



PUBLIC DISCLOSURE

July 15th, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Stearns Bank National Association
Charter Number: 15576

4191 Second Street South
St. Cloud MN 56030

Office of the Comptroller of the Currency

222 South 9th Street
Suite 800
Minneapolis, MN 55402-3393

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.

Table of Contents

Overall CRA Rating.....	3
Description of Institution.....	4
Scope of the Evaluation.....	5
Discriminatory or Other Illegal Credit Practices Review.....	6
State Rating.....	8
State of Minnesota.....	8
State Rating.....	22
State of Arizona.....	22
State Rating.....	29
State of Florida.....	29
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The following table indicates the performance level of Stearns Bank National Association (Stearns) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Stearns Bank National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Stearns' overall Lending Test performance is good. Stearns demonstrated good geographic distribution and adequate lending activity and borrower distribution. The bank had good performance in Minnesota, adequate performance in Florida, and excellent performance in Arizona. Community Development (CD) loans had a positive impact on the Lending Test performance in Minnesota and Arizona. Performance in the state of Minnesota received the most weight since Minnesota represents the bank's largest portion of deposits, loans, and branches.
- Stearns' Investment Test performance is excellent. The bank had a significant level of qualified investments. CD investments demonstrated excellent responsiveness to assessment area (AA) needs. Stearns had excellent performance in Minnesota, Arizona, and Florida.
- Stearns' Service Test performance is excellent. Branches in Minnesota and Florida are readily accessible to low- and moderate-income (LMI) geographies and individuals, while the branch in Arizona is reasonably accessible. Services and hours do not vary in a way that inconveniences LMI individuals or geographies. In the state of Minnesota, CD services was excellent. The bank provided a relatively high level of CD services in Arizona and an adequate level of CD services in Florida.

Lending in Assessment Area

A very small percentage of the bank's loans are in its AAs.

The bank originated and purchased 3.6 percent of its loans by number and 4.9 percent by dollar inside its AAs during the evaluation period. Stearns has a strategic focus on nationwide equipment lending and Small Business Administration (SBA) guaranteed loans. This focus on national product lines is the primary reason that a majority of lending activity occurs outside the bank's AAs. This analysis is

performed at the bank, rather than the AA level. The analysis was performed by selecting a random sample of home mortgage loans and reviewing all small loans to businesses and farms reported on the bank's Community Reinvestment Act (CRA) loan application registrar (LAR) from January 1, 2021 through December 31, 2023.

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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	21	52.5	19	47.5	40	3,379	40.3	4,997	59.7	8,376
Small Business	605	3.2	18,484	96.8	19,089	69,144	4.5	1,459,426	95.5	1,528,570
Small Farm	155	6.2	2,359	93.8	2,514	10,555	7.4	132,277	92.6	142,832
Total	781	3.6	20,862	96.6	21,603	83,078	4.9	1,596,700	95.1	1,679,778

*Source: 2020 U.S. Census and 2023 D&B Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

Stearns is a nationally chartered interstate bank headquartered in St. Cloud, Minnesota. Stearns operates as a subsidiary of a three-bank holding company known as Stearns Financial Services, Inc. (SFSI), which is headquartered in St. Cloud, Minnesota. As of December 31, 2023, SFSI had total assets of approximately \$3.2 billion. Stearns has two affiliates through common SFSI ownership. These include Stearns Bank Holdingford National Association, headquartered in Holdingford, Minnesota, and Stearns Bank Upsala National Association, headquartered in Upsala, Minnesota. This evaluation does not consider affiliate activities in evaluating Stearns' CRA performance.

Stearns is a full-service commercial bank. The bank's business focus is nationwide commercial lending, nationwide leasing, SBA 7(a) and 504 lending, construction lending, and Section 42 Low Income Housing Tax Credit (LIHTC) financing. The bank has an equipment finance division offering nationwide leasing and financing. Equipment financing through conditional sales contracts are considered loans for CRA purposes. Stearns also offers agriculture and consumer loans.

Stearns operates seven full-service locations in Minnesota, Arizona, and Florida. In addition to full-service branches, Stearns maintains an operations office located in St. Cloud, Minnesota. During the evaluation period, Stearns did not open any branches but closed one branch and automated teller machine (ATM) located in North Branch, Minnesota in the Minneapolis Metropolitan Statistical Area (MSA) in May 2022. Stearns operates eight ATMs in total, including five in the state of Minnesota and three in the state of Florida. ATMs are cash-dispensing and do not accept deposits. Refer to the Description of Operations in each of the state sections below for more information regarding the branches and ATMs by state and AA.

As of December 31, 2023, Stearns had \$3.1 billion in total assets with net loans and leases comprising 80.3 percent of those assets. The loan portfolio is comprised of approximately 95 percent business loans, 4.5 percent home mortgage, less than one percent of farm loans, and less than one percent of consumer loans. As of December 31, 2023, the tier one leverage ratio totaled 19.1 percent with approximately \$544 million in tier one capital.

There are no known legal, financial, or other factors impeding Stearns' ability to meet the credit needs in its AAs. Stearns was rated Satisfactory at the last CRA examination dated September 27th, 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Evaluation Period

Examiners evaluated small loans to businesses and farms; home mortgage loans; CD loans; qualified investments; and CD and retail services from January 1, 2021, through December 31, 2023 (the evaluation period). Examiners did not consider consumer loans in this evaluation as consumer lending was not a substantial majority of Stearns' business and management did not request consideration.

Demographic changes associated with the 2020 Census data became effective January 1, 2022, resulting in multiple analysis periods. Examiners analyzed small loans to businesses and farms data from January 1, 2021, through December 31, 2021 (2021 analysis period), using 2015 American Community Survey (ACS) demographic information. Examiners analyzed home mortgage loans and small loans to businesses and farms data from January 1, 2022, through December 31, 2023 (2022-2023 analysis period), using 2020 Census demographic information. Examiners placed more weight on the 2022-2023 analysis period as it covered more of the overall evaluation period and had the majority of the lending volume.

Lending Test

Examiners used small loans to businesses and farms data collected and reported by Stearns in their 2021-2023 CRA loan application registers (LAR). In preparation for this examination, examiners completed a separate data integrity review and confirmed the data was accurate and reliable.

Small loans to businesses represented the largest portion of lending activity during the evaluation period. Stearns originated and purchased over 19 thousand small loans to businesses totaling approximately \$1.5 billion. Small loans to businesses represent 88.2 percent of total loans by number and 91 percent by dollar. Stearns originated and purchased approximately 2.5 thousand small loans to farms totaling \$143 million. Small loans to farms represent 11.6 percent by number and 8.5 percent by dollar of total loans.

Only loans inside the bank's AAs were considered. Examiners did not perform statistical analysis or draw conclusions for a loan product if there were less than 17 originated or purchased loans in an AA. Business loans were the primary product for all AAs. Farm lending is not a primary product of the bank, and in many bank markets, the volume of farm lending during the evaluation period was insufficient to conduct a meaningful analysis. However, farm lending was considered when there were enough loans for a meaningful analysis. Farm loans were only considered in the State of Minnesota. Examiners did not analyze farm loans in Florida or Arizona due to low volume of originations. In both states, there were five or fewer farm loans originated during the evaluation period and analysis is not meaningful.

Stearns was exempt from Home Mortgage Disclosure Act (HMDA) LAR reporting requirements throughout the evaluation period given the low volume of home mortgage loans; however, examiners selected a random sample of loans to assess home mortgage lending in two AAs in Minnesota: St. Cloud

MSA and MN Non-MSA. Examiners did not analyze home loans for the 2021 analysis period due to low volume of originations.

Examiners gave equal weighting to geographic and borrower distribution components of the Lending Test. The Lending Test also considered the number and dollar volume of CD loans, with emphasis placed on loans that were particularly complex or responsive to AA needs.

Investment Test

Examiners reviewed the bank's donations, grants, and investments made during the evaluation period and determined which qualified as CD.

Service Test

Examiners reviewed the bank's listing of service activities provided during the evaluation period and determined which qualified as CD. Examiners also considered the delivery systems, including branch hours and services, and branch distribution by geography.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings.

Each state is a rating area. For purposes of this examination, there are three rating areas: Minnesota, Arizona, and Florida. Minnesota received the most weight because it has the largest number of bank branches and the largest portion of the bank's deposits and loans. Florida and Arizona were weighted equally after Minnesota based on their deposit and loan volume.

The state ratings are based primarily on the AAs that received a full-scope review. Refer to the "Scope" section under each state section for details regarding the weighting used to arrive at the respective rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 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 Minnesota: Outstanding

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

The major factors that support this rating include:

- The geographic distribution of loans throughout census tracts (CTs) of different income levels is adequate.
- The distribution of loans to small businesses and farms and individuals of different income levels is adequate.
- The institution made a relatively high level of CD loans.
- The bank made a significant level of CD investments and demonstrates excellent responsiveness to the needs of the AAs.
- The bank's service delivery systems are readily accessible to geographies of different income levels.
- Employees provide an excellent level of CD services to qualified organizations.

