



PUBLIC DISCLOSURE

July 22, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Stearns Bank Upsala, N.A.
Charter No. 23458

105 South Main Street
Upsala, MN 56384

Office of the Comptroller of the Currency

222 South Ninth Street
Suite 800
Minneapolis, MN 55402

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The geographic distribution of loans reflects a reasonable dispersion of loans to individuals in different income level census tracts.
- The distribution of loans to borrowers of different income levels is excellent.
- The bank originated or purchased a majority of its loans outside its assessment area (AA).
- The bank's loan-to-deposit (LTD) ratio is more than reasonable.
- The bank has received no CRA related complaints.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

Stearns Bank Upsala National Association's (Stearns Upsala) LTD ratio averaged 95.39 percent over the 16 quarters since the previous CRA evaluation. The bank's quarterly LTD ratio ranged from a low of 76.37 percent in the first quarter of 2022 to a high of 115.36 percent in the third quarter of 2023. Stearns Upsala ranked first out of five similarly situated institutions. Similarly situated institutions include institutions operating in or near the bank's AA with total assets between \$24 million and \$308 million. The following table shows the bank's LTD ratio compared to similarly situated institutions.

Institution (Headquarters)	Total Assets as of 12/31/23 (\$000s)	Average LTD Ratio (%)
Stearns Bank Upsala, National Association (Upsala, MN)	\$62,535	95.39
First State Bank of Swanville (Swanville, MN)	\$24,094	77.96
Randall State Bank (Randall, MN)	\$59,394	77.55
Farmers and Merchants State Bank of Pierz (Pierz, MN)	\$308,489	69.30
Pine Country Bank (Little Falls, MN)	\$244,728	67.43

Lending in Assessment Area

A majority of the bank's loans are outside its AA. The bank originated and purchased 34.2 percent by number and 24.9 percent by dollar volume of its loans inside its AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The bank's loan portfolio consists primarily of loans purchased from an affiliate as part of a national lending program. Most of the loans originated at Stearns Bank Upsala are consumer loans, with 72.2 percent by number and 79.7 percent by dollar volume to borrowers located inside the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	0	0.0	40	100.0	40	0	0.0	1,009	100.0	1,009
Consumer	26	72.2	10	27.8	36	366	79.7	93	20.3	459
Total	26	34.2	50	65.8	76	366	24.9	1,089	75.1	1,468

Description of Institution

Stearns Upsala is a \$63 million institution headquartered in Upsala, Minnesota (MN). Stearns Upsala is wholly owned by the Stearns Financial Services Inc. Employee Stock Ownership Plan, a multibank holding company headquartered in Saint Cloud, MN. The holding company also owns two affiliates, Stearns Bank, N.A. (Stearns Bank) and Stearns Bank Holdingford, N.A. Stearns Upsala did not have any merger or acquisition activity during the evaluation period.

Stearns Upsala is a single-state institution with one full-service branch located in Upsala, MN. In addition to its branch, Stearns Upsala operates one cash dispensing ATM at the same location. Stearns Upsala operates within the State of Minnesota. The Minnesota rating area consists entirely of the MN Non-MSA AA, which includes two counties located outside a Metropolitan Statistical Area (MSA).

Stearns Upsala is a full-service commercial bank offering a variety of loan and deposit products. The bank's primary focus is business loans; however, most of these loans are purchased from Stearns Bank, which runs a national small business lending program. Nearly all these purchases are outside the bank's AA. The bank's primary product for lending inside the AA is consumer loans.

Net loans and leases represent 76 percent of total assets. The loan portfolio as of December 31, 2023, consists of 98.4 percent commercial loans, 1.0 percent residential real estate loans, 0.5 percent consumer loans, and 0.1 percent agricultural loans. Tier 1 capital was \$17.4 million at the end of the evaluation period, or 27 percent of total assets.

