



## **PUBLIC DISCLOSURE**

April 15, 2024

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Western National Bank  
Charter Number 13116

201 North Central Avenue  
Duluth, MN 55807

Office of the Comptroller of the Currency

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

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

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**

**The lending test is rated: Satisfactory**

The major factors that support this rating include:

- Western National Bank’s (WNB or the bank) loan-to-deposit (LTD) ratio is reasonable considering the bank’s size, financial condition, and credit needs of the assessment area (AA).
- The majority of loans originated and purchased are inside the bank’s AA.
- The distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- The bank exhibits reasonable geographic distribution of loans throughout the AA.

### Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s loan-to-deposit ratio is reasonable. The bank's average LTD ratio over the past 16 quarters was 74.25 percent. Since the prior CRA evaluation in December 2019, the LTD ratio has ranged from a quarterly low of 62.06 percent in December of 2023 to a quarterly high of 91.73 percent in December 2019. WNB ranks second out of four similarly situated institutions used in our analysis. Similarly situated institutions include banks operating in or near the bank’s AA with comparable total assets ranging from approximately \$81 million to \$136 million.

### Lending in Assessment Area

A majority of the bank’s loans are inside its AA. The bank originated and purchased 78.8 percent of its total loans inside the bank’s AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The following tables illustrate lending inside and outside of the AA during our evaluation period.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	41	74.5	14	25.5	55	7,540	72.3	2,894	27.7	10,434
Small Business	16	80	4	20	20	1,837	32.1	3,894	67.9	5,732
<b>Total</b>	<b>57</b>	<b>76</b>	<b>18</b>	<b>24</b>	<b>75</b>	<b>9,377</b>	<b>58</b>	<b>6,788</b>	<b>42</b>	<b>16,165</b>

Source: Business loan samples and HMDA data for 2021

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	41	80.4	10	19.6	51	7,645	77.8	2,185	22.2	9,830
Small Business	17	85	3	15	20	3,934	82.5	832	17.5	4,766
Total	58	81.7	13	18.3	71	11,579	79.3	3,017	20.7	14,596

Source: Business loan samples and HMDA data for 2022-2023

## Description of Institution

Western National Bank is an intrastate bank headquartered in Duluth, Minnesota. The bank is wholly owned by Western Bancorporation, Incorporated. Western Bancorporation, Inc. is a multi-bank holding company, which also owns Western National Bank of Cass Lake, an affiliate of WNB of Duluth. The performance of Western National Bank of Cass Lake was not considered in the evaluation of the bank's CRA performance.

As of December 31, 2023, the bank had total assets of \$122 million. WNB operates two offices in Duluth, MN, and one office in Hermantown, MN. WNB operates three automated teller machines (ATMs): one located at the bank's main office, one in the Hermantown office, and one at a convenience store. The deposit-taking ATMs are located at the bank's main office and in the Hermantown office. The bank has not opened or closed any branches since the prior CRA evaluation.

WNB is a full-service community bank offering a variety of loan and deposit products including checking accounts, mortgage loans, consumer loans, commercial loans, safe deposit boxes, and other traditional banking services such as wire transfers and money orders. Savings products also include individual retirement accounts and health savings accounts.

As of December 31, 2023, the bank's primary loan mix is comprised of \$42 million (55 percent) in commercial real estate loans, \$23 million (30 percent) in retail loans, and \$11 million (15 percent) in commercial and industrial loans. The net loans to total assets ratio was 54 percent. Tier one capital totals \$11 million with a tier one leverage capital ratio of 10 percent.

WNB's AA consists of 55 census tracts within the Duluth, MN-WI Metropolitan Statistical Area (MSA). The Duluth, MN-WI MSA is a multi-state MSA that includes St. Louis and Carlton Counties in Minnesota, and Douglas County in Wisconsin. The MSA includes the cities of Duluth, Proctor, and Hermantown, MN, in addition to Superior, WI. The AA includes 42 census tracts in Southern St. Louis County, MN, 4 census tracts in Northern Carlton County, MN, and 9 census tracts in Western Douglas County, WI. The AA complies with CRA regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. The AA includes all census tracts where the institution has its main office, branches, and deposit-taking ATMs.

