PUBLIC DISCLOSURE

March 10, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Coulee Bank
Certificate Number: 18361

1516 Losey Blvd S
La Crosse, Wisconsin 54601

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- Loan-to-Deposit Ratio: The average loan-to-deposit (LTD) ratio is reasonable given the institution's size and financial condition, as well as the credit needs of those residing in the AAs.

- Assessment Area Concentration: A majority of home mortgage and small business loans have been originated in the AAs.

- Geographic Distribution: The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AAs.

- Borrower Distribution: The distribution of home mortgage and small business loans reflects reasonable penetration among borrowers of different income levels, and businesses of different sizes.

- Consumer Complaints: The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Coulee Bank is a $553.1 million community bank headquartered in La Crosse, Wisconsin. The institution is wholly owned by a one-bank holding company, Coulee Bancshares, Inc., also located in La Crosse. Coulee Bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated April 18, 2022, based on Interagency Intermediate Small Institution Examination Procedures.

In addition to its main office, Coulee Bank conducts business from four additional full-service branch offices located in Minnesota and Wisconsin. The bank's Minnesota branch offices are located in St. Paul, Minnetonka, and Rochester, while the bank's Wisconsin branch office is located in Onalaska. The Minnetonka branch office is new since the previous performance evaluation and was opened on May 2, 2022. This office is located in an upper-income census tract (CT) in Hennepin County. Coulee Bank also operates two limited-service deposit only branches at the Eagle Crest North and South Assisted Living facilities in Onalaska and La Crosse, Wisconsin. On December 1, 2024, Coulee Bank closed its Holmen, Wisconsin, branch office. This office was located in a middle-income CT in La Crosse County. In addition, in May 2024, the bank closed its Loan Production Office in Apple Valley, Minnesota, which was located in a middle-income CT of Dakota County, Minnesota. These closures did not adversely impact low- and moderate-income areas.

Coulee Bank offers a variety of loan and deposit products, with a continued focus on business and residential lending activities. Business loan products include lines of credit, letters of credit, equipment/term loans, real estate loans, and several alternative financing business products. Residential real estate loan products include fixed-rate home mortgage loans, short term construction loans, and home equity lines of credit. This includes long-term fixed-rate home mortgage loans through the secondary market. Coulee Bank also participates in a variety of federal government loan programs through the Small Business Administration (SBA), Department of Veterans Affairs, Federal Home Loan Bank (FHLB), and Federal Housing Administration, as well as state programs through the Minnesota Housing Finance Agency (MHFA) and Wisconsin Housing and Economic Development Authority (WHEDA). Deposit products offered by Coulee Bank include checking, savings, certificates of deposit, individual retirement accounts, and health savings accounts. Alternative banking services include online, telephone, and mobile banking; electronic bill pay; and remote deposit capture. The bank maintains four deposit-taking ATMs that are located at the bank's La Crosse, Onalaska, St. Paul, and Rochester office locations.

As of December 31, 2024, Coulee Bank maintained total assets of $553.1 million, total loans of $454.1 million, total securities of $72.9 million, and total deposits of $449.9 million. Total assets increased approximately 13.8 percent since the prior performance evaluation based on December 31, 2021 Call Report data. Over the same time period, total loans increased approximately 22.1 percent, total securities decreased 13.5 percent, and total deposits increased 12.2 percent.

The following table illustrates Coulee Bank's loan portfolio distribution as of December 31, 2024. Despite asset and loan growth since the prior examination, the portfolio distribution remains relatively unchanged. The largest changes include loans secured by 1-4 family residential properties increasing by 5.7 percentage points and construction, land development, and other land loans decreasing by 3.9 percentage points.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	6,378	1.4
Secured by Farmland	453	0.1
Secured by 1-4 Family Residential Properties	89,689	19.8
Secured by Multifamily (5 or more) Residential Properties	57,426	12.6
Secured by Nonfarm Nonresidential Properties	216,979	47.8
Total Real Estate Loans	**370,925**	**81.7**
Commercial and Industrial Loans	75,010	16.5
Consumer Loans	3,195	0.7
Obligations of State and Political Subdivisions in the U.S.	4,742	1.0
Other Loans	195	0.1
Total Loans	**454,067**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define one or more AAs within which examiners will evaluate its CRA performance. Coulee Bank's AAs remain unchanged since the previous performance evaluation and include two AAs in Minnesota, and one AA in Wisconsin. The AAs do not arbitrarily exclude low- and moderate-income CTs, do not reflect illegal discrimination, and otherwise, conform to CRA regulatory requirements. The CRA requires that each state be separately rated. Therefore, Coulee Bank is rated overall, as well as separately for performance in the State of Minnesota and the State of Wisconsin. The following table provides details of each AA.