Description of Institution's Operations in Minnesota

The bank had three AAs in the state of Minnesota during the 2021 analysis period: St. Cloud MSA, MN Non-MSA, and Minneapolis MSA and two AAs during the 2022 -2023 analysis period: St. Cloud MSA and MN Non-MSA. Stearns' primary lending focus in Minnesota is business loans, followed by farm loans.

During both analysis periods, the St. Cloud MSA AA consists of Benton and Stearns counties and has two full-service locations, one in St. Cloud and another in Albany. Stearns has the greatest presence in the St. Cloud MSA AA. During the 2021 analysis period, the St. Cloud MSA AA accounts for 93.7 percent of the bank's deposits within Minnesota and 75.0 percent of the bank's total deposits. Business loans accounted for 57.5 percent of loan originations by number and 76.5 percent by dollar in the St. Cloud MSA AA. The June 30, 2021, FDIC Deposit Market Share Report indicates the St. Cloud MSA AA ranked first among 32 deposit-taking institutions in the AA with a market share of 17.8 percent.

During the 2022-2023 analysis period, the St. Cloud MSA AA accounts for 95.4 percent of the bank's deposits within Minnesota and 75.1 percent of the bank's total deposits. Business loans accounted for 64.5 percent of loan originations by number and 85.8 percent of loans by number in the St. Cloud MSA AA. The June 30, 2023, FDIC Deposit Market Share Report indicates the St. Cloud MSA AA ranked first among 33 deposit-taking institutions in the AA with a market share of 22.1 percent.

During both analysis periods, the MN Non-MSA AA consists of Kanabec and Pine Counties and includes one branch in Pine City. During the 2021 analysis period, business loans accounted for 54.2 percent of loan originations by number and 71 percent by dollar in the MN Non-MSA AA. The June 30th, 2021, FDIC Deposit Market Share Report indicates Stearns ranked 5th among 8 deposit-taking institutions in AA with a market share of 6.2 percent. During the 2022-2023 analysis period, business loans accounted for 48 percent of loan originations by number and 68.9 percent of loans by dollar in the MN Non-MSA. The June 30th, 2023, FDIC Deposit Market Share Report indicates Stearns ranked 4th among 8 deposit-taking institutions in the AA with a market share of 9.7 percent.

During the 2021 analysis period, the Minneapolis MSA AA consists of Chicago, Isanti, and Sherburne Counties and includes one location in North Branch. Stearns closed one branch and ATM located in North Branch, MN in the Minneapolis MSA AA in May 2022. There are no other branches in the Minneapolis MSA, which is why the Minneapolis MSA AA is excluded from the 2022-2023 analysis period. Business loans accounted for 80.8 percent by number of loan originations and 81.5 percent by dollar in the Minneapolis MSA AA.

As part of this review, we contacted a local organization and referenced other recently completed community contacts to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within their AAs. The contacts indicated a variety of needs including affordable housing, business lending, Sharia compliant lenders that provide real estate financing to Islamic organizations and businesses without compromising their faith, and financial education.

The following tables provide information on the demographic composition of the St. Cloud MSA AA and MN Non-MSA AA, which were subject to full-scope reviews.

Demographic Information of the Assessment Area						
Assessment Area: Stearns Bank - St Cloud MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	0.0	10.5	76.3	13.2	0.0
Population by Geography	191,816	0.0	12.7	71.7	15.7	0.0
Housing Units by Geography	79,007	0.0	13.3	73.2	13.5	0.0
Owner-Occupied Units by Geography	51,046	0.0	7.9	76.5	15.7	0.0
Occupied Rental Units by Geography	21,851	0.0	26.4	63.7	9.9	0.0
Vacant Units by Geography	6,110	0.0	12.4	79.7	7.9	0.0
Businesses by Geography	16,546	0.0	14.1	68.5	17.4	0.0
Farms by Geography	1,330	0.0	2.6	89.6	7.7	0.0
Family Distribution by Income Level	47,374	20.0	17.5	23.0	39.5	0.0
Household Distribution by Income Level	72,897	23.7	16.0	19.4	40.9	0.0
Median Family Income		\$69,359	Median Housing Value			\$165,394
			Median Gross Rent			\$744
			Families Below Poverty Level			7.7%

Source: 2015 ACS and 2021 D&B Data
Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Demographic Information of the Assessment Area						
Assessment Area: Stearns Bank - St Cloud MSA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	47	2.1	17.0	63.8	14.9	2.1
Population by Geography	199,671	1.2	16.6	64.3	17.0	1.0
Housing Units by Geography	82,381	1.1	18.1	65.3	14.9	0.6
Owner-Occupied Units by Geography	52,003	0.0	12.0	68.5	19.4	0.1
Occupied Rental Units by Geography	24,055	2.8	32.8	56.2	6.5	1.6
Vacant Units by Geography	6,323	3.0	12.1	73.4	10.3	1.1
Businesses by Geography	18,751	0.5	16.2	63.6	16.6	3.1
Farms by Geography	1,424	0.1	4.5	79.1	16.2	0.1
Family Distribution by Income Level	48,126	18.5	18.6	24.1	38.8	0.0
Household Distribution by Income Level	76,058	22.9	17.0	18.6	41.5	0.0
Median Family Income MSA		\$80,403	Median Housing Value			\$194,854
			Median Gross Rent			\$841
			Families Below Poverty Level			6.2%
<i>Source: 2020 U.S. Census and 2023 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>						

Demographic Information of the Assessment Area						
Assessment Area: Stearns Bank - MN Non-MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	33.3	66.7	0.0	0.0
Population by Geography	45,221	0.0	38.7	61.3	0.0	0.0
Housing Units by Geography	25,022	0.0	36.4	63.6	0.0	0.0
Owner-Occupied Units by Geography	13,849	0.0	31.9	68.1	0.0	0.0
Occupied Rental Units by Geography	3,703	0.0	62.5	37.5	0.0	0.0
Vacant Units by Geography	7,470	0.0	31.9	68.1	0.0	0.0
Businesses by Geography	3,157	0.0	42.1	57.9	0.0	0.0
Farms by Geography	299	0.0	30.1	69.9	0.0	0.0
Family Distribution by Income Level	11,546	23.4	22.2	22.9	31.5	0.0
Household Distribution by Income Level	17,552	25.9	18.4	20.2	35.5	0.0
Median Family Income		\$63,045	Median Housing Value			\$140,572
			Median Gross Rent			\$757
			Families Below Poverty Level			10.6%
<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>						

Demographic Information of the Assessment Area Assessment Area: MN Non-MSA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	30.8	69.2	0.0	0.0
Population by Geography	44,908	0.0	27.6	72.4	0.0	0.0
Housing Units by Geography	25,657	0.0	30.9	69.1	0.0	0.0
Owner-Occupied Units by Geography	14,626	0.0	25.9	74.1	0.0	0.0
Occupied Rental Units by Geography	3,137	0.0	42.5	57.5	0.0	0.0
Vacant Units by Geography	7,894	0.0	35.5	64.5	0.0	0.0
Businesses by Geography	3,499	0.0	29.6	70.4	0.0	0.0
Farms by Geography	289	0.0	27.0	73.0	0.0	0.0
Family Distribution by Income Level	11,388	21.2	20.1	23.5	35.2	0.0
Household Distribution by Income Level	17,763	24.3	17.7	19.8	38.1	0.0
Median Family Income		\$74,737	Median Housing Value			\$170,547
			Median Gross Rent			\$641
			Families Below Poverty Level			5.9%
<i>Source: 2020 U.S. Census and 2023 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 ratings for the state of Minnesota are based on the performance in the St. Cloud MSA, MN Non-MSA, and Minneapolis MSA AAs. The St. Cloud MSA AA and the MN Non-MSA AA were selected for full-scope reviews. The St. Cloud MSA AA represents the largest portion of the bank's branches, deposits, and loan volume within the state. For those reasons, the St. Cloud MSA carried the most weight in determining the state rating. The MN Non-MSA carried the next most weight. Examiners performed a limited-scope review of the Minneapolis MSA AA in 2021 given that it represents the smallest portion of loan and deposit volume within the state. Refer to Appendix A for more details on the scope.

For the 2021 analysis period, the St. Cloud MSA AA consists of 50 percent of the branches, 93.7 percent of deposits, and 51.9 percent of loans by number in the state. The MN Non-MSA AA consists of 25 percent of branches, 3.8 percent of deposits, and 31.2 percent of loans by number in the state. The Minneapolis MSA AA consists of 25 percent of the branches, 2.5 percent of deposits, and 16.9 percent of loans by number in the state.

For the 2022-2023 analysis period, the St. Cloud MSA AA consists of 66.7 percent of the branches, 95.4 percent of deposits, and 54.4 percent of loans by number in the state. The MN Non-MSA AA consists of 33.3 percent of branches, 4.6 percent of deposits, and 45.6 percent of loans by number in the state.