There are no known financial, legal, or other factors that impede WNB's ability to help meet the credit needs of its AA. The bank has not engaged in any merger or acquisition activity since the prior CRA evaluation. WNB received a Satisfactory rating in the last CRA Performance Evaluation dated December 2, 2019.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

WNB was evaluated under the CRA small bank procedures, which is limited to the lending test. The lending test evaluated the bank's record of meeting the credit needs in its AA through lending activities. The evaluation period for the LTD analysis was December 2019 through December 2023. The evaluation period for the complaint review portion of the lending test covered December 1, 2019, through April 26, 2024. The evaluation period for the remaining portions of the lending test ranged from January 1, 2021, to December 31, 2023.

The lending test focused on the bank's primary loan products based on loan origination volume from 2021 through 2023. We determined home mortgage loans and commercial loans to be the bank's primary products during the evaluation period. Home mortgage loan originations totaled 37.3 percent of total products by number and 39.4 percent by dollar volume. Commercial loan originations totaled 62.7 percent of total originations by number and 60.5 percent by dollar volume.

We also reviewed the financial, economic, and environmental factors in the AA to evaluate the bank's lending performance. Additionally, we contacted a local community member with knowledge of the economic conditions and demographics to understand the credit needs of the AA.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating 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

WNB's overall rating is based on the lending performance within the State of Minnesota. It is the bank's only rating area. We evaluated lending performance using five performance criteria: the LTD ratio, lending in the AA, lending to borrowers of different income levels, distribution of loans to geographies of different income levels, and responses to CRA-related complaints.

## Discriminatory or Other Illegal Credit Practices Review

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

regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Minnesota

**CRA rating for the State of Minnesota:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- The distribution of loans to low- and moderate-income geographies is reasonable.
- WNB received no CRA-related complaints during the evaluation period.

### Description of Institution’s Operations in Minnesota

WNB operated three branches during the evaluation period, all located in Duluth, Minnesota. The bank’s AA includes 46 CTs located in the state of Minnesota, including 42 CTs located in St. Louis County and four CTs located in Carlton County. During our evaluation period the AA included six low income CTs and six moderate income CTs.

Competition in the bank’s market is strong. The AA contains a variety of state and federally chartered banks. The June 30, 2023, FDIC Deposit Market Share Report shows 27 financial institutions with 83 locations operating in the bank’s AA. WNB is ranked 9<sup>th</sup> with an overall market share of 1.8 percent. The top three institutions in the AA are Wells Fargo Bank, National Bank of Commerce, and U.S Bank. These institutions make up 55.6 percent of total deposits in the AA.

The local economy of the AA is stable. According to the U.S Bureau of Labor Statistics, as of December 2023, unemployment levels in the Duluth MSA were 3.25 percent slightly above the statewide average of 2.6 percent.

As part of this evaluation, we contacted a community member who works for Local Initiatives Support Corporation (LISC) Duluth. According to the community contact, the area is in need of low- and moderate-income housing and is restricted by the price of real estate and topography of Duluth, MN. Duluth LISC’s main goal is to provide affordable housing and build the capacity of local community organizations. They stated the financial institutions in the area help the community but could improve in aiding financial literacy to the area which they also note is becoming more racially diverse.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Duluth MSA AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #

