peers. However, two of the peers do not have separate goals for grants or donation. The table below shows goals established by the three peer banks along with their total assets as of March 31, 2025.

Table 13: Annual Interim Peer Goals for Grants and Donations Satisfactory / Outstanding					
Peer Bank Assets	Year 1	Year 2	Year 3	Year 4	Year 5
Nelnet Bank \$1.7 billion	\$40,000 / \$60,000	\$50,000 / \$70,000	\$60,000 / \$80,000	\$70,000 / \$90,000	\$80,000 / \$100,000
EnerBank \$2.8 billion*	\$60,000 / \$80,000	\$65,000 / \$85,000	\$70,000 / \$90,000	\$75,000 / \$95,000	N/A
WebBank \$2.1 billion	\$65,000 / \$75,000	\$65,000 / \$75,000	\$65,000 / \$75,000	\$65,000 / \$75,000	N/A

*Assets are as of June 30, 2020, from EnerBank USA's CRA Strategic Plan

The peer goals and their asset size were considered in setting the goals below. As of March 31, 2025, VersaBank USA's assets are substantially smaller at \$170.7 million. Plan goals for Titan Bank, N.A. were also considered given its more comparable size, which has total assets of \$0.7 billion as of March 31, 2025 and goals for grants and donations that range from \$15,000 to \$18,223 and \$18,000 to \$21,879 for Satisfactory and Outstanding, respectively.

Table 14: Annual Grants and Donations (Goal #2)		
1/1 to 12/31	Satisfactory	Outstanding
2026	\$7,500	\$10,000
2027	\$15,000	\$20,000
2028	\$25,000	\$35,000
2029	\$30,000	\$40,000
2030	\$35,000	\$50,000

Consistent with Goal #1, the Bank will allow any excess grants or donations that exceed Outstanding goals for a given year to be applied to the subsequent plan year's goal if it desires.

Several potential nonprofit entities have been identified within our assessment area that qualify as investments via charitable contributions. The examples listed below are not intended to represent a commitment to invest in such entities, nor limit the nonprofit entities the Bank can contribute to. Management will continue to evaluate and establish new nonprofit relationships that will benefit the assessment area.

¹⁵ Individual census tracts are identified under the Designated Census Tracts for Opportunity Zones on the Minnesota Employment and Economic Development website

United Way of Central Minnesota - improve lives by mobilizing the caring power of Central Minnesota.

Annamarie's Alliance - provides education, intervention, and advocacy to those affected by relationship violence with a holistic approach and non-oppression focus.

Hands Across the World - provides a first learning experience to newly arrived immigrants and refugees who do not have the language or living skills to thrive in our community. In a classroom environment, they help both children and parents acquire the tools needed to become integrated citizens of Central Minnesota.

Ellison Center - supports young children and their caregivers during some of the most challenging times of their lives, as they deal with complex emotional and behavioral issues, domestic violence, drug and alcohol addiction, abuse and neglect, early mental health issues, and family crisis.

Junior Achievement North - prepares young people with the skillset and mindset to build thriving communities. Through experiential learning focused on financial literacy, career readiness, and entrepreneurship, students build the skills required to succeed in today's dynamic world.

Central Minnesota Community Foundation - mission is to engage people, connect resources, and build community by making grants to support key issues in Central Minnesota by:

- Encouraging individuals, families and businesses to partner with us to fulfill their charitable and financial goals
- Convening people to work on community problems
- Honoring individuals for improving our community
- Connecting people and resources to build a better community

Central Minnesota Habitat for Humanity - works to build safe, decent, and affordable houses with and for low-income families and individuals.

Catholic Charities Emergency Services Food Shelf - provides nutritious food and essential personal care necessities, instilling hope to our neighbors in need.

Feeding Area Children Together – a 501(c)3 nonprofit organization that currently serves elementary and middle school students at 12 schools across the three school districts of St. Cloud, Sauk Rapids/Rice, and Sartell/St. Stephen.

Bridge for Youth – a part of the Minneapolis community and a national leader in youth homelessness for 54 years impacting over 50,000 lives. Their mission is to center youth voice, justice, and equity in all they do, and empower youth experiencing homelessness through safe shelter, basic needs, and healthy relationships.

Tubman - provides safe shelter, housing legal services, counseling, youth programming, violence prevention, community education, and other wraparound services around the Twin Cities.