For the 2022-2023 analysis period, business loans represented the largest proportion of lending within the St. Cloud MSA AA; therefore, business loans received the most weight when determining Lending Test conclusions for the St. Cloud MSA AA. Business loans by total number within the St. Cloud MSA AA represented 68.4 percent. Business and farm loans were equally rated in the MN Non-MSA AA

since business loans were larger by dollar, but farm loans were larger by number. Business loans represented 68.9 percent by dollar and farm loans represented 52 percent by number in the MN Non-MSA AA.

For the 2021 analysis period, St. Cloud MSA AA and MN Non-MSA AA are weighted the same as the 2022-2023 analysis period. Given farm and home mortgage loans were not analyzed in the Minneapolis MSA, full weight was given to business loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance is adequate in the St. Cloud MSA AA and good in the MN Non-MSA AA.

Lending Activity

Lending levels reflect poor responsiveness to AA credit needs.

Lending Activity: 2021-2023					
Number of Loans					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Minneapolis MSA	0	21	5	0	26
MN Non-MSA	17	106	59	5	187
St. Cloud MSA	20	173	122	12	327
Broader Statewide	0	0	0	11	11
Total	37	300	186	29	551
Dollar Volume of Loans					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Minneapolis MSA	0	2,014	458	0	2,472
MN Non-MSA	1,720	11,247	4,871	1,018	18,856
St. Cloud MSA	1,550	8,303	18,080	14,176	42,109
Broader Statewide	0	0	0	56,680	56,680
Total	3,270	21,564	23,409	71,874	120,117
<i>Source: Bank Data;</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					
<i>Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.</i>					

*Tables present the data for AAs. The narrative below addresses performance in full-scope areas only.

St. Cloud MSA AA

Stearns' lending market share in the St. Cloud MSA AA is very poor compared to its deposit share. The June 30, 2023, FDIC Deposit Market Share Report indicates Stearns ranked first among 33 deposit-taking institutions in the AA with a market share of 22.1 percent. Aggregate business loan data for 2022 indicates Stearns is ranked 14th among 76 lenders with a 1.1 percent market share. Stearns business lending market share is significantly lower than its deposit share. Aggregate small farm loan data for 2022 indicates Stearns ranked 5th among 16 lenders with a market share of 9.0 percent. Stearns' small farm lending market share was below its deposit share.

The June 30, 2021, FDIC Deposit Market Share Report indicates Stearns ranked first among 32 deposit-taking institutions in the AA with a market share of 17.8 percent. Aggregate business loan data for 2021 indicates Stearns ranked 16th among 85 lenders with a 1.3 percent market share. Stearns' business lending market share is significantly lower than its deposit share. Aggregate small farm loan data for 2021 indicates Stearns ranked 3rd among 17 lenders with a market share of 11.8 percent. Stearns' small farm lending market share is lower than its deposit share.

MN Non-MSA AA

Stearns' lending market share in the MN Non-MSA is good compared to its deposit share. The June 30th, 2023, FDIC Deposit Market Share Report indicates Stearns ranked 4th among 8 deposit-taking institutions in the AA with a market share of 9.7 percent. Aggregate business loan data for 2022 indicates Stearns is ranked 8th of 42 lenders with a 3.5 percent market share. Stearns' business lending market share is lower than its deposit share. Aggregate small farm loan data for 2022 indicates Stearns ranked 2nd among 17 lenders with a market share of 17.5 percent. Stearns' small farm lending market share significantly exceeds its deposit share.

The June 30th, 2021, FDIC Deposit Market Share Report indicates Stearns ranked 5th among 8 deposit-taking institutions in AA with a market share of 6.2 percent. Aggregate Business loan data for 2021 indicates Stearns is ranked 8th of 52 lenders with a 4 percent market share. Stearns' business lending market share is lower than its deposit share. Aggregate small farm loan data for 2021 indicates Stearns ranked 2nd among 13 lenders with a market share of 15.5 percent. Stearns' small farm lending market share exceeds its deposit share.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in the state. More weight was placed on the geographic distribution within the St. Cloud MSA AA given there were more loans made in this area. There were no low-income CTs for the St. Cloud MSA AA and MN Non-MSA AA for the 2021 analysis period and no low-income CTs for the MN Non-MSA AA for the 2022-2023 analysis period. Examiners did not analyze home loans for the 2021 analysis period due to low volume of originations.

Home Mortgage Loans

Refer to table O in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases.

The geographic distribution of home mortgages was good.

St. Cloud MSA AA

The geographic distribution of home mortgage loans in the St. Cloud MSA AA was excellent. During the 2022-2023 analysis period, the percentage of home mortgage loans in low-income geographies was lower than the percentage of owner-occupied housing units and the aggregate percentage of all reporting lenders. However, the St. Cloud MSA AA only has one low-income CT where less than 1 percent of owner-occupied housing units are located. The percentage of home mortgage loans in moderate-income geographies significantly exceeded the percentage of owner-occupied housing units in those geographies. The bank was near to the aggregate percentage of all reporting lenders in moderate-income geographies.

MN Non-MSA AA

The geographic distribution of home mortgage loans in the MN Non-MSA AA was adequate. During the 2022-2023 analysis period, the percentage of home mortgage loans in moderate-income geographies was lower than both the percentage of owner-occupied housing units in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was adequate.

St. Cloud MSA AA

The geographic distribution of business loans in different income level CTs in the St. Cloud MSA AA is adequate. During the 2022-2023 analysis period, Stearns' lending performance to businesses in low-income CTs exceeded both the percentage of businesses located in low-income CTs and the aggregate percentage of all reporting lenders. The bank's lending performance to businesses in moderate income CTs is lower than the percentage of businesses located in moderate-income CTs and the aggregate percentage of all reporting lenders.

During the 2021 analysis period, Stearns' lending performance to businesses in moderate-income CTs was significantly lower than the percentage of businesses located in those geographies but near the aggregate percentage of all reporting lenders.

MN Non-MSA AA

The geographic distribution of business loans in different income levels CTs in the MN Non-MSA AA is adequate. During the 2022-2023 analysis period, Stearns' lending performance to businesses in moderate-income CTs is significantly lower than both the percentage of businesses located in moderate-income CTs and the aggregate percentage of all reporting lenders.

During the 2021 analysis period, Stearns' lending performance in moderate-income geographies significantly exceeded both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table S in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The distribution to small loans to farms was good.

St. Cloud MSA AA

The geographic distribution of farm loans in different income level CTs in the St. Cloud MSA AA is adequate. During the 2022-2023 analysis period, the bank did not lend to any farms in low- or moderate-income CTs. However, there is only one low-income CT and demographics show only one farm located in that CT, which limits opportunities for lending. This is further reflected in the aggregate lending data that showed no farm loans were made in a low-income CT. Stearns made no loans to farms in moderate-income CTs; however, only 4.5 percent of farms or 64 farms are located in moderate-income CTs, which limits opportunities for lending. This is further reflected in the aggregate lending data that showed only 1.4 percent of farm loans were made in moderate-income CTs.

During the 2021 analysis period, Stearns did not make any loans in moderate-income CTs; however, only 2.6 percent of farms, or 34 farms, are located in moderate-income CTs which limits lending opportunities. Aggregate lending data reports no farm loans made in moderate-income CTs.

MN Non-MSA AA

The geographic distribution of farm loans in different income level CTs in the MN-Non MSA AA is excellent. During both analysis periods, Stearns' lending performance to farms in moderate-income CTs was near to the percentage of farms located in moderate income CTs but significantly exceeded the aggregate percentage of all reporting lenders.

Lending Gap Analysis

Summary reports, maps, and lending activity were reviewed to identify any potential gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits adequate distribution of loans to individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among different income levels was excellent.

St. Cloud MSA AA

The distribution of home mortgage loans among individuals of different income levels was excellent. During the 2022-2023 analysis period, the percentage of home mortgage loans originated to low- and moderate-income borrowers significantly exceeded the percentage of those families in the AA and the aggregate percentage of all reporting lenders.

MN Non-MSA AA

The distribution of home mortgage loans among individuals of different income levels was good. During the 2022-2023 analysis period, the percentage of home mortgage loans originated to low-income borrowers significantly exceeded the percentage of those families in the AA and the aggregate percentage of all reporting lenders. The percentage of home mortgage loans originated to moderate-income borrowers was lower than the percentage of those families in the AA and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes was adequate.

St. Cloud MSA AA

The distribution of loans to businesses of different sizes in the St. Cloud MSA AA is adequate. During the 2022-2023 analysis period, Stearns' lending performance to small businesses is significantly lower than the percentage of small businesses within the AA and lower than the aggregate percentage of all reporting lenders. A large quantity of the bank's small loans to businesses did not have revenue data available. This is attributed to the bank's equipment and leasing portfolio. Equipment finance contracts do not require gross annual revenue per CRA guidance.