There are no known financial, legal, or other factors that impede Stearns Upsala's ability to meet the credit needs of its AA during the evaluation period. Stearns Upsala received a Satisfactory rating at the last CRA evaluation, dated March 2, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Examiners evaluated Stearns Upsala's CRA performance utilizing small bank performance standards. The evaluation period for the borrower and geographic distribution portions of the lending test covered January 1, 2020, to December 31, 2023. The evaluation period for the loan-to-deposit ratio analysis covered March 31, 2020, to December 31, 2023. The evaluation period for the complaint review covered December 31, 2019, to December 31, 2023. Business loans are the bank's primary product, and consumer loans comprise most of the bank's originations. Examiners used random sampling of business

and consumer loans in the Lending Test to determine lending inside and outside the AA. Examiners reviewed all consumer loan originations when analyzing the lending test.

Demographic data is used in part to determine the bank's lending performance. Examiners used the 2015 American Community Survey (ACS), effective January 1, 2017, for lending performance in 2020 and 2021. The U.S. Census Bureau released updated demographic data from the 2020 Census, effective January 1, 2022, and examiners used this data to assess lending performance in 2022 and 2023.

Examiners reviewed the AA's financial, economic, and environmental factors to determine the bank's lending performance. Examiners also contacted two community members with knowledge of the area's economic conditions to gather additional insight on credit needs in the AA.

Selection of Areas for Full-Scope Review

The bank has a single AA, within the State of Minnesota, which received a full-scope review. Refer to Appendix A, Scope of Examination for details on the AA.

Ratings

The bank's overall rating consists of the rating for the state of Minnesota, as Minnesota is the only state in which Stearns Upsala operates. The state of Minnesota rating consists of the bank's performance in the Lending Test in Minnesota. The Lending Test consists of the loan-to-deposit ratio, lending in the AA, lending to borrowers of different income levels and in different geographies, and complaints. Examiners considered applicable performance context as part of the Lending Test. The bank also elected to have community development investments and services considered as part of the Minnesota rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Minnesota

CRA rating for the State of Minnesota¹: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects a reasonable dispersion of loans to census tracts of different income levels.
- The distribution of loans to borrowers of different income levels is excellent.
- The bank has received no CRA related complaints.

Description of Institution's Operations in Minnesota

The Stearns Upsala AA consists of the southwest portion of Morrison County and the southeast portion of Todd County. Stearns Upsala operates one full-service branch in the MN Non-MSA AA, accounting for the bank's entire branch network. According to 2015 ACS data, which examiners used for 2020 and 2021 analysis, the Upsala AA includes seven census tracts, all of which are middle-income census tracts. The results of the 2020 census changed one census tract to moderate-income and one census tract to upper-income, resulting in one moderate-income census tract, five middle-income census tracts, and one upper-income census tract for the years 2022 and 2023.

Competition for deposits in Stearns Upsala's market is strong. According to the June 30, 2023, FDIC Deposit Market Share Report, there were 13 institutions with 22 offices and \$1.04 billion in deposits in the AA. Stearns Upsala had \$43 million in deposits and ranked tenth out of 13 institutions with 4.1 percent of all deposits in the market. The top five institutions in the market are Pine Country Bank, Farmers and Merchants State Bank of Pierz, American Heritage National Bank, First International Bank and Trust, and Unity Bank. These five institutions collectively have 65.6 percent of all deposits in the market.

Aggregate data is not available for consumer loans. In addition to Stearns Upsala, originators of consumer loans in the market include Minnesota National Bank, which has the seventh-highest deposit share, and Mid-Central National Bank, which has the eighth highest deposit share. Each bank has a branch located in Long Prairie, which is near the AA.

The COVID-19 pandemic ("pandemic") and resulting stimulus payments to households reduced loan demand in the AA. The subsequent interest rate increases beginning in 2022 caused loan demand to remain low as many households refrained from borrowing at higher rates. These factors caused the bank's lending volumes to decrease from the prior analysis period. In response to low loan demand and

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

the pandemic, Stearns Upsala performed additional actions to address community needs in the AA. These actions included outreach efforts to local farms and businesses, higher deposit rates, waived fees on overdrafts and late loan payments, and payment accommodation plans to low- and moderate-income borrowers. The bank also provided modifications and deferrals to equipment financing borrowers, though the beneficiaries of these actions were outside the AA.

