



## **PUBLIC DISCLOSURE**

July 17, 2023

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

The First National Bank of Milaca  
Charter Number 9050

190 Second Avenue SW  
Milaca, MN 56353

Office of the Comptroller of the Currency

222 South Ninth 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.....	1
Description of Institution.....	2
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	4
State Rating.....	6
State of Minnesota.....	6
Lending Test.....	8
Community Development Test (Optional).....	10
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of 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 lending test is rated: Outstanding**

**The Optional Community Development (CD) Test is rated: Satisfactory**

The major factors that support this rating include:

- The bank exhibits excellent distribution of loans to farms and businesses of different sizes and individuals of different income levels.
- The bank exhibits excellent geographic distribution of loans in the State of Minnesota.
- The bank originated and purchased a majority of loans inside its assessment areas (AAs).
- The bank's loan-to-deposit (LTD) ratio is reasonable.
- There were no CRA related complaints during the review period.
- The bank exhibits adequate responsiveness to community development needs in the State of Minnesota.

### Loan-to-Deposit Ratio

Considering First National Bank of Milaca's (FNB Milaca or the bank) size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable. The bank's LTD ratio averaged 64.84 percent over the 16 quarters since the previous CRA evaluation. The bank's quarterly LTD ratio ranged from a low of 55.44 percent in third quarter 2021 to a high of 71.33 percent in second quarter 2019. FNB Milaca ranked fourth among four similarly situated institutions. Similarly situated institutions are defined as institutions with similar asset-size and have a branch presence in the same AA as the bank.

The following table shows the bank's average LTD ratio compared to similarly situated institutions:

<b>Loan-to-Deposit Ratio</b>		
<b>Institution</b>	<b>Total Assets (\$000s)</b>	<b>Average LTD Ratio (%)</b>
First Bank Elk River	400,673	76.11
Sherburne State Bank	227,468	70.33
Bank of Elk River	635,628	68.11
<b>First National Bank of Milaca</b>	<b>267,978</b>	<b>64.84</b>
<i>Source: Call Report data from March 31, 2018 to December 31, 2021.</i>		

## Lending in Assessment Area

A majority of the bank's loans were made inside its AAs.

The bank originated and purchased 70.0 percent by number and 77.2 percent by dollar volume of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA level. To evaluate the bank's lending inside and outside its AA, we analyzed a sample of 20 business loans, 20 farm loans, and 20 consumer loans originated and purchased during the evaluation period.

The following table shows the bank's lending performance inside and outside its AAs:

<b>Lending Inside and Outside of the Assessment Areas</b>										<b>2019 - 2021</b>
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business	15	75.0	5	25.0	20	1,003	71.7	396	28.3	1,399
Farm	15	75.0	5	25.0	20	1,431	85.2	249	14.8	1,680
Consumer	12	60.0	8	40.0	20	143	55.0	117	45.0	260
<b>Total</b>	<b>42</b>	<b>70.0</b>	<b>18</b>	<b>30.0</b>	<b>60</b>	<b>2,577</b>	<b>77.2</b>	<b>761</b>	<b>22.8</b>	<b>3,338</b>

## Description of Institution

The First National Bank of Milaca is a \$268 million community bank headquartered in Milaca, Minnesota (MN). FNB Milaca operates four branches in north central Minnesota with branches located in Milaca, Gillman, Isle, and Zimmerman, MN. Each branch has a 24-hour drive-up automated teller machine (ATM). The bank does not own or operate any deposit-taking ATMs. FNB Milaca opened one branch since the last CRA evaluation. The Zimmerman, MN branch was opened in June of 2019. The bank did not close any branches since the last CRA evaluation. There was no merger or acquisition activity during the evaluation period. FNB Milaca is 100 percent owned by Rum River Bancorporation, Inc. The Allen family are the majority owners of the bank's holding company. As of December 31, 2022, total assets of Rum River Bancorporation, Inc. were \$21.4 million.

The bank's only rating area is the State of Minnesota. FNB Milaca has two AAs in the state of MN which include the Minneapolis AA and the St. Cloud AA. The Minneapolis AA is comprised of 10 census tracts (CT) including six census tracts (CTs) within Mille Lacs County, one CT within Aitkin County, and three CTs within Sherburne County, MN. The St. Cloud AA is comprised of two CTs within Benton County, MN.

FNB Milaca provides traditional banking services, including a variety of loan and deposit products. FNB Milaca's primary focus is commercial, consumer, and agriculture lending. As of December 31, 2021, net loans totaled \$136.5 million or 50.9 percent of total assets. Total outstanding and committed loan balances as of December 31, 2021, was \$158.4 million. The loan portfolio by dollar volume was comprised of 52 percent business loans, 30 percent home mortgage loans, 11 percent farm loans, and 7 percent consumer loans. Tier 1 capital totaled \$26.6 million as of December 31, 2021.

FNB Milaca was rated Outstanding in the previous CRA Performance Evaluation dated March 19, 2018. There are no known legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AAs.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNB Milaca's CRA performance using small bank performance standards, which consists of the Lending Test. The evaluation period for the LTD ratio analysis is January 1, 2018, to December 31, 2021, and the complaint review covers March 18, 2019, to July 16, 2023. The evaluation period for the Lending Test is January 1, 2019, through December 31, 2021.