During the 2021 analysis period, Stearns' lending performance to small businesses is significantly lower than the percentage of small businesses within the AA but near to the aggregate percentage of all reporting lenders.

MN Non-MSA AA

The distribution of loans to businesses of different sizes in the MN Non-MSA AA is adequate. During the 2022-2023 analysis period, Stearns' lending performance to small businesses is lower than the percentage of small businesses within the AA but near to the aggregate percentage of all reporting lenders.

During the 2021 analysis period, Stearns' lending performance to small businesses is lower than the percentage of small businesses within the AA but near to the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table T in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to farms of different sizes was excellent.

St. Cloud MSA AA

The distribution of loans to farms by gross annual revenues is excellent. During both analysis periods, Stearns' lending performance to small farms is lower than the percentage of small businesses within the

AA but exceeds the aggregate percentage of all reporting lenders. A large quantity of the bank's small loans to farms did not have revenue data available. This is attributed to the bank's equipment and leasing portfolio. Equipment finance contracts do not require gross annual revenue per CRA guidance.

MN Non-MSA AA

The distribution of loans to farms of different sizes in the MN Non-MSA AA is excellent. During both analysis periods, Stearns' lending performance to small farms is somewhat lower than the percentage of small businesses within the AA but exceeds the aggregate percentage of all reporting lenders.

Community Development Lending

The institution made a relatively high-level CD loans. CD lending had a positive effect on the Lending Test conclusion.

The Lending Activity Tables, shown above under the Lending Activity section, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

St. Cloud MSA AA

Stearns made an adequate level of CD loans in the St. Cloud MSA AA during the evaluation period. Stearns originated 12 CD loans totaling \$18.3 million. CD lending represents 4.4 percent of allocated capital. Allocated capital is the percentage of deposits in the AA multiplied by the bank's tier one capital as of December 31, 2023. More specifically, the bank made one loan supporting community services for low-income individuals, eight economic development loans, and three loans to stabilize low- and moderate-income geographies.

MN Non-MSA AA

Stearns made an adequate level of CD loans in the MN Non-MSA AA during the evaluation period. Stearns originated one CD loan that stabilized a moderate-income area for \$1.0 million. CD lending represents 5.4 percent of allocated capital.

Outside the AAs – Broader Statewide Area

In addition to the CD loans that benefitted the bank's AAs, Stearns made 11 loans totaling \$56.7 million that supported the broader statewide area. Four of these loans were LIHTC loans supporting affordable housing in Minnesota that totaled \$13.9 million. Two loans for \$8.6 million supported community services for low-income individuals. Three loans totaling \$8.6 million supported economic development by supporting job creation for LMI individuals. Finally, two loans for \$25.6 million supported new businesses and jobs that stabilized a low-income area and created jobs for LMI individuals.

Product Innovation and Flexibility

The bank makes use of innovative and flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank made 9 loans totaling \$3.0 million in partnership with two area CDFIs focusing on supporting underserved entrepreneurs. The bank also executed a loan purchase agreement with a nationwide CDFI to further increase lending to underserved entrepreneurs in the AA. The bank also provided flexibility during the pandemic by offering PPP loans and loan modifications bank wide, as discussed previously.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Minneapolis MSA AA is consistent with the bank's overall performance under the Lending Test in the full-scope areas.

Refer to Tables O through T in the state of Minnesota section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Minnesota is rated Outstanding.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the St. Cloud MSA AA and MN Non-MSA AA is excellent.

The institution had a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
St. Cloud MSA	4	2,586	32	21,037	36	81.8	\$23,623	89.5	0	0
MN Non-MSA	0	0	7	1,161	7	15.9	1,161	4.4	0	0
Minneapolis MSA	0	0	1	1,602	1	2.3	1,602	6.1	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.

St. Cloud MSA AA

Stearns made a significant level of qualified CD investments in the St. Cloud MSA AA. In total, qualified CD investments amount to \$23.6 million and represent 5.7 percent of allocated capital. During the evaluation period, Stearns made significant contributions towards community services for low- or moderate-individuals and affordable housing. The investments and donations demonstrate good responsiveness to identified affordable housing needs in the AA.

The bank made \$19.1 million in new investments in mortgage-backed securities (MBS) and had \$2.6 million in prior period investments still outstanding at the end of this evaluation period that support affordable housing in the AA. Stearns also made a \$1.5 million investment in a LIHTC within the AA and demonstrates Stearns' use of complex investments.

Stearns made 12 qualified investments supporting community services to low- or moderate-individuals in the AA. As an example, Stearns donated \$164 thousand donation to a battered women's shelter and \$75 thousand to a senior healthcare and housing center that serves primarily low- or moderate-seniors. Stearns also donated \$60 thousand to a local food shelf in the AA.

The institution exhibits good responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

MN Non MSA AA

Stearns made a significant level of qualified investments in the MN Non-MSA AA. In total, CD investments amount to \$1.2 million and represent 6.4 percent of allocated capital. Qualified CD investments consisted of Stearns placing \$1 million worth of certificates of deposits in a minority depository institution (MDI) in the AA, a new \$155 thousand investment in MBS that support affordable housing for low- and moderate-income individuals in the AA, and a donation to a Community Development Financial Institution (CDFI) program.

Outside the AAs – Broader Statewide Area

In addition to the Qualified Investments that benefitted the bank’s AAs, Stearns made eight investments totaling \$3.6 million that supported the broader statewide area. Six of these investments were MBS that supported low- and moderate-income housing in the state of Minnesota. The bank also made a \$10 thousand donation to an organization that provides community services for low- and moderate-income high school students in Minnesota. The bank also made a \$950 thousand equity investments in an MDI located in Texas. Equity investments in MDIs are given consideration regardless of where the MDI is located.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited scope review, the bank’s performance under the Investment Test in the Minneapolis MSA was consistent with the bank’s overall performance under the Investment Test in the full scope areas.

SERVICE TEST

The bank’s performance under the Service Test in Minnesota is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the St. Cloud MSA AA is excellent and the MN Non-MSA AA is adequate.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AAs.

The table illustrates the bank’s branch distribution by geography.

Distribution of Branch Delivery System					
Assessment Area	Deposits	Branches			Population
	% of Rated		% of Rated	Location of Branches by Income of Geographies (%)	% of Population within Each Geography

	Area Deposits in AA	# of Bank Branches	Area Branches in AA	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
St. Cloud MSA	95.4	2	66.7	0.0	50.0	0.0	50.0	1.2	16.6	64.3	17.0
MN Non-MSA	4.6	1	33.3	0.0	0.0	100.0	0.0	0.0	21.7	66.9	11.4

St. Cloud MSA

Branch locations are readily accessible to geographies and individuals of different income levels, particularly moderate-income geographies and low- and moderate-income individuals. There are two branches located in the St. Cloud MSA AA. There were no low-income CTs in the AA during the 2021 analysis period; however, during the 2022-2023 analysis period, there was one low-income CT. One of the bank's branches, representing 50.0 percent of the branch network in the AA, is located in a moderate-income CT. The proportion of branches in moderate-income CTs significantly exceeds the percentage of the population living in moderate-income CTs. There were no deposit-taking ATMs in the AA.

MN Non-MSA AA

The branch location is reasonably accessible to geographies and individuals of different income levels, particularly moderate-income geographies and low- and moderate-income individuals. The bank's single location in the MN Non-MSA AA is in a middle-income CT during the 2022-2023 analysis period; however, during the 2021 analysis period, the bank's branch was located in a moderate-income CT.

Branch Openings and Closings

In May 2022, Stearns closed their North Branch, MN branch. To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Even though the bank closed their location in the Minneapolis MSA, Stearns' continues to lend and provide community development to their prior AA along with surrounding counties.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Minneapolis MSA	0	1	0	0	-1	0

Services and Business Hours

Services and business hours do not vary in a way that inconveniences its AAs, particularly low- and moderate-income geographies and individuals. Lobby and drive-up hours are similar between all locations in the St. Cloud MSA and MN Non-MSA. All branches offer ATM services. The ATMs are cash-dispensing only and do not accept deposits.

Alternative delivery systems enhance accessibility within low- and moderate-income areas and to low- and moderate-income individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution is a leader in providing CD services.

St. Cloud MSA AA

Bank employees provide an excellent level of CD services in the St. Cloud MSA AA. During the evaluation period, 53 employees provided 3,648 service hours to 32 qualified CD organizations benefitting the AA. CD services primarily supported economic development efforts within the AA, but also supported affordable housing and community services for low- and moderate-income people and revitalization and stabilization efforts in the AA.

One employee provided 2,168 hours to a CDFI that supports economic development and small business technical assistance for African immigrants and refugees in the AA. Another employee provided 312 hours of service to a battered women's shelter. Another employee supported affordable housing in the AA by providing 384 service hours of loan servicing support for an affordable homeownership organization.