Stearns Upsala is affiliated with Stearns Bank, a large community bank headquartered in St. Cloud, MN. Stearns Bank is a Small Business Administration (SBA), United States Department of Agriculture (USDA), and Farm Service Agency (FSA) preferred lender, and it is advantageous for Stearns Upsala to refer certain customers to Stearns Bank for originations. Although Stearns Bank's loans are not included as part of the analysis, examiners considered the effect this had on Stearns Upsala's lending volume and their impact to the AA during the evaluation period.

Examiners completed two community contacts in the AA. The goal of the community contacts was to assess economic conditions in the area and obtain an understanding of how the loan demand, particularly for consumer loans, has changed since the last CRA evaluation. In addition, examiners inquired whether the contacts believed that banks in the area were adequately meeting loan demand.

The first contact works for a community development foundation that primarily serves Central Minnesota, including the two counties in the AA. The contact noted that economic conditions are good in the area, with low unemployment and high labor demand, but stated that rising housing prices has made homes unaffordable for many in the area. In addition, the population in the area is older than the statewide average, and incomes and housing values tend to be lower than the state average. Agriculture and labor-related work are the most common types of employment in the area. The contact stated that banks in the area have generally provided adequate lending services in the community and that there was not a deficit in banking and credit providers. Higher interest rates have resulted in a decline in loan demand. Finally, community banks in the area have a moderate level of involvement in the community, and this involvement primarily includes community service and donations.

The second contact works for a community development company that serves Morrison County. The contact stated that economic conditions had improved in Morrison County since 2021, but that daycare for workers and the housing supply remain issues. The contact noted that loan demand remains low in the area due to high interest rates and uncertainty relating to the 2024 elections. Many households in the area have been cutting back on both borrowing and spending as a response to this uncertainty. The contact also stated that the agricultural economy in the county has been softening due to falling prices, and that this has also negatively affected retailers that sell equipment to farmers. Finally, the contact stated that banks in the area are lending according to the demand, although this demand has been lower.

The following tables provide information on the demographic composition of Stearns Upsala's AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: MN Non-MSA AA- 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	100.0	0.0	0.0
Population by Geography	26,686	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	12,604	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	8,690	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	2,230	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,684	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	2,148	0.0	0.0	100.0	0.0	0.0
Farms by Geography	345	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	7,377	17.4	18.6	25.3	38.7	0.0
Household Distribution by Income Level	10,920	24.0	15.4	19.7	40.9	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$155,485
			Median Gross Rent			\$640
			Families Below Poverty Level			6.5%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: MN Non-MSA AA - 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.00	14.3	71.4	14.3	0.0
Population by Geography	27,490	0.00	20.6	56.1	23.3	0.0
Housing Units by Geography	12,923	0.00	20.1	59.8	20.1	0.0
Owner-Occupied Units by Geography	8,692	0.00	15.1	61.1	23.8	0.0
Occupied Rental Units by Geography	2,350	0.00	47.8	35.6	16.6	0.0
Vacant Units by Geography	1,881	0.00	8.6	84.3	7.1	0.0
Businesses by Geography	2,423	0.00	24.1	52.6	23.4	0.0
Farms by Geography	370	0.00	8.9	66.2	24.9	0.0
Family Distribution by Income Level	7,263	20.0	18.9	23.7	37.4	0.0
Household Distribution by Income Level	11,042	24.4	16.8	18.4	40.5	0.0
Median Family Income Non-MSAs - MN		\$74,737	Median Housing Value			\$185,918
			Median Gross Rent			\$753
			Families Below Poverty Level			6.6%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Minnesota

The rating for the State of Minnesota is based entirely on the bank's performance in the MN Non-MSA AA as it is the only AA in the state. The MN Non-MSA AA received a full-scope review. The bank did not originate a sufficient number of loans to small businesses in the AA to perform a meaningful analysis for the lending test. As such, conclusions were based solely on the bank's consumer lending performance. Refer to Appendix A for additional information on the AA under review.

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the MN Non-MSA AA is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the AA.