Geographies (Census Tracts)	55	14.5	14.5	41.8	29.1	0.0
Population by Geography	180,343	9.6	9.8	43.0	37.6	0.0
Housing Units by Geography	82,941	10.9	10.8	44.7	33.7	0.0
Owner-Occupied Units by Geography	49,778	4.0	7.1	47.7	41.2	0.0
Occupied Rental Units by Geography	23,365	26.0	19.7	34.3	20.0	0.0
Vacant Units by Geography	9,798	9.4	8.4	53.8	28.4	0.0
Businesses by Geography	14,888	13.5	14.4	39.2	33.0	0.0
Farms by Geography	354	6.8	5.9	44.1	43.2	0.0
Family Distribution by Income Level	43,370	19.1	16.1	22.9	41.9	0.0
Household Distribution by Income Level	73,143	24.8	15.5	16.5	43.1	0.0
Median Family Income MSA - 20260 Duluth, MN-WI MSA		\$64,033	Median Housing Value			\$159,896
			Median Gross Rent			\$729
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2021 D&amp;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>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Duluth MSA AA 2022-2023</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	60	3.3	20.0	43.3	30.0	3.3
Population by Geography	177,945	1.9	15.4	45.6	34.6	2.5
Housing Units by Geography	82,579	2.4	15.2	47.3	31.7	3.3
Owner-Occupied Units by Geography	50,320	0.5	12.0	47.2	39.7	0.5
Occupied Rental Units by Geography	23,915	6.6	24.1	44.0	16.3	9.0
Vacant Units by Geography	8,344	1.7	8.9	57.5	27.9	4.1
Businesses by Geography	16,195	5.3	12.2	37.5	33.9	11.1
Farms by Geography	378	1.6	7.7	39.9	46.0	4.8
Family Distribution by Income Level	42,057	17.5	17.4	22.3	42.8	0.0
Household Distribution by Income Level	74,235	23.8	16.0	17.7	42.5	0.0
Median Family Income MSA - 20260 Duluth, MN-WI MSA		\$77,796	Median Housing Value			\$203,783
			Median Gross Rent			\$870
			Families Below Poverty Level			6.0%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						



## Scope of Evaluation in Minnesota

The rating for the State of Minnesota is based wholly on the performance in the Duluth MSA AA, as it is the only AA in the state. The Duluth MSA AA received a full-scope review. As previously discussed under the Scope of the Evaluation section, home mortgage loans and commercial loans were given equal weighting when arriving at conclusions.

## LENDING TEST

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

Based on a full-scope review, the bank's lending performance in the State of Minnesota is reasonable.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review the bank's performance in the Duluth MSA AA is good.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State. We performed geographic distribution analysis using a sample of loans from 2021 through 2023 in addition to Home Mortgage Disclosure Act (HMDA) data.

### *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 home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in 2021 was reasonable. WNB originated 2.4 percent of home mortgage loans to low-income geographies and 2.4 percent to borrowers in moderate-income geographies. The bank's proportion of loans did not exceed the demographic and aggregate comparators. Bank locations are in middle-, upper-income, and unknown census tracts. There is only one adjacent moderate-income CT for all bank locations which is near the Downtown branch in Duluth, Minnesota. All other branches have at least one CT separating them from a LMI tract. Competition in the downtown market is high. 2015 ACS data indicates 4 percent of owner-occupied housing units were in a low-income geography and 7.2 percent in moderate-income geographies. Aggregate HMDA data shows 5.1 percent of loans were made to borrowers located in low-income geographies and 7.5 percent in moderate-income geographies.

The geographic distribution of home mortgage loans in 2022 and 2023 was reasonable. WNB did not originate any home mortgage loans in low-income geographies but did originate 17.1 percent of home mortgage loans to borrowers in moderate-income geographies. The bank's proportion of loans did not exceed comparators for low-income but did for moderate-income demographic and aggregate comparators. 2020 U.S Census Data indicates 0.5 percent of owner-occupied housing units were in a low-income geography and 12 percent in moderate-income geographies. Aggregate HMDA data shows 0.6 percent of loans were made to borrowers located in low-income geographies and 14.1 percent in moderate-income geographies.

### ***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 loans to small businesses in 2021 was excellent. WNB originated 15 percent of business loans to businesses located in low-income geographies and 20 percent of loans to businesses located in moderate-income geographies. This compares favorably to the demographic and aggregate CRA comparators of 13.5 and 9.2 percent for low-income geographies, and 14.4 and 18.4 percent for moderate-income geographies, respectively.

The geographic distribution of loans to small businesses in 2022 and 2023 was poor. WNB originated 0 percent of business loans to businesses located in low-income geographies and 10 percent of loans to businesses located in moderate-income geographies. Lending to businesses located in low-income geographies is below the 5.3 percent of businesses located in low-income geographies and the aggregate CRA comparator of 4.2 percent. Lending to businesses located in moderate-income geographies is slightly below the 12.2 percent of businesses located in moderate-income geographies and the aggregate CRA comparator of 13 percent. The underperformance in 2022-2023 is offset by the excellent performance in 2021.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

### ***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.

In 2021, WNB originated 2.4 percent of home mortgage loans to low-income borrowers within the AA. WNB's lending data is below demographic data and near aggregate data. 2015 ACS data indicates 19.1 percent of families are low income. Aggregate HMDA data shows 6.9 percent of loans were made to low-income borrowers. WNB originated 22 percent of loans to moderate-income borrowers, which is above demographic and aggregate comparators. 2015 ACS data indicates that 16.1 percent of families are moderate-income. Aggregate HMDA data shows 17.4 percent of loans were made to moderate-income borrowers.