Arrive Ministries - a refugee resettlement agency providing essential services and practical assistance to refugees and immigrants to advance self-sufficiency

Avivo – works to end homelessness, provide education and training and support recovery and mental health to prepare people for employment and success.

Community Development Services (Goal #3)

The community development service goal considers the number of hours per full-time employee (FTE) the Bank will dedicate annually. The table below shows service hour goals for our peer institutions. Hours for Varo Bank, National Association, were calculated using service hours included in the plan based on FTEs located in the assessment area or broader statewide or regional area (BSRA) to make the hours comparable to the approach further discussed below for the Bank. Varo Bank allocates 2-3 hours for management level employees rather than all FTEs located in the assessment area, resulting in a materially lower number of hours per FTE. Nelnet Bank also only provided goals for total hours, which was converted to hours per FTE based on employee counts in the September 30, 2024, Report of Income and Condition.

Table 15: Annual Interim Peer Goals for Service Hours per FTE Satisfactory / Outstanding					
	Year 1	Year 2	Year 3	Year 4	Year 5
Varo Bank, NA	0.15 / 0.19	0.26 / 0.39	0.26 / 0.39	0.26 / 0.39	0.26 / 0.39
Nelnet Bank	2.5 / 3.8	2.5 / 3.8	2.5 / 3.8	2.5 / 3.8	2.5 / 3.8
Medallion	5.0 / 6.0	5.0 / 6.0	5.0 / 6.0	5.0 / 6.0	5.0 / 6.0
EnerBank	2.25 / 2.75	4.75 / 5.5	4.75 / 5.5	4.75 / 5.5	N/A
WebBank	4.0 / 5.0	4.0 / 5.0	4.0 / 5.0	4.0 / 5.0	N/A

The table below outlines goals for service hours per FTE which considers the peer data outlined above. The hours initially established meet or exceed those established by three of our peers. The goals escalate over the plan period as the Bank is able to identify further opportunities to serve the assessment area. As discussed in Section II.d, some employees do not live in the assessment area, thus will not be included in the FTE count when determining annual service hour goals which is a practice utilized by other institutions that opt to be evaluated under the strategic plan option.

Table 16: Annual Service Hours per FTE (Goal #3)		
1/1 to 12/31	Satisfactory	Outstanding
2026	2.5	3.0
2027	2.75	3.50
2028	3.0	4.0
2029	3.5	4.5
2030	4.0	5.0
Calculation:		
Hour goals for each year will be determined by the number of FTEs living in the assessment area as of 12/31 of the preceding year. If employees outside of the assessment area or of an affiliate are used to meet service hour goals within the assessment area, then those employees will be added to the FTE count to arrive at an adjusted service hour goal for the plan year.		

Community development services will be related to the provision of financial services. The Bank will seek opportunities to help serve those organizations previously discussed or others identified through the Bank's ongoing assessment of community needs.

VII. Plan Administration

a. Ongoing Review of Performance Goals and Standards

VersaBank USA's Board will ensure adequate resources are available to achieve the goals outlined in this Plan. The Board and/or the appropriate management committee will monitor the Bank's performance periodically throughout the fiscal Plan year to gauge performance against stated goals. To the extent the Bank has a material change in its mission or strategy, the Bank will consult with the OCC to submit an amended CRA Strategic Plan, and as necessary, seek formal public comment.

b. OCC Request for Approval

The Bank respectfully submits that it has fulfilled the regulatory requirements for CRA strategic plans, including those governing development of the Plan and the involvement of the public in the determination of community needs. As established herein, the Bank's CRA performance context supports the Bank's measurable Plan goals. The Board and management team believe that OCC approval of the Bank's Strategic Plan is appropriate under the OCC's criteria for evaluation as outlined in 12 CFR 25.27(g)(3)(i)-(iii).