Description of Assessment Areas				
Assessment Area	**Counties in Assessment Area**	**# of CTs**	**# of Branches**	**Deposits $(000s)**
St. Paul AA	Anoka, Carver, Chisago, Dakota, Goodhue, Hennepin, Ramsey, Scott, Washington, and Wright	835	2	116,903
Rochester AA	Dodge, Fillmore, Olmsted, and Wabasha	52	1	29,920
Wisconsin AA	La Crosse	28	2	311,123
Source: Bank Data; 6/30/2024 FDIC Summary of Deposits Report				

More information is presented in each rated area and each individual AA.

SCOPE OF EVALUATION

General Information

Examiners prepared the CRA Performance Evaluation using the Interagency Intermediate Small Institution Examination Procedures. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test. This evaluation covers the period from the prior evaluation, dated April 18, 2022, to the date of the current evaluation, unless otherwise noted. The Appendix details the performance criteria for these tests, while the Glossary provides pertinent definitions.

The interagency procedures require Lending Test and Community Development Test ratings for the overall bank, the State of Minnesota, and the State of Wisconsin. Examiners weighted the bank's performance in the State of Minnesota more heavily than the bank's performance in the State of Wisconsin when determining conclusions for the overall rating. This is because the Minnesota AAs contain most of the bank's office locations, loans, and community development activities. In Minnesota, examiners weighted the bank's performance in the St. Paul AA more heavily than the Rochester AA, due to a greater number of loans, deposits, and community development activities. Examiners selected the St. Paul and Wisconsin AAs for full-scope reviews since they weighed more heavily in making performance conclusions and overall ratings. Examiners completed a limited-scope review of the Rochester AA due to limited bank activities in the AA and this area having received a full-scope review within the previous two CRA evaluations.

Activities Reviewed

Small business and home mortgage loans continue to represent Coulee Bank's major product lines. Examiners made this determination in consideration of Coulee Bank's business strategy and Call Report data, as well as the number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm and consumer loans, represent a major product line. Therefore, examiners did not analyze these products as part of the evaluation.

Under the Lending Test, examiners reviewed the universe of small business loans originated in 2023 and 2024, given that geographic and revenue information was readily available. These numbers are adjusted to exclude loans included in the Community Development Test to not double count loans. Performance during 2023 and 2024 is reflective of the bank's performance throughout the entire evaluation period. Examiners also reviewed the universe of home mortgage loans recorded on the 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. The following table provides specific details regarding the universe of loans reviewed by product type.

Loan Products Reviewed		
Loan Category	**Universe**	
	#	**$(000s)**
Small Business		
2023	183	46,669
2024	154	38,851
Home Mortgage		
2022	261	82,831
2023	264	66,790
2024	246	64,286
Sources: 2022, 2023, and 2024 HMDA Loan Application Registers; Bank Data		

Examiners placed equal weight on small business and home mortgage lending. Examiners considered the number and dollar amount of loans extended, Call Report data, and discussions with management when making this conclusion. D&B Data from 2023 and 2024 provided a standard of comparison for the bank's small business lending activity. The 2020 U.S. Census data, as well as 2022 and 2023 aggregate HMDA data, provided a standard of comparison for the bank's home mortgage lending activity.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services from the date of the prior evaluation, April 18, 2022, through December 31, 2024. Examiners evaluated the bank's performance during this time frame and considered qualitative and quantitative factors for these activities based on the bank's financial capacity, as well as AA needs and opportunities.