MN Non-MSA AA

Bank employees provide an adequate level of CD services in the MN Non-MSA AA. During the evaluation period one employee provided 89 service hours to one qualified CD organization benefitting the AA by serving as a board member in an organization focused on economic development within the AA.

Outside the AAs – Broader Statewide Area

In addition to the CD services that benefitted the bank's AA, Stearns provided 139 service hours that supported the broader statewide area. The service hours primarily supported a CDFI supporting low- and moderate-income communities and a mentorship program for low- and moderate-income youth. A staff member also provided 23.5 hours serving on the board of directors for an organization that supports affordable homeownership.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited scope review, the bank's performance under the Service Test in the Minneapolis MSA was consistent with the bank's overall performance under the Service Test in the full-scope areas.

State Rating

State of Arizona

CRA rating for the State of Arizona: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to credit needs in the bank's AAs.
- The geographic distribution of loans throughout CTs of different income levels is excellent.
- The distribution of loans to businesses of different sizes is adequate.
- The institution is a leader in making CD loans.
- The bank made an excellent level of CD investments and exhibits excellent responsiveness to the needs of the AA.
- The bank's service delivery systems are reasonably accessible to geographies of different income levels.
- Employees provide a relatively high level of CD services to qualified organizations.

Description of Institution's Operations in Arizona

For the evaluation period, the bank has one AA in the state of Arizona; the Phoenix MSA AA. The Phoenix MSA AA is comprised of Maricopa County and includes one branch in Scottsdale.

According to the June 30, 2021, FDIC Deposit Market Share report, the Phoenix MSA AA accounts for \$142.3 million in deposits, which represents 8.9 percent of Stearns' total deposits. Stearns market share is 0.1 percent. Stearns ranked 41st out of 58 institutions with a presence in the AA. Primary competitors in the AA include JP Morgan Chase, Wells Fargo, Bank of America, and Western Alliance Bank, who collectively hold 76 percent of the deposit market share. Stearns did not open or close any new branches or ATMs in the AA during the evaluation period.

According to the June 30, 2023, FDIC Deposit Market Share report, the Phoenix MSA AA accounts for \$213.5 million in deposits, which represents 10.1 percent of Stearns' total deposits. Stearns market

share is 0.1 percent. Stearns ranked 34th out of 58 institutions with a presence in the AA. Primary competitors in the AA include JP Morgan Chase, Bank of America, Western Alliance Bank, and Wells Fargo Bank who collectively hold 79 percent of the deposit market share. Stearns did not open or close any new branches or ATMs in the AA during the evaluation period.

Stearns’ primary lending focus in Arizona is business loans. During both analysis periods, business loans by number and dollar volume accounted for approximately 98 percent of loans in the Phoenix MSA AA.

As part of this review, we analyzed recently completed community contacts with local organizations to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within the AA. The contact indicated that commercial and home mortgage lending were the primary needs in the area. The contact indicated a need for start-up and small business financing. The contact stated in addition to economic development, other community development opportunities are financing affordable housing projects as well as participating in projects to revitalize and stabilize low- and moderate-income areas and other areas needing re-development.

The following tables provide information on the demographic composition of the Phoenix MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: Phoenix MSA AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	792,533	7.0	15.2	29.5	47.8	0.5
Farms by Geography	12,656	7.2	18.5	28.9	45.1	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$203,811
			Median Gross Rent			\$993
			Families Below Poverty Level			12.6%
<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>						

Demographic Information of the Assessment Area						
Assessment Area: Phoenix MSA AA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,009	6.3	25.7	31.1	34.5	2.4

Population by Geography	4,420,568	5.8	25.6	32.6	35.4	0.6
Housing Units by Geography	1,765,880	5.4	26.5	33.5	34.3	0.4
Owner-Occupied Units by Geography	1,008,487	2.6	20.6	34.7	41.9	0.1
Occupied Rental Units by Geography	588,297	10.0	35.6	31.6	22.1	0.7
Vacant Units by Geography	169,096	5.6	29.3	32.5	32.0	0.6
Businesses by Geography	1,047,857	4.0	18.2	28.5	48.8	0.5
Farms by Geography	17,296	4.4	20.4	30.2	44.4	0.7
Family Distribution by Income Level	1,047,899	20.4	17.9	20.0	41.7	0.0
Household Distribution by Income Level	1,596,784	22.3	16.9	18.5	42.3	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA	\$78,930	Median Housing Value				\$292,183
		Median Gross Rent				\$1,221
		Families Below Poverty Level				9.1%
<i>Source: 2020 U.S. Census and 2023 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 Arizona

Stearns has one AA in the state of Arizona. The Phoenix MSA AA was selected for a full scope review. Examiners analyzed business loans to arrive at Lending Test conclusions. Examiners did not analyze farm loans given the volume of farm lending during both analysis periods was insufficient to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

The bank’s performance under the Lending Test in Arizona is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Phoenix MSA AA is excellent.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Table Z: Lending Activity				2021-2023
Number of Loans				
Assessment Area	Small Business	Small Farm	Community Development	Total
Phoenix MSA	276	5	5	286
Dollar Volume of Loans				

Assessment Area	Small Business	Small Farm	Community Development	Total
Phoenix MSA	21,666	432	30,847	52,945
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0% Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.</i>				

*Tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Stearns' lending market share in Phoenix is adequate compared to its deposit share. The June 30, 2021, FDIC Deposit Market Share Report indicates Stearns ranked 41st among 58 deposit-taking institutions in the AA with a market share of 0.1 percent. Aggregate small business loan data for 2021 indicates Stearns ranked 65th among 303 lenders with a 0.1 percent market share. Stearns' lending activity is comparable to their deposit market share. The June 30, 2023, FDIC Deposit Market Share Report indicates Stearns ranked 34th among 58 deposit-taking institutions in the AA with a market share of 0.1 percent. Aggregate small business loan data for 2022 indicates Stearns ranked 53rd among 237 lenders with a 0.1 percent market share. Stearns' lending activity is comparable to their deposit market share.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Small Loans to Businesses

Refer to Table Q in the state of Arizona section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of business loans in different income level CTs in the Phoenix MSA AA is excellent. During both analysis periods, Stearns' performance lending to businesses in low- and moderate-income CTs significantly exceeds the percentage of businesses located in those tracts and the aggregate performance of all reporting lenders.

Lending Gap Analysis

Summary reports, maps, and lending activity were reviewed to identify any potential gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Small Loans to Businesses

Refer to Table R in the state of Arizona section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes in the Phoenix MSA AA is adequate. During both analysis periods, Stearns' lending performance to small businesses is significantly lower than the percentage of small businesses within the AA and the aggregate percentage of all reporting lenders. A large quantity of the bank's small loans to businesses did not have revenue data available. This is

attributed to the bank's equipment and leasing portfolio. Equipment finance contracts do not require gross annual revenue per CRA guidance.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive effect on the Lending Test conclusion.

The Lending Activity Tables, shown above under the Lending Activity section, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Phoenix MSA

Stearns made a significant level of CD loans during the evaluation period. Stearns originated five CD loans totaling \$30.8 million that benefitted the AA. CD lending represents 63.6 percent of allocated capital. Two loans totaling \$24.5 million supported revitalization efforts by creating new businesses in areas with revitalization plans.

Outside the AAs – Broader Statewide Area

In addition to the CD loans that benefitted the bank's AA, Stearns made two loans totaling \$4.3 million that supported the broader statewide area. One loan for \$1.9 million financed a health services facility in a low-income area and one loan for \$2.4 million supported affordable housing in a moderate-income area.

Product Innovation and Flexibility

The institution makes limited use of innovative lending practices to serve AA credit needs. During the evaluation period, the bank executed a loan purchase agreement with a nationwide CDFI to increase lending to underserved entrepreneurs in the AA. The bank also provided flexibility during the pandemic by offering PPP loans and loan modifications bank wide, as discussed previously.

INVESTMENT TEST

The bank's performance under the Investment Test in Arizona is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Phoenix MSA AA is excellent.

The institution made an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Phoenix MSA	1	\$733	13	\$14,122	14	100.0	\$14,855	100.0	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.

Stearns made a significant level of qualified CD investments in the AA. In total, qualified investments amounted to \$14.9 million and represent 30.8 percent of allocated capital. During the evaluation period, Stearns supported affordable housing and community services for low- and moderate-income individuals in the AA.

Stearns made \$4.5 million in new MBS that support affordable housing for LMI in the AA. Stearns also made \$9.5 in qualified investments supporting LIHTC projects within the AA. The bank also made \$50 thousand in donations to Habitat for Humanity.