For the reasons set forth above, the Bank respectfully requests OCC approval of this Strategic Plan.

c. Election of Alternative Performance Evaluation

The Board and senior management intend to meet or exceed all goals established in the Plan. However, the Bank reserves the right to request to be evaluated under the appropriate performance test based on the Bank's asset size.

d. Bank Contact Information

For information regarding this Strategic Plan, please contact:

Timothy Bloom
Chief Risk Officer
VersaBank USA, National Association
580 Main St.
Holdingford, MN 56340
Office Telephone: 320-746-2261
Email Address: timb@versabank.com

Appendix A – Historical Loan Mix

Loan Types¹⁶			
Dollar Amounts in Thousands	12/31/2024	12/31/2023	12/31/2022
Real Estate Secured by:			
Construction, Land Development and Other Land Loans	\$0	\$0	\$11
1-4 family Properties	\$50	\$388	\$415
Multifamily	\$0	\$1,140	\$1,428
Non-Farm Nonresidential	\$44	\$57	\$59
Farmland	\$0	\$0	\$0
Agricultural Production	\$406	\$234	\$361
Commercial and Industrial	\$43,968	\$59,159	\$52,089
Loans to Individuals:			
Other Revolving Credit Plans	\$11	\$9	\$9
Automobile	\$42	\$107	\$72
Other Consumer	\$130	\$141	\$356
Other Loan	\$15	\$15	\$12
Total Loans	\$44,666	\$61,250	\$54,812

¹⁶ Schedule RC-C of the Report of Income and Condition

*Public Notice (Notice)
Community Reinvestment Act Strategic Plan
Public Comments Invited*

Community Reinvestment Act (“CRA”) regulations require a bank that has developed a CRA Strategic Plan (the “Plan”) to publish Notice of the Plan and solicit formal written public comment for at least a 30-day period. In conformance with this requirement, VersaBank USA, National Association (the “Bank”) hereby provides notice of its intention to submit a CRA Strategic Plan to the Office of the Comptroller of the Currency (OCC). Written comments from the public concerning the Plan are encouraged. Individuals may request a copy of the Bank’s CRA Strategic Plan at no charge, by contacting Jonathan Mancari, Community Reinvestment Act Officer, by email at jonm@versabankusa.com, or by mail at 580 Main St., Holdingford, MN 56340. All written comments regarding the Plan should be directed to Mr. Mancari at the address listed above. Comments will be accepted until September 24, 2025 following which time the plan will be submitted for approval to the OCC. The Bank will review all comments and incorporate suggestions into the Plan at its discretion.

Appendix C – Community Needs Assessment References

2024-2025 Affordable Housing Plan, by Minnesota Housing

2022 Annual Report, by Tri-County Action Program, Inc. (Tri-CAP)

Point in Time County: A communitywide effort to track trends in homelessness, by Hennepin County Housing

Homeless in Ramsey County, by Ramsey County

Map the Meal Gap, by Feeding America - utilizes publicly available state and local data from the U.S. Census Bureau and Bureau of Labor Statistics

Community Health Improvement Plan 2023-2025, by Central MN Alliance

2021-2025 Community Health Assessment, by Hennepin County Public Health

St. Paul and Ramsey County Domestic Abuse Intervention Project website

Data Dashboard by the Hennepin County Attorney's Office

2023 Minnesota Child Care Cost Modeling Report, by Minnesota Department of Human Services

Financial education in Minnesota schools could help reduce economic disparities by Mark Zdechlik