The CRA performance was analyzed in relation to the bank's performance context, including, but not limited to, bank size and structure, financial condition, loan mix, available resources, AA demographics, economic factors, competition, loan demand, and available opportunities. Examiners relied on information and data from bank records, Federal Financial Institutions Examination Council (FFIEC), U.S. Census, D&B, U.S. Bureau of Labor Statistics, Wisconsin Department of Workforce Development, Wisconsin Realtors Association, Minnesota Realtors, Minneapolis-St. Paul Business Journal, Rochester Area Economic Development, Inc., community contacts, loan information reported under the HMDA and CRA, and other readily available public information, when making conclusions about bank performance.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A "Satisfactory" rating is assigned under the Lending Test. Performance in all three AAs supports this conclusion. Overall performance is consistent with the conclusions for each rated area.

Loan-to-Deposit Ratio

Coulee Bank's LTD ratio reflects reasonable performance, given the institution's size and financial condition, as well as the credit needs within the AAs. Coulee Bank's LTD ratio averaged 98.4 percent over the previous 11 quarters with a low of 89.7 percent and a high of 104.0 percent. This ratio is comparable to that of five similarly situated financial institutions whose average LTD ratio ranged from 69.0 percent to 108.2 percent over the same period. Examiners selected the comparable financial institutions based on geographic location, loan portfolio composition, and asset size.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 12/31/2024 ($000s)**	**Average Net LTD Ratio (%)**
Coulee Bank	**553,149**	**98.4**
Citizens State Bank of La Crosse	684,372	108.2
Platinum Bank	636,677	103.3
21st Century Bank	773,823	98.1
Citizens First Bank	326,149	81.9
State Financial Bank	482,399	69.0
Source: Reports of Condition and Income 06/30/2022 – 12/31/2024		

Assessment Area Concentration

Coulee Bank originated a majority of home mortgage and small business loans within its AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans (000s)**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$**
Home Mortgage										
2022	217	83.1	44	16.9	261	74,586	90.0	8,245	10.0	82,831
2023	197	74.6	67	25.4	264	52,461	78.5	14,328	21.5	66,790
2024	180	73.2	66	26.8	246	44,661	69.5	19,626	30.5	64,286
Subtotal	**594**	**77.0**	**177**	**23.0**	**771**	**171,708**	**80.3**	**42,199**	**19.7**	**213,907**
Small Business										
2023	163	89.1	20	10.9	183	40,424	86.6	6,245	13.4	46,669
2024	130	84.4	24	15.6	154	30,782	79.2	8,069	20.8	38,851
Subtotal	**293**	**86.9**	**44**	**13.1**	**337**	**71,206**	**83.3**	**14,314**	**16.7**	**85,520**
Source: Bank Data; Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of home mortgage loans and small business loans reflects reasonable dispersion throughout the AAs. Performance in all rated areas is consistent and supports this conclusion.

Borrower Profile

The overall distribution of home mortgage and small business loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Performance in all rated areas is consistent and supports this conclusion.

Further strengthening the borrower profile performance, the bank originates loans in the Minnesota and Wisconsin statewide areas through various programs that target small businesses, and low- and moderate-income individuals. These programs increase the accessibility for credit throughout the Wisconsin and Minnesota statewide areas. The following summaries provide details of each program offered.

MHFA Mortgage Loans
The bank originates mortgage loans through various MHFA's loan programs. These loan programs offer lower down payment requirements and more flexible underwriting standards to first-time homebuyers and borrowers who would not likely qualify for a conventional mortgage. Coulee Bank originated three MHFA loans totaling $872,700 during the evaluation period.

WHEDA Mortgage Loans
The bank originates mortgage products through the WHEDA homeownership loan programs. These loan programs offer lower down payment requirements and more flexible underwriting standards to first-time homebuyers and borrowers who would not likely qualify for a conventional mortgage. During the evaluation period, the bank extended 57 loans totaling $10.6 million through these programs.

FHLB Down Payment Plus Program
The FHLB Down Payment Plus loan program is a conventional mortgage program that offers underwriting flexibilities to qualified borrowers who meet specific income criteria. This program includes grant funds for down payment and closing costs. During the evaluation period, Coulee Bank assisted low- and moderate-income borrowers in Wisconsin with 13 FHLB grants in 2023 and 2024 totaling $126,880.