Additionally, Stearns supported community services by donating \$20 thousand to organizations that provide scholarships and financial education to low- and moderate-income students in the AA.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

SERVICE TEST

The bank’s performance under the Service Test in Arizona is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Phoenix MSA AA is good.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											2022-2023
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Phoenix AA	100.0	1	100.0	0.0	0.0	100.0	0.0	5.8	25.6	32.6	35.4

The one branch located in the Phoenix MSA AA is in a middle-income geography but borders a large low-income CT. Stearns did not open or close any branches in the Phoenix AA during the evaluation period.

Services and business hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies or individuals. Lobby and drive-up hours are similar between the Phoenix branch and other Stearns' branches. The branch does not offer or drive-up hours on Saturdays. Additionally, the location does not have an ATM.

Alternative delivery systems enhance accessibility within low- and moderate-income areas and to low- and moderate-income individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution provided a relatively high level of CD services.

Bank employees provide a significant level of CD services in the Phoenix MSA AA. During the evaluation period, 53 employees provided 238 CD service hours to three CD qualified CD organizations.

Stearns employees provided 215 hours of service teaching financial education to low- and moderate-income students. The bank also provided 23 hours of service to a CDFI that supports economic development and community service projects within the AA.

State Rating

State of Florida

CRA rating for the State of Florida: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans throughout census tracts (CTs) of different income levels is good.
- The distribution of loans to businesses of different sizes is adequate.
- The institution made an adequate level of CD loans.
- The bank made a significant level of CD investments and exhibits excellent responsiveness to the needs of the AAs.
- The bank's service delivery systems are readily accessible to geographies of different income levels.
- Employees provide a low level of CD services to qualified organizations.

Description of Institution's Operations in Florida

For the evaluation period, the bank has two AAs in the state of Florida; Sarasota MSA AA, which is comprised of Sarasota County and the Tampa/St. Petersburg-Clearwater MSA AA, which is comprised of Pinellas County. There are two branches located in the Sarasota MSA AA, one in Sarasota and one in Venice. There is one branch located in the Tampa/St. Petersburg-Clearwater MSA AA located in St. Petersburg. Pinellas County changed in 2022 to be included as part of the St. Petersburg-Clearwater MSA rather than the Tampa MSA. Stearns did not open or close any new branches or ATMs in the AAs during the evaluation period.

According to the June 30, 2023, FDIC Deposit Market Share report, Stearns ranked 32nd of 44 institutions with deposits in Sarasota and Pinellas Counties. In its combined Florida AAs, Stearns has \$236.6 million in deposits, which represents 11.2 percent of the bank's total deposits. More specifically, the Sarasota MSA AA accounts for 9.7 percent of Stearns' total deposits and holds \$208.7 million in deposits. Primary competitors in the AA include Bank of America, Truist Bank, JP Morgan Chase Bank, and Wells Fargo who collectively hold 52.5 percent of the market share. The Tampa/St. Petersburg MSA AA had \$27.9 million in deposits, which represents 1.3 percent of the bank's total deposits. Primary competitors in the AA include Raymond James Bank, Bank of America, Trust Bank, and Wells Fargo who hold 76 percent of the market share.

According to the June 30, 2021, FDIC Deposit Market Share report, Stearns ranked 32nd of 44 institutions with deposits in Sarasota and Pinellas Counties. In its combined Florida AAs, Stearns has

\$176.7 million in deposits, which represents 11.21 percent of the bank’s total deposits. More specifically, the Sarasota MSA AA accounts for 9.3 percent of Stearns’ total deposits and holds \$148.6 million in deposits. Primary competitors in the AA include Bank of America, Truist Bank, Wells Fargo, and JP Morgan Chase Bank, who collectively hold 54.6 percent of the market share. The Tampa/St. Petersburg MSA AA has \$28.1 million in deposits, which represents 1.8 percent of the bank’s total deposits. Primary competitors in the AA include Raymond James Bank, Bank of America, Wells Fargo Bank, and Regions Bank, who collectively hold 72.9 percent of the market share.

Stearns’ primary lending focus in Florida is business loans. During the 2022-2023 analysis period, business loans accounted for 94.7 percent by number and 97.8 percent by dollar volume of loans in the Sarasota MSA AA and 100 percent by number and 100 percent by dollar volume of loans in the Tampa/St. Petersburg MSA AA. During the 2021 analysis period, business loans accounted for 100 percent by number and 100 percent by dollar volume of loans in the Sarasota MSA AA and 100 percent by number and 100 percent by dollar volume of loans in the Tampa/St. Petersburg MSA AA.

As part of this review, we analyzed recently completed community contacts with local organizations to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within the AAs. The contacts indicated there are a variety of community needs including affordable housing, small business financing, and banking services in underserved areas, particularly in Newtown of the Sarasota MSA AA.

The following tables provide information on the demographic composition of the Sarasota MSA AA, which was subject to a full-scope review.

Demographic Information of the Assessment Area						
Assessment Area: Sarasota MSA AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	1.1	21.1	50.5	26.3	1.1
Population by Geography	392,038	1.0	20.2	54.9	23.9	0.0
Housing Units by Geography	230,150	0.8	18.7	51.2	29.3	0.0
Owner-Occupied Units by Geography	127,964	0.5	16.1	55.9	27.6	0.0
Occupied Rental Units by Geography	47,221	2.3	28.7	49.6	19.4	0.0
Vacant Units by Geography	54,965	0.3	16.4	41.8	41.5	0.0
Businesses by Geography	89,965	0.6	19.4	45.9	34.2	0.0
Farms by Geography	2,273	0.7	18.8	52.7	27.7	0.0
Family Distribution by Income Level	106,472	17.5	19.2	21.9	41.4	0.0
Household Distribution by Income Level	175,185	21.9	17.0	18.7	42.4	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value			\$234,066
			Median Gross Rent			\$1,040
			Families Below Poverty Level			7.0%

*Source: 2015 ACS and 2021 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Demographic Information of the Assessment Area Assessment Area: Sarasota MSA AA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	123	0.8	16.3	51.2	30.1	1.6
Population by Geography	434,006	0.9	16.6	50.2	31.9	0.3
Housing Units by Geography	244,910	0.7	15.0	50.1	34.1	0.2
Owner-Occupied Units by Geography	144,135	0.3	14.5	50.3	34.6	0.3
Occupied Rental Units by Geography	45,093	2.1	19.3	53.9	24.6	0.1
Vacant Units by Geography	55,682	0.4	12.9	46.4	40.3	0.1
Businesses by Geography	115,598	0.6	12.4	48.7	37.9	0.5
Farms by Geography	2,823	0.8	16.3	48.1	34.1	0.7
Family Distribution by Income Level	117,532	16.8	19.4	20.8	43.0	0.0
Household Distribution by Income Level	189,228	21.0	16.9	18.9	43.2	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		\$77,172	Median Housing Value			\$326,445
			Median Gross Rent			\$1,361
			Families Below Poverty Level			5.3%
<i>Source: 2020 U.S. Census and 2023 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 Florida

The rating for the state of Florida is based on the performance in the Sarasota MSA and Tampa/St. Petersburg MSA AAs. The Sarasota MSA AA was selected for a full-scope review due to the large proportion of deposits and number of branches within the state. For the same reasons, the Sarasota MSA AA carried the most weight in determining the state rating. Examiners performed a limited-scope review of the Tampa/St. Petersburg MSA AA given the AA represents a small portion of deposit volume within the state. Refer to Appendix A for more details on the scope.

For the 2022-2023 analysis period, the Sarasota MSA AA consists of 66.7 percent of the branches, 88.2 percent of deposits, and 23.8 percent of loans by number in the state. The Tampa/St. Petersburg MSA AA consists of 33.3 percent of the branches, 11.8 percent of deposits, and 76.3 percent of loans by number in the state. For the 2021 analysis period, the Sarasota MSA AA consists of 66.7 percent of the branches, 84.1 percent of deposits, and 33.3 percent of loans by number in the state. The Tampa/St. Petersburg MSA AA consists of 33.3 percent of the branches, 15.9 percent of deposits, and 66.7 percent of loans by number in the state.

For both analysis periods, business loans received all the weight for determining Lending Test conclusions for the Sarasota MSA AA and Tampa/St. Petersburg MSA AA. Examiners did not analyze small loans to farms in either the Sarasota MSA AA or Tampa/St. Petersburg MSA AA given the volume of small farm lending during both analysis periods was insufficient to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Sarasota MSA AA is adequate.

Lending Activity

Lending levels reflect poor responsiveness to AA credit needs.

Table Z: Lending Activity				2022-2023
Number of Loans				
Assessment Area	Small Business	Small Farm	Community Development	Total
Sarasota MSA	28	1	2	31
Tampa/St. Petersburg MSA	81	0	12	93
Broader Statewide	0	0	7	7
TOTAL	109	1	21	132
Dollar Volume of Loans				
Assessment Area	Small Business	Small Farm	Community Development	Total
Sarasota MSA	3,336	62	1,850	5,248
Tampa/St. Petersburg MSA	8,120	0	13,939	22,059
Broader Statewide	0	0	10,806	10,806
TOTAL	11,456	62	26,595	38,113

*Source: Bank Data;
Due to rounding, totals may not equal 100.0%
Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.*

*Tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Sarasota MSA

Stearns' lending market share in the Sarasota MSA is very poor compared to its deposit share. The June 30, 2023, FDIC Deposit Market Share Report indicates Stearns ranked 21st among 37 deposit-taking institutions in the AA with a market share of 1.1 percent. Aggregate business loan data for 2022 indicates Stearns is ranked 14th among 76 lenders with a 0.03 percent market share. Stearns business lending market share is significantly lower than its deposit share.