In 2022 and 2023, WNB originated 7.3 percent of home mortgage loans to low-income borrowers. WNB's data is below the demographic and aggregate comparators. 2020 U.S Census data indicates that 17.5 percent of families are low-income. Aggregate HMDA data shows that 9.4 percent of loans were made to low-income borrowers. WNB originated 26.8 percent of home mortgage loans to moderate-income borrowers, which is above both the demographic and aggregate comparators. 2020 U.S Census data indicates that 17.4 percent of families are moderate income and aggregate HMDA data shows 22.7 percent of loans were made to moderate income individuals.

### ***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 originations and purchases of small loans to businesses.

WNB originated 95 percent of loans to small businesses in 2021. Small businesses are defined as businesses with gross annual revenue of \$1 million or less. 2021 D&B data indicates that 82.4 percent of businesses in the AA are small businesses. Aggregate CRA data shows that 53.4 percent of business loans were originated to small businesses. In 2022 and 2023, WNB originated 70 percent of loans to small businesses. 2023 D&B data indicates that 84 percent of businesses in the AA are small businesses. Aggregate CRA data shows that 54 percent of business loans were originated to small businesses. Performance in relation to peers is excellent.

### **Responses to Complaints**

There were no CRA-related complaints during the evaluation period.

## Appendix A: Scope of Examination

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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”.

<b>Time Period Reviewed:</b>	1/1/2021 – 12/31/2023	
<b>Bank Products Reviewed:</b>	Home Mortgage, Small Business	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
Duluth MSA AA	Full Scope	Portions of St. Louis and Carlton Counties

## Appendix B: Summary of MMSA and State Ratings

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RATINGS – Western National Bank	
Overall Bank:	Lending Test Rating
Western National Bank	Satisfactory
State:	
Minnesota	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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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 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

**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

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> 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/assessment area. 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 assessment area.

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
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
Duluth MSA AA	41	7,540,190	100.0	8,759	4.0	2.4	5.1	7.1	2.4	7.5	47.7	31.7	45.9	41.2	63.4	41.5	0.0	0.0	0.0
<b>Total</b>	<b>41</b>	<b>7,540,190</b>	<b>100.0</b>	<b>8,759</b>	<b>4.0</b>	<b>2.4</b>	<b>5.1</b>	<b>7.1</b>	<b>2.4</b>	<b>7.5</b>	<b>47.7</b>	<b>31.7</b>	<b>45.9</b>	<b>41.2</b>	<b>63.4</b>	<b>41.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Western National Bank (9U3QTJ3ZRV), Western National Bank (10000013116) excluded from Aggregate

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

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

Duluth MSA AA	41	7,645,323	100.0	4,811	0.5	0.0	0.6	12.0	17.1	14.1	47.2	41.5	46.8	39.7	41.5	37.9	0.5	0.0	0.6
<b>Total</b>	<b>41</b>	<b>7,645,323</b>	<b>100.0</b>	<b>4,811</b>	<b>0.5</b>	<b>0.0</b>	<b>0.6</b>	<b>12.0</b>	<b>17.1</b>	<b>14.1</b>	<b>47.2</b>	<b>41.5</b>	<b>46.8</b>	<b>39.7</b>	<b>41.5</b>	<b>37.9</b>	<b>0.5</b>	<b>0.0</b>	<b>0.6</b>

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

Western National Bank (10000013116), Western National Bank (9U3QTJ3ZRVE) excluded from Aggregate

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2021**

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
Duluth MSA AA	41	7,540,190	100.0	8,759	19.1	2.4	6.9	16.1	22.0	17.4	22.9	24.4	22.3	41.9	39.0	34.4	0.0	12.2	19.0
<b>Total</b>	<b>41</b>	<b>7,540,190</b>	<b>100.0</b>	<b>8,759</b>	<b>19.1</b>	<b>2.4</b>	<b>6.9</b>	<b>16.1</b>	<b>22.0</b>	<b>17.4</b>	<b>22.9</b>	<b>24.4</b>	<b>22.3</b>	<b>41.9</b>	<b>39.0</b>	<b>34.4</b>	<b>0.0</b>	<b>12.2</b>	<b>19.0</b>