CouleeCap Down Payment Program
The CouleeCap loan program is a first-time home buyer conventional mortgage program that offers underwriting flexibilities to qualified borrowers who meet specific income requirements; attend a homebuyer educational workshop; and are located within Crawford, La Crosse, Monroe, and Vernon Counties in Wisconsin. This program includes grant funds for down payment and closing costs. During the evaluation period, the bank assisted low- and moderate-income borrowers with 26 CouleeCap grants totaling $234,644.

SBA Loan Programs
The SBA loan programs enable businesses to secure affordable long-term financing for their various business needs. The guarantee of the SBA provides more flexible underwriting to qualify more borrowers. Without SBA assistance, many borrowers would not be able to obtain credit due to creditworthiness and underwriting risks. SBA loans typically take longer to underwrite, require more financial assistance from the lender, and require an enhanced level of specialized banker expertise. Since the previous evaluation, Coulee Bank extended 33 SBA loans totaling $23.6 million.

Response to Complaints

Since the previous evaluation, the institution did not receive any CRA-related complaints. Therefore, this criterion does not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

An overall "Satisfactory" rating is assigned under the Community Development Test. Coulee Bank demonstrated adequate responsiveness overall to the community development needs of its AAs through community development loans, qualified investments, and community development services. Performance is consistent in each AA. Performance is primarily supported by community development loans and services, and to a lesser extent qualified investments. Examiners considered quantitative and qualitative factors based on the institution's capacity, as well as the need for and availability of community development opportunities in the AAs.

Community Development Loans

Coulee Bank made 49 community development loans totaling $46.0 million during the evaluation period. This level of activity represents 8.3 percent of total assets and 10.3 percent of net loans based on the December 31, 2024, Call Report data. Community development loans include 14 loans totaling $10.3 million made outside of the bank's AAs, but within the broader Minnesota and Wisconsin statewide areas. Examiners considered these loans since Coulee Bank is meeting the community development needs within its AA. This performance is similar to the performance of the prior evaluation, where Coulee Bank made 39 community development loans totaling $47.4 million.

This performance is comparable to five similarly situated financial institutions in Minnesota and three similarly situated institutions in Wisconsin, whose community development loans ranged from 1.3 to 12.9 percent of total assets. Further, community development loans ranged from 1.9 to 15.9 percent of net loans. The following tables illustrate Coulee Bank's community development loans by AA and year.

Community Development Loans by Assessment Area										
Assessment Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
St. Paul AA	8	11,086	-	-	13	14,069	3	1,511	**24**	**26,666**
Rochester AA	2	1,219	-	-	3	398	-	-	**5**	**1,617**
Wisconsin AA	1	2,038	-	-	3	3,411	2	2,050	**6**	**7,499**
Statewide Activities	5	3,225	-	-	7	5,314	2	1,724	**14**	**10,263**
Total	**16**	**17,568**	**-**	**-**	**26**	**23,192**	**7**	**5,285**	**49**	**46,045**
Source: Bank Data.										

Community Development Loans by Year										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2022 (partial)	7	12,300	-	-	10	6,958	3	3,274	**20**	**22,532**
2023	6	3,058	-	-	10	6,531	1	683	**17**	**10,272**
2024	3	2,210	-	-	6	9,703	3	1,328	**12**	**13,241**
Total	**16**	**17,568**	**-**	**-**	**26**	**23,192**	**7**	**5,285**	**49**	**46,045**
Source: Bank Data.										

Notable examples of the bank's community development loans outside of the bank's AAs, but in the broader Minnesota and Wisconsin statewide area include:

- Five loans totaling $3.5 million to purchase, refinance, and improve affordable housing properties with a majority of rents below the fair market rent of the areas.
- One loan totaling $1.5 million to open a dental office in a low-income CT where current area dentists are nearing retirement with no plans for replacements. Further, the dental office plans to hire three full-time and two-part time employees. This loan helps to revitalize and stabilize the low-income geography.