The June 30, 2021, FDIC Deposit Market Share Report indicates Stearns ranked 21st among 35 deposit-taking institutions in the AA with a market share of 0.8 percent. Aggregate business loan data for 2021 indicates Stearns is ranked 64th among 168 lenders with a 0.05 percent market share. Stearns business lending market share is lower than its deposit share.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA.

Small Loans to Businesses

Refer to Table Q in the state of Arizona section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. There were not enough loans to perform a meaningful analysis in the 2021 analysis period.

Sarasota MSA AA

The geographic distribution of business loans in different income level CTs is good. During the 2022-2023 analysis period, Stearns' performance lending to businesses in low-income CTs is lower than the percentage of businesses located in low-income CTs and the aggregate percentage of all reporting lenders. The bank's performance lending to businesses in moderate-income CTs significantly exceeds the percentage of businesses located in moderate-income CTs and the aggregate percentage of all reporting lenders.

Lending Gap Analysis

Summary reports, maps, and lending activity were reviewed to identify any potential gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Small Loans to Businesses

Refer to Table R in the state of Arizona section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Sarasota MSA AA

The distribution of loans to businesses of different sizes in the Sarasota is adequate. During the 2022-2023 analysis period, Stearns' lending performance to small businesses is significantly lower than the percentage of small businesses within the AA and the aggregate percentage of all reporting lenders. A majority of the bank's small loans to businesses did not have revenue data available. This is attributed to the bank's equipment and leasing portfolio. Equipment finance contracts do not require gross annual revenue per CRA guidance.

Community Development Lending

The institution made a relatively high level of CD loans.

The Lending Activity Tables, shown above under the Lending Activity section, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Sarasota MSA

Stearns made an adequate level of CD loans during the evaluation period. Stearns originated two loans totaling \$1.85 million. CD lending represents 3.5 percent of allocated capital. One loan for \$150 thousand supported the bank's pro rata share of loans from a CDFI that supports affordable housing in the AA. The other loan for \$1.7 million supported economic development by supporting job creation for low- and moderate-income individuals.

Outside the AAs – Broader Statewide Area

In addition to the CD loans that benefitted the bank's AA, Stearns made seven loans totaling \$10.8 million that supported the broader statewide area. Five loans for \$2.7 million were the bank's pro rata share of loans from a CDFI that supports affordable housing in the state of Florida. The bank also made two economic development loans totaling \$8.1 million that supported job creation for low- and moderate-income individuals.

Product Innovation and Flexibility

The institution makes limited use of innovative lending practices to serve AA credit needs. During the evaluation period, the bank executed a loan purchase agreement with a nationwide CDFI to increase lending to underserved entrepreneurs in the AA. The bank also provided flexibility during the pandemic by offering PPP loans and loan modifications bank wide, as discussed previously.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Tampa/St. Petersburg MSA was stronger than the bank's overall performance under the Lending Test in the full-scope area.

Refer to Tables Q through T in the state of Florida section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Florida is Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Sarasota MSA AA is excellent.

The institution had a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments*	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Sarasota MSA	2	\$1,543	6	\$2,387	8	80.0	\$3,929	73.9	0	0
Tampa MSA	0	\$0	2	\$1,386	2	20.0	\$1,386	26.1	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.

Stearns made an excellent level of qualified investments in the AA. In total, qualified investments amounted to \$3.9 million and represent 7.4 percent of allocated capital. During the evaluation period, Stearns made a good contribution to affordable housing and community services for low- and moderate-income populations in the AA.

The bank made five new investments for \$3.5 million in MBS that support affordable housing for low- and moderate-income individuals in the AA. The bank also made a \$362 thousand donation to support a food shelf in the AA.

The institution exhibits good responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Investment Test in the Tampa/St. Petersburg MSA AA is stronger than the bank’s overall performance under the Investment Test in the full-scope area.

SERVICE TEST

The bank’s performance under the Service Test in Florida is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Sarasota MSA AA is good.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System		
Deposits	Branches	Population

Assessment Area	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Sarasota MSA	88.2	2	66.7	0.0	50.0	50.0	0.0	0.9	16.6	50.2	31.9
Tampa MSA	11.8	1	33.3	0.0	100.0	0.0	0.0	1.4	18.9	47.6	30.5

The branch locations in the Sarasota MSA AA are readily accessible to geographies and individuals of different income levels, particularly low- and moderate-income geographies and individuals. The bank has one branch located in a moderate-income CT, which comprises 50.0 percent of the branch network in the AA. The bank's percentage of branches in a moderate-income CT significantly exceeds the population in a moderate-income geography. Stearns did not open or close any branches in the Sarasota AA during the evaluation period.

Services and business hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and individuals. Lobby and drive-up hours are similar between both branches in the Sarasota MSA AA; however, the Venice branch offers drive-up hours on Saturday's while the Sarasota branch does not. Both branches offer ATM services. The ATMs are cash-dispensing only and do not accept deposits.

Alternative delivery systems enhance accessibility within low- and moderate-income areas and to low- and moderate-income individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution provides a low level of CD services.

Bank employees provide a low level of CD services in the Sarasota MSA AA. During the evaluation period, four employees provided seven service hours to two qualified CD organizations benefitting the AA. CD services primarily included supporting financial education for low- and moderate-income families.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited scope review, the bank's performance under the Service Test in the Tampa MSA AA was consistent with the bank's overall performance under the Service Test in the full-scope area.

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:	1/1/2021 to 12/31/2023	
Bank Products Reviewed:	Home mortgage, small business, and small farm Community development loans, qualified investments, community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
Minnesota		
St. Cloud MSA	Full-scope	Benton and Stearns Counties
MN Non-MSA	Full-scope	Kanabec and Pine Counties
Minneapolis MSA	Limited-scope	Chisago, Isanti, Sherburne Counties (2021 only)
Florida		
Sarasota MSA	Full-scope	Sarasota County
Tampa MSA	Limited-Scope	Pinellas County
Arizona		
Phoenix MSA A	Full-scope	Maricopa County

Appendix B: Summary of MMSA and State Ratings

RATINGS				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Stearns Bank, N.A.	High Satisfactory	Outstanding	Outstanding	Outstanding
State:				
Minnesota	High Satisfactory	Outstanding	Outstanding	Outstanding
Arizona	Outstanding	Outstanding	High Satisfactory	Outstanding
Florida	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

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 SBA 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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 loans are treated the same 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/AA. 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 O. Assessment Area Distribution of Home Mortgage 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 owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage 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 families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each AA 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 S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- 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/AA.

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

MINNESOTA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022-23**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
MN Non MSA	17	1,719	45.9	3,217	0	0	0	17.5	11.8	20.8	70.6	88.2	68.4	12	0	10.8	0	0	0
St Cloud MSA	20	1,550	54.1	3,968	0.1	0	0.4	12	15	16.4	68.5	60	66.2	19.4	25	16.9	0.1	0	0
Total	37	3,269	100	7,185	0	0	0.2	14.8	13.5	18.4	69.6	73	67.2	15.6	13.5	14.2	0	0	0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022-2023**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MN Non MSA	17	1,719	45.9	4,366	20.1	23.5	10.2	19	11.8	23.9	23.2	47.1	23.2	37.7	17.6	27.9	0	0	14.8
St Cloud MSA	20	1,550	54.1	5,223	18.5	25	10.6	18.6	55	24.2	24.1	5	22	38.8	15	25.9	0	0	17.3
Total	37	3,269	100	9,589	19.3	10.8	10.4	18.8	13.5	24	23.7	54.1	22.5	38.2	21.6	26.8	0	0	16.2

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

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Minneapolis MSA	21	2,014	22.6	3,838	0	0	0	9.6	9.5	9.2	87.4	90.5	87.3	2.9	0	2.7	0	0	0.8
MN Non-MSA	26	4,666	28	637	0	0	0	42.1	53.8	37.9	57.9	46.2	59.7	0	0	0	0	0	2.4
St. Cloud MSA	46	6,753	49.5	3,399	0	0	0	14.1	6.5	15.5	68.5	71.7	66.7	17.4	21.7	16.5	0	0	1.3
Total	93	13,433	100	7,874	0	0	0	14.6	20.4	14.2	76.1	68.8	76.2	9.4	10.8	8.4	0	0	1.1

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%
STEARNNS BANK N A (10000015576) excluded from Aggregate