Source: 2015 ACS ; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Western National Bank (9U3QTJ3ZRVE), Western National Bank (10000013116) excluded from Aggregate

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2022-23</b>		
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		
Duluth MSA AA	41	7,645,323	100.0	4,811	17.5	7.3	9.4	17.4	26.8	22.7	22.3	12.2	21.9	42.8	31.7	29.4	0.0	22.0	16.5		
<b>Total</b>	<b>41</b>	<b>7,645,323</b>	<b>100.0</b>	<b>4,811</b>	<b>17.5</b>	<b>7.3</b>	<b>9.4</b>	<b>17.4</b>	<b>26.8</b>	<b>22.7</b>	<b>22.3</b>	<b>12.2</b>	<b>21.9</b>	<b>42.8</b>	<b>31.7</b>	<b>29.4</b>	<b>0.0</b>	<b>22.0</b>	<b>16.5</b>		

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

Western National Bank (10000013116), Western National Bank (9U3QTJ3ZRVE) excluded from Aggregate

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

Table 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		
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Duluth MSA AA	20	2,705	0.64	3,137	13.5	15	9.2	14.4	20	18.4	39.2	25	46.8	33.0	40	24.2	0.0	0	1.4
<b>Total</b>	<b>20</b>	<b>2,705</b>	<b>0.64</b>	<b>3,137</b>	<b>13.5</b>	<b>15</b>	<b>9.2</b>	<b>14.4</b>	<b>20</b>	<b>18.4</b>	<b>39.2</b>	<b>25</b>	<b>46.8</b>	<b>33.0</b>	<b>40</b>	<b>24.2</b>	<b>0.0</b>	<b>0</b>	<b>1.4</b>

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%

Western National Bank (9U3QTJ3ZRVE), Western National Bank (10000013116) 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
Duluth MSA AA	20	3,616	0.7	2,851	5.3	0	4.2	12.2	10	13.0	37.5	20	49.1	33.9	55	26.7	11.1	15	7.1

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

<b>Total</b>	<b>20</b>	<b>3,616</b>	<b>0.7</b>	<b>2,851</b>	<b>5.3</b>	<b>0</b>	<b>4.2</b>	<b>12.2</b>	<b>10</b>	<b>13.0</b>	<b>37.5</b>	<b>20</b>	<b>49.1</b>	<b>33.9</b>	<b>55</b>	<b>26.7</b>	<b>11.1</b>	<b>15</b>	<b>7.1</b>
<p><i>Source: 2023 D&amp;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%</i></p> <p><i>Western National Bank (10000013116), Western National Bank (9U3QTJ3ZRVE) excluded from Aggregate</i></p>																			

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Duluth MSA AA	20	6,550	0.64	3,137	82.4	95	53.4	4.9	5	12.7	0	
<b>Total</b>	<b>20</b>	<b>6,550</b>	<b>0.64</b>	<b>3,137</b>	<b>82.4</b>	<b>95</b>	<b>53.4</b>	<b>4.9</b>	<b>5</b>	<b>12.7</b>	<b>0</b>	
<p><i>Source: 2021 D&amp;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%</i></p> <p><i>Western National Bank (9U3QTJ3ZRVE), Western National Bank (10000013116) excluded from Aggregate</i></p>												

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022-23</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>	
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>
Duluth MSA AA	20	4,816	0.7	2,851	84.0	70	54.0	4.4	30	11.7	0
<b>Total</b>	<b>20</b>	<b>4,816</b>	<b>0.7</b>	<b>2,851</b>	<b>84.0</b>	<b>70</b>	<b>54.0</b>	<b>4.4</b>	<b>30</b>	<b>11.7</b>	<b>0</b>
<p><i>Source: 2023 D&amp;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%</i></p> <p><i>Western National Bank (10000013116), Western National Bank (9U3QTJ3ZRVE) excluded from Aggregate</i></p>											

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