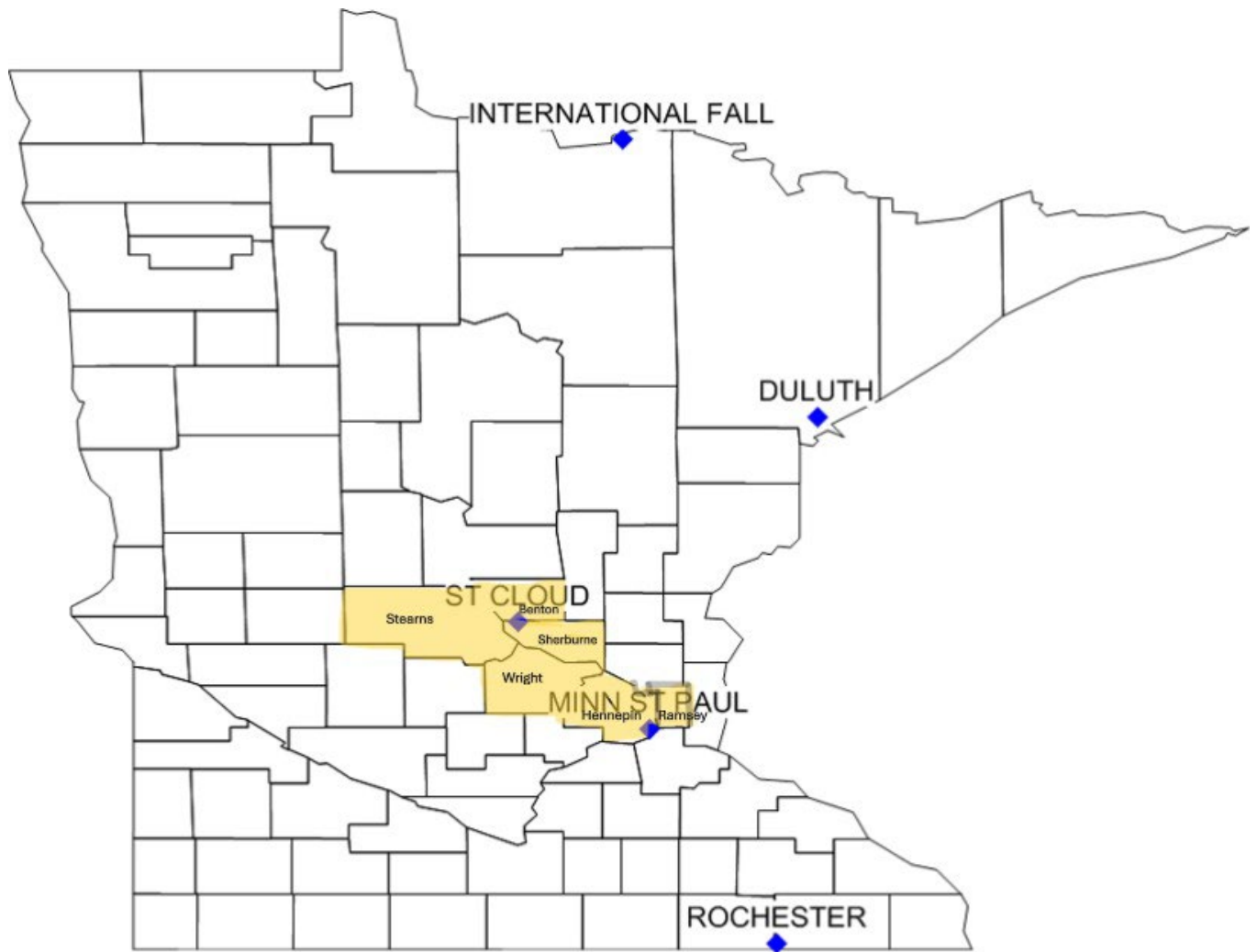
Strategic Plan 2022-2025 by the Minnesota Council on Economic Education

Workforce Innovation and Opportunity Act Plan 2021-2024 by Hennepin-Carver Workforce Development Board

A Statewide Crisis: Minnesota's Education Achievement Gaps, by the Federal Reserve Bank of Minneapolis

Governor Tim Walz Unveils 'Due North' Education Plan, press release by Office of Governor Walz and Lieutenant Governor Flanagan

Appendix D - Assessment Area Map



Appendix E – Census Tracts

Each census tract within the Bank's delineated assessment area is included in the tables that follow.