FNB Milaca's primary loan products for each AA were determined by reviewing the total number and dollar volume of loan originations and purchases during the evaluation period. FNB Milaca's primary products are different in the two AAs the bank operates within. The primary products in the Minneapolis AA include business and consumer loans. The primary product in the St. Cloud AA were loans to farms. Examiners reviewed initial samples of 20 loans for each primary loan product within each AA.

### **Selection of Areas for Full-Scope Review**

FNB Milaca's two AAs were selected for a full-scope review since the bank only operates within the State of Minnesota. Refer to Appendix A, Scope of Examination, for a list of full-scope AAs.

### **Ratings**

FNB Milaca's overall rating is based on lending performance in the State of Minnesota. The Minnesota state rating is based on the performance in the Minneapolis AA and the St. Cloud AA. We evaluated the bank's lending performance using the following performance criteria: the LTD ratio, lending within the AAs, distribution of loans to individuals of different income levels and business and farms of different sizes, distribution of loans to geographies of different income levels, and responses to CRA-related complaints. The bank's lending performance to businesses carried more weight in the Minneapolis AA based on overall loan volume during the evaluation period. The Minneapolis AA carried more weight than the St. Cloud AA given overall lending and deposit volume is significantly higher in the Minneapolis AA.

The Community Development (CD) Test is optional for small banks. FNB Milaca elected to have CD investments and donations considered in this performance evaluation. CD performance in the Minneapolis AA was considered in the Minnesota state rating and the bank's overall rating.

### **Discriminatory or Other Illegal Credit Practices Review**

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

The OCC has not identified that this institution 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:** Outstanding

**The Lending Test is rated:** Outstanding

**The Optional Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank exhibits excellent distribution of loans to farms and businesses of different sizes and individuals of different income levels.
- The bank exhibits excellent geographic distribution of loans in the State of Minnesota.
- The bank received no CRA related complaints during the evaluation period.
- The bank exhibits adequate responsiveness to community development needs in the State of Minnesota.

### Description of Institution's Operations in Minnesota

The rating in the State of Minnesota is based on the performance within the Minneapolis and St. Cloud AAs. Both AAs received a full-scope review. The Minneapolis AA consists of three branch locations and three ATMs. The St. Cloud AA consists of one branch and one ATM. The bank does not own or operate any deposit taking ATMs. The primary lending products in the Minneapolis AA are business and consumer loans. The primary lending product in the St. Cloud AA is farm loans.

Competition within the bank's AAs is significant. As of June 30, 2021, there were 18 institutions within the Minneapolis AA. According to the June 30, 2021, FDIC Deposit Market Share Report, FNB Milaca ranked fourth with \$221.5 million or 9.55 percent of the AA deposit market share. The top three market shareholders are the Bank of Elk River, Bremer Bank, and Woodlands National Bank with a combined deposit total of \$983.4 million or 42.41 percent of the AA market share. As of June 30, 2021, there were 10 institutions within the St. Cloud AA. FNB Milaca ranked ninth with \$20.8 million or 3.38 percent of the AA deposit market share. The top three market shareholders are Wells Fargo, Falcon National Bank, and Frandsen Bank & Trust with a combined deposit total of \$338.1 million or 55.01 percent of the AA market share.

We contacted a representative within the City of Milaca to better understand the local economy and the financial needs of the community within the Minneapolis AA. The contact indicated that the area is a low- to moderate- income area with an aging population. However, the age demographic of the Milaca area is shifting as young families move to the area. The community is striving to grow in industry and small businesses. New real estate developments are bringing jobs to the community as well as homes into the area. The contact indicated lending opportunities to small businesses are available within the community. The contact listed FNB Milaca as one of the financial institutions in Milaca that are active in the community and strive to develop the area.



We contacted a Farm Service Representative from the United States Department of Agriculture to discuss agricultural lending within the St. Cloud AA. The representative stated the lending needs of farmers in the Benton County area appear to be met. The representative did not identify any agricultural lending deficiencies. The representative stated FNB Milaca is a great institution that farmers in the area often work with.

The following table provides information on the demographic composition of the Minneapolis AA:

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB Milaca - Minneapolis AA</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)	10	0.0	60.0	40.0	0.0	0.0
Population by Geography	50,916	0.0	42.9	57.1	0.0	0.0
Housing Units by Geography	22,578	0.0	54.1	45.9	0.0	0.0
Owner-Occupied Units by Geography	15,223	0.0	43.6	56.4	0.0	0.0
Occupied Rental Units by Geography	3,330	0.0	64.6	35.4	0.0	0.0
Vacant Units by Geography	4,025	0.0	85.2	14.8	0.0	0.0
Businesses by Geography	4,412	0.0	42.8	57.2	0.0	0.0
Farms by Geography	281	0.0	38.4	61.6	0.0	0.0
Family Distribution by Income Level	13,552	25.4	23.2	24.3	27.2	0.0
Household Distribution by Income Level	18,553	24.6	19.4	21.4	34.6	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$84,589	Median Housing Value			\$163,922
Median Family Income