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
MN Non-MSA	47	6,581	37	684	0	0	0	29.6	10.6	23.8	70.4	89.4	76.2	0	0	0	0	0	0
St Cloud MSA	80	16,008	63	3,280	0.5	2.5	0.5	16.2	10	15.2	63.6	53.8	64.9	16.6	33.8	17.2	3.1	0	2.2
Total	127	22,589	100	3,964	0.4	1.6	0.4	18.3	10.2	16.7	64.7	66.9	66.9	14	21.3	14.2	2.6	0	1.8

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Minneapolis MSA	21	2,014	22.6	3,838	90.5	28.6	50.2	3.2	28.6	6.3	42.9
MN Non-MSA	26	4,666	28	637	87	38.5	52.1	3.2	53.8	9.8	7.7
St. Cloud MSA	46	6,753	49.5	3,399	84.5	43.5	44	5.5	37	10	19.6
Total	93	13,433	100	7,874	87.4	38.7	47.7	4.2	39.8	8.3	21.5

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%
STEARNs BANK N A (10000015576) excluded from Aggregate

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MN Non-MSA	47	6,581	37	684	88.1	51.1	56.7	2.7	42.6	9.2	6.4
St. Cloud MSA	80	16,008	63	3,280	86.2	23.8	47.4	4.6	50	9.2	26.3
Total	127	22,589	100	3,964	86.5	33.9	49	4.3	47.2	9.2	18.9

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Minneapolis MSA	5	458	8.2	171	0	0	0	6.1	0	12	92.5	100	86.7	1.4	0	1.2	0	0	0
MN Non-MSA	22	1,904	36.1	142	0	0	0	30.1	27.3	15	69.9	72.7	85	0	0	0	0	0	0
St. Cloud MSA	34	2,072	55.7	288	0	0	0	2.6	0	0	89.6	97.1	94.9	7.7	2.9	4.7	0	0	0.4
Total	61	4,434	100	601	0	0	0	7.1	9.8	7	88.3	88.5	90.2	4.6	1.6	2.6	0	0	0.2

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
MN Non - MSA	51	2,967	58	154	0	0	0	27	25.5	16.9	73	74.5	83.1	0	0	0	0	0	0
St Cloud MSA	37	2,660	42	222	0.1	0	0	4.5	0	1.4	79.1	75.7	85.6	16.2	24.3	13.1	0.1	0	0
Total	88	5,627	100	376	0.1	0	0	8.3	14.8	7.7	78.1	75	84.6	13.5	10.2	7.7	0.1	0	0

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Minneapolis MSA	5	458	8.2	171	97.7	100	65.1	1.5	0	0.8	0
MN Non-MSA	22	1,904	36.1	142	97	81.8	80	2	13.6	1	4.5
St. Cloud MSA	34	2,072	55.7	288	97.7	67.6	53.3	1.4	5.9	1	26.5
Total	61	4,434	100	601	97.6	75.4	62.8	1.5	8.2	0.9	16.4

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
MN Non-MSA	51	2,967	58	154	97.6	82.4	76	1.7	13.7	0.7	3.9
St Cloud MSA	37	2,660	42	222	97.7	51.4	47.3	1.3	8.1	1	40.5
Total	88	5,627	100	376	97.7	69.3	59	1.4	11.4	0.9	19.3

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

ARIZONA

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Phoenix MSA	83	5,490	100	133,594	7	20.5	6.5	15.2	20.5	16.1	29.5	31.3	27.5	47.8	27.7	48.6	0.5	0	1.3
Total	83	5,490	100	133,594	7	20.5	6.5	15.2	20.5	16.1	29.5	31.3	27.5	47.8	27.7	48.6	0.5	0	1.3

*Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tract			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Phoenix MSA	193	16,176	100	134,276	4	6.2	3.6	18.2	22.8	17.8	28.5	35.8	28.5	48.8	35.2	49.1	0.5	0	1.1
Total	193	16,176	100	134,276	4	6.2	3.6	18.2	22.8	17.8	28.5	35.8	28.5	48.8	35.2	49.1	0.5	0	1.1

*Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Phoenix MSA	83	5,490	100	133,594	92.1	6	48.1	1.8	6	6.1	88
Total	83	5,490	100	133,594	92.1	6	48.1	1.8	6	6.1	88

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Phoenix MSA	193	16,176	100	134,276	93.8	18.7	54.2	1.4	10.9	4.8	70.5
Total	193	16,176	100	134,276	93.8	18.7	54.2	1.4	10.9	4.8	70.5

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Phoenix MSA	1	113	100	475	7.2	0	1.6	18.5	0	14.1	28.9	0	27.1	45.1	100	53.5	0.3	0	3.7
Total	1	113	100	475	7.2	0	1.6	18.5	0	14.1	28.9	0	27.1	45.1	100	53.5	0.3	0	3.7

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Phoenix MSA	4	319	100	505	4.4	0	2.4	20.4	0	12	30.2	50	29.5	44.4	50	54.1	0.7	0	2
Total	4	319	100	505	4.4	0	2.4	20.4	0	12	30.2	50	29.5	44.4	50	54.1	0.7	0	2

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Phoenix MSA	1	113	100	475	96.7	0	51.2	2	0	1.3	100
Total	1	113	100	475	96.7	0	51.2	2	0	1.3	100

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Phoenix MSA	4	319	100	505	97.3	75	56.3	1.4	0	1.2	25
Total	4	319	100	505	97.3	75	56.3	1.4	0	1.2	25

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

FLORIDA

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Sarasota MSA	10	538	33.3	18,415	0.6	0	0.5	19.4	10	18.1	45.9	70	44.3	34.2	20	36.7	0	0	0.4	
Tampa MSA	20	1,131	66.7	38,462	2.8	5	3.2	15.6	0	15.7	42.1	55	43.3	39.5	40	37.4	0	0	0.4	
Total	30	1,669	100	56,877	2.1	3.3	2.3	16.9	3.3	16.4	43.4	60	43.6	37.7	33.3	37.2	0	0	0.4	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2022-23
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Sarasota MSA	18	2,798	22.8	18,542	0.6	0	0.4	12.4	16.7	12.2	48.7	55.6	46.5	37.9	27.8	40.3	0.5	0	0.6	
Tampa MSA	61	6,989	77.2	36,970	0.9	0	0.9	13.1	24.6	15.1	38.3	44.3	42.9	44.4	27.9	37.9	3.3	3.3	3.2	
Total	79	9,787	100	55,512	0.8	0	0.7	12.9	22.8	14.1	41.5	46.8	44.1	42.4	27.8	38.7	2.4	2.5	2.3	

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Sarasota MSA	10	538	33.3	18,415	93.2	30	49.9	2.1	20	4.7	50	
Tampa MSA	20	1,131	66.7	38,462	92.7	15	48.1	2.4	10	4.9	75	
Total	30	1,669	100	56,877	92.9	20	48.7	2.3	13.3	4.8	66.7	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%
STEARNs BANK N A (10000015576) excluded from Aggregate

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Sarasota MSA	18	2,798	22.8	18,542	93.5	33.3	54.1	1.7	11.1	4.9	55.6	
Tampa MSA	61	6,989	77.2	36,970	93.8	18	51.9	1.6	11.5	4.6	70.5	
Total	79	9,787	100	55,512	93.7	21.5	52.6	1.6	11.4	4.7	67.1	

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Sarasota MSA	0	0	0	42	0.7	0	0	18.8	0	11.9	52.7	0	40.5	27.7	0	47.6	0	0	0
Tampa MSA	0	0	0	61	3.8	0	4.8	17.4	0	14.5	47	0	32.3	31.8	0	46.8	0	0	1.6
Total	0	0	0	103	2.6	0	2.9	18	0	13.5	49.3	0	35.6	30.2	0	47.1	0	0	1

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%
 STEARNS BANK N A (10000015576) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tract			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Sarasota MSA	1	62	100	42	0.8	0	0	16.3	0	2.4	48.1	100	26.2	34.1	0	71.4	0.7	0	0
Tampa MSA	0	0	0	79	1.4	0	0	18.7	0	12.7	44.1	0	48.1	34.4	0	38	1.4	0	1.3
Total	1	62	100	121	1.2	0	0	17.8	0	9.1	45.6	100	40.5	34.3	0	49.6	1.2	0	0.8

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Sarasota MSA	0	0	0	42	97.8	0	69	1.4	0	0.8	0
Tampa MSA	0	0	0	61	97.8	0	74.2	1.1	0	1.1	0
Total	0	0	0	103	97.8	0	72.1	1.2	0	1	0

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%
STEARNNS BANK N A (10000015576) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Sarasota MSA	1	62	100	42	97.6	0	64.3	1	0	1.4	100
Tampa MSA	0	0	0	79	97.7	0	72.2	0.8	0	1.5	0
Total	1	62	100	121	97.6	0	69.4	0.9	0	1.5	100

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%