Stearns	Benton	Sherburne	Wright	Ramsey	Ramsey	Ramsey	Ramsey
0003.01	0201.00	0301.03	1001.01	0301.00	0337.00	0401.01	0418.00
0003.03	0202.02	0301.04	1001.02	0302.01	0338.00	0401.02	0419.00
0003.04	0202.03	0301.05	1002.02	0302.02	0339.00	0402.00	0420.01
0004.01	0202.05	0301.06	1002.03	0303.00	0340.00	0403.01	0420.02
0004.02	0202.06	0302.01	1002.05	0304.00	0342.01	0403.02	0421.01
0005.01	0203.00	0302.02	1002.06	0305.00	0342.03	0404.01	0421.02
0005.02	0211.02	0303.01	1003.00	0306.01	0342.04	0404.02	0422.01
0006.01	0211.03	0303.02	1004.01	0306.02	0344.00	0405.02	0422.02
0006.02	0211.04	0304.05	1004.02	0307.02	0345.00	0405.03	0423.01
0007.01	0212.01	0304.06	1005.00	0307.03	0346.01	0405.04	0423.02
0008.01		0304.07	1007.01	0307.04	0346.02	0406.01	0424.01
0009.01		0304.08	1007.04	0308.00	0347.01	0406.03	0424.02
0010.02		0304.09	1007.05	0309.00	0347.02	0406.05	0425.01
0010.03		0304.10	1007.06	0310.00	0349.00	0406.06	0425.03
0101.01		0305.03	1007.07	0311.00	0350.00	0407.04	0425.04
0101.03		0305.04	1008.03	0312.00	0351.00	0407.05	0426.01
0101.04		0305.05	1008.04	0313.00	0352.00	0407.06	0426.02
0102.00		0305.06	1008.05	0314.00	0353.00	0407.07	0427.00
0104.01		0315.00	1008.06	0315.00	0355.00	0407.08	0428.00
0104.02			1008.07	0316.00	0357.00	0407.09	0429.00
0104.03			1009.00	0317.01	0358.00	0408.01	0430.01
0105.00			1010.01	0317.02	0359.00	0408.04	0430.02
0106.00			1010.02	0318.01	0360.00	0408.05	9800.00
0109.00			1011.01	0318.02	0361.00	0409.01	
0110.00			1011.02	0319.00	0363.00	0409.02	
0111.01			1012.00	0320.00	0364.00	0410.01	
0111.02			1013.00	0321.00	0365.00	0410.02	
0112.01				0322.00	0366.00	0411.03	
0112.02				0323.00	0367.00	0411.04	
0113.02				0324.00	0368.00	0411.05	
0113.05				0325.00	0369.00	0411.06	
0113.06				0326.00	0370.00	0411.07	
0113.07				0327.00	0371.00	0412.00	
0113.08				0330.00	0372.00	0413.01	
0114.00				0331.00	0374.02	0413.02	
0115.00				0332.00	0374.03	0414.00	
0116.00				0333.00	0375.00	0415.00	
				0334.00	0376.01	0416.01	
				0335.00	0376.03	0416.02	
				0336.00	0376.04	0417.00	

Hennepin	Hennepin	Hennepin	Hennepin	Hennepin	Hennepin	Hennepin	Hennepin
0001.01	0203.02	0232.02	0258.02	0265.10	0268.24	1021.00	1091.00
0001.02	0203.03	0233.00	0258.03	0265.11	0268.25	1025.00	1092.00
0003.00	0203.04	0234.01	0258.05	0265.14	0268.26	1026.00	1093.00
0006.01	0204.00	0234.02	0259.05	0265.15	0268.27	1028.00	1094.00
0006.03	0205.00	0235.01	0259.06	0265.16	0268.28	1030.00	1097.00
0011.00	0206.00	0235.02	0259.07	0266.05	0269.03	1031.00	1098.00
0017.00	0207.00	0236.00	0259.08	0266.06	0269.06	1034.00	1099.00
0022.00	0208.01	0237.00	0259.09	0266.09	0269.07	1036.00	1100.00
0024.00	0208.04	0238.01	0260.05	0266.10	0269.08	1037.00	1101.00
0027.00	0209.02	0238.02	0260.06	0266.11	0269.10	1039.00	1102.00
0032.00	0209.03	0239.01	0260.07	0266.14	0269.11	1040.01	1104.00
0033.00	0210.01	0239.02	0260.13	0266.15	0269.12	1040.02	1105.00
0038.01	0210.02	0239.03	0260.14	0266.16	0270.01	1041.00	1108.00
0038.02	0211.00	0240.03	0260.15	0266.17	0270.02	1044.00	1109.00
0059.01	0212.00	0240.04	0260.19	0267.02	0271.01	1048.01	1111.00
0059.02	0213.00	0240.05	0260.20	0267.06	0271.02	1048.02	1112.00
0068.00	0214.00	0240.06	0260.21	0267.07	0272.02	1049.01	1113.00
0077.00	0215.01	0241.00	0260.23	0267.08	0272.03	1049.02	1114.00
0078.01	0215.02	0242.00	0260.24	0267.11	0272.04	1051.00	1115.00
0081.00	0215.03	0243.00	0260.25	0267.12	0272.05	1052.01	1116.00
0082.00	0215.04	0244.00	0260.26	0267.13	0273.00	1052.04	1225.00
0083.00	0215.05	0245.00	0260.27	0267.17	0274.00	1054.00	1226.00
0084.00	0216.01	0246.00	0260.28	0267.18	0275.01	1055.00	1255.00
0085.00	0216.02	0247.00	0261.01	0267.19	0275.03	1056.00	1256.00
0095.00	0217.00	0248.01	0261.03	0267.20	0275.04	1057.00	1257.00
0096.00	0218.00	0248.02	0261.04	0267.21	0276.01	1060.00	1258.00
0106.00	0219.00	0249.03	0262.01	0267.22	0276.02	1062.00	1259.00
0107.00	0220.00	0249.04	0262.02	0267.23	0277.01	1064.00	1260.00
0110.00	0221.01	0251.00	0262.05	0267.24	0277.02	1065.00	1261.01
0117.03	0221.02	0252.01	0262.06	0267.25	0277.03	1066.00	1261.02
0117.04	0222.00	0252.05	0262.07	0267.26	1002.00	1067.00	1262.01
0118.00	0223.01	0253.01	0262.08	0268.07	1004.00	1069.00	1262.02
0119.98	0223.02	0253.02	0263.01	0268.09	1005.00	1070.00	1263.00
0120.01	0224.00	0254.01	0263.02	0268.11	1007.00	1074.00	9800.00
0120.03	0227.00	0254.03	0264.03	0268.12	1008.00	1075.00	9801.00
0121.01	0228.01	0256.01	0264.04	0268.14	1009.00	1076.00	
0121.02	0228.02	0256.03	0264.05	0268.15	1012.00	1080.00	
0201.01	0229.01	0256.05	0264.06	0268.16	1013.00	1086.00	
0201.02	0229.02	0257.02	0265.05	0268.18	1016.00	1087.00	
0202.01	0230.00	0257.03	0265.07	0268.19	1018.00	1088.00	
0202.02	0231.00	0257.04	0265.08	0268.22	1019.00	1089.00	
0203.01	0232.01	0258.01	0265.09	0268.23	1020.00	1090.00	