Consumer Loans

Refer to Table U in the state of Minnesota section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

An analysis of the distribution of consumer loans to households in different income level census tracts was not completed for the 2020 and 2021 evaluation period as the AA did not have any low- or moderate-income census tracts in 2020 or 2021.

The distribution of consumer loans to households in different income level census tracts is reasonable for the 2022 and 2023 evaluation period. During that period, there was one moderate-income census tract in the AA. The bank did not originate any loans in that census tract; however, that census tract is located approximately 30 minutes from the bank's branch and is in a town with competition from other banks. Given this context, it is reasonable that the bank did not originate any loans in the moderate-income census tract.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels.

Consumer Loans

Refer to Table V in the state of Minnesota section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to low- and moderate-income borrowers is excellent for the 2020 and 2021 evaluation period. The percentage of loans made to moderate-income borrowers significantly exceeded the percentage of moderate-income households. The percentage of loans to low-income

borrowers was below the percentage of low-income households but considered reasonable given the fact that 6.5 percent of families live below the poverty level and would likely not qualify for credit.

The distribution of consumer loans to individuals of different income levels was excellent for the 2022 and 2023 evaluation period. The percentage of loans made to low- and moderate-income borrowers significantly exceeded the percentage of low- and moderate-income households.

Responses to Complaints

Stearns Upsala did not receive any complaints relating to their performance in meeting the AA’s credit needs during the evaluation period.

COMMUNITY DEVELOPMENT

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AA. Performance related to community development activities had a neutral effect on the bank’s rating in the state.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Upsala	0	0	5	0.5	5	100	0.5	100	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank provided an adequate number of Community Development Investments. During the evaluation period, the bank provided five qualifying investments totaling \$0.5 thousand. Investments included donations to two organizations that support economic development in the AA and one organization that revitalizes low- and moderate-income (LMI) geographies in the AA.

Extent to Which the Bank Provides Community Development Services

The bank provides an adequate level of Community Development Services. During the evaluation period, Stearns Upsala employees provided 30 hours of community development services to two qualified community development organizations that benefitted the AA. Service hours included providing financial literacy training to students and fundraising for a local hunger prevention organization targeted to low- and moderate-income seniors.

Appendix A: Scope of Examination

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

Time Period Reviewed:	1/1/20 to 12/31/23	
Bank Products Reviewed:	Small business, Consumer loans Qualified investments, Community Development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota		
MN Non-MSA AA	Full scope	Portions of Todd and Morrison Counties Morrison County CTs: 7802.00, 7803.00, 7806.00, 7807.00, and 7808.00 Todd County CTs: 7905.00 and 7908.00

Appendix B: Summary of MMSA and State Ratings

RATINGS	Stearns Bank Upsala, N.A.
Overall Bank:	Lending Test Rating
Stearns Bank Upsala, N.A.	Satisfactory
State:	
Minnesota	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

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

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2020-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
MN non-MSA	12	141	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0
Total	12	141	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2020-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
MN non-MSA	12	141	100.0	24.0	16.7	15.4	50.0	19.7	16.7	40.9	16.7	0.0	0.0
Total	12	141	100.0	24.0	16.7	15.4	50.0	19.7	16.7	40.9	16.7	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2022-23	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
MN non-MSA	15	225	100.0	0.0	0.0	22.1	0.0	55.6	100.0	22.3	0.0	0.0	0.0
Total	15	225	100.0	0.0	0.0	22.1	0.0	55.6	100.0	22.3	0.0	0.0	0.0

*Source: 2020 U.S Census; 01/01/2022 - 12/31/2023 Bank Data.
Due to rounding, totals may not equal 100.0*

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2022-23	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
MN non-MSA	15	225	100.0	24.4	40.0	16.8	26.7	18.4	13.3	40.5	6.7	0.0	13.3
Total	15	225	100.0	24.4	40.0	16.8	26.7	18.4	13.3	40.5	6.7	0.0	13.3

*Source: 2020 U.S Census; 01/01/2022 - 12/31/2023 Bank Data.
Due to rounding, totals may not equal 100.0*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.