Qualified Investments

Examiners considered qualified investments made during the evaluation period, as well as investments purchased prior to this evaluation that were still outstanding as of the evaluation. Coulee Bank made 26 qualified investments totaling $1.6 million during the evaluation period. Of these, 23 were qualified donations totaling $35,000 were made in the AAs during the evaluation period. Coulee Bank made three qualified investments during the prior evaluation with outstanding book values totaling $1.5 million. These three investments were bonds to school districts in the bank's statewide or regional area, including Iowa, Wisconsin, and Ohio, where 50 percent or more of the student population is eligible to receive free and reduced-priced meals. While these investments are in the broader statewide and regional areas, examiners considered them since Coulee Bank is meeting the community development needs within its AAs.

Coulee Bank's qualified investments and donations represent 2.1 percent of total securities and 0.3 percent of total assets. While on the low-end, this performance is comparable to five similarly situated financial institutions in Minnesota and three similarly situated institutions in Wisconsin, whose qualified investments and donations as a percentage of total securities ranged from 0 percent to 9.8 percent. In addition, qualified investments and donations as a percentage of total assets ranged from 0 percent to 1.6 percent for these comparable institutions. The following tables illustrate Coulee Bank's qualified investments and donations by AA and year.

Community Development Investments by Assessment Area										
Assessment Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
St. Paul AA	-	-	4	10	-	-	-	-	**4**	**10**
Rochester AA	-	-	-	-	5	5	-	-	**5**	**5**
Wisconsin AA	-	-	8	9	3	6	3	5	**14**	**20**
Statewide or Regional Activities	-	-	3	1,522	-	-	-	-	**3**	**1,522**
Total	**-**	**-**	**15**	**1,541**	**8**	**11**	**3**	**5**	**26**	**1,557**
Source: Bank Data										

Community Development Investments by Year										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period			3	1,522					**3**	**1,522**
2022 (Partial)	-	-	-	-	-	-	-	-	**-**	**-**
2023	-	-	-	-	-	-	-	-	**-**	**-**
2024	-	-	-	-	-	-	-	-	**-**	**-**
Subtotal	**-**	**-**	**3**	**1,522**	**-**	**-**	**-**	**-**	**3**	**1,522**
Qualified Grants & Donations	-	-	12	19	8	11	3	5	**23**	**35**
Total	**-**	**-**	**15**	**1,541**	**8**	**11**	**3**	**5**	**26**	**1,557**
Source: Bank Data										

Community Development Services

Coulee Bank provided 51 community development services that benefited the AAs, specifically low- and moderate-income individuals and neighborhoods. This is similar volume to the prior evaluation, where bank staff provided 48 services. The level of these activities is consistent with the capacity of the institution, as well as the needs and availability of such activities in the AAs. Further, Coulee Bank's performance slightly exceeds the performance of five similarly situated financial institutions in Minnesota and three similarly situated financial institutions in Wisconsin, whose community development services ranged from 7 to 49. The following tables illustrate Coulee Bank's community development services throughout the evaluation period by AA and year.

Community Development Services by Assessment Area					
Assessment Area	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
St. Paul AA	5	7	-	-	**12**
Rochester AA	9	-	1	-	**10**
Wisconsin AA	10	16	3	-	**29**
Total	**24**	**23**	**4**	**-**	**51**
Source: Bank Data					

Community Development Services by Year					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2022 (partial)	6	5	1	-	**12**
2023	10	9	1	-	**20**
2024	8	9	2	-	**19**
Total	**24**	**23**	**4**	**-**	**51**
Source: Bank Data					

Coulee Bank also participated in two statewide emergency assistance programs in Minnesota and Wisconsin during the evaluation period. The Bank participated in the Minnesota Homeowners Assistance Fund program offered through HomeHelpMN, which provided emergency assistance to Minnesota homeowners experiencing hardship during the COVID-19 pandemic. The program started in May 2022 and ended in July 2023. Coulee Bank also participated in the Wisconsin Help for Homeowners program that provided financial assistance to Wisconsin residents with overdue housing-related bills during the COVID-19 pandemic. Participants qualified if they met income and other eligibility requirements and had experienced qualified economic hardship starting after January 2020. This program started in March 2022 and ended in March 2024.

In addition to the services noted above, Coulee Bank offers a free checking deposit account which is a retail banking service that decreases costs for all customers, including low- and moderate-income individuals. Lastly, Coulee Bank operates a branch and a deposit-taking ATM within a moderate-income CT in Rochestor, therefore increasing accessibility to credit services within the area.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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