Appendix F – Qualified Investments and Staff Alignment

Investments

VersaBank USA is dedicated to providing the CRA qualified investments and services detailed within its CRA Strategic Plan. The Bank has provided this appendix to detail potential investment and service activities being considered by the Bank. Strategic plans and initiatives may change, and other investment opportunities may be more readily available. This list is not exhaustive or encompassing and may be altered to allow the Bank to meet its strategic objectives and CRA obligations.

For investments, the Bank may hold certificates of deposits with Community Development Financial Institutions that operate in the Bank's Assessment Area or the greater Minnesota Area. VersaBank USA has also identified investment services such as the Minnesota Equity Fund through the Greater Minnesota Housing Fund detailed below, which aligns with the Bank's CRA investment objectives:

- Minnesota Equity Fund – Investing in LIHTC - The Low-Income Housing Tax Credit (LIHTC) is the federal government's primary program for encouraging the investment of private equity in the development of affordable rental housing for low-income households. Corporations and banks are important contributors to affordable housing development through their investments in Low Income Housing Tax Credits (LIHTC). These transactions are typically organized as limited partnerships or limited liability companies, and investments are made through those entities. Investors can earn an economic return on their capital, and bank investors can receive positive consideration toward their rating under the Community Reinvestment Act (CRA).

Donations

The Bank is also reviewing CDFI and other nonprofit centers for donations. One identified option is the utilization of available Federal Home Loan Bank Affordable Housing Grants which match donations from financial institutions to qualified nonprofit organizations where the fund's primary purpose will be supporting affordable housing initiatives.

Services

Director activity and employee activity in the Assessment Areas that would qualify for Community Reinvestment Act service hours opportunities are being evaluated. Staff in Holdingford have historically been involved in assisting local nonprofits and community groups through committee appointments and service hours. The Bank supports its staff in identifying and pursuing board and committee opportunities that will serve the communities in which the institution operates. VersaBank USA is also reviewing financial education opportunities that would support its Assessment Areas, both virtually and in person.

Appendix G – Total Asset Projections

The table below illustrates total asset projections for year-end 2025 through 2030 that may be used to estimate total loans, investments, donations, and service hours provided by VersaBank USA under this CRA Strategic Plan. Please note, these are projections and may change based on market conditions and demand for VersaBank USA products and services.

Year	Total Asset Projection (As of Year End)
2025	\$316 Million
2026	\$548 Million
2027	\$793 Million
2028	\$1 Billion
2029	\$1.4 Billion
2030	\$1.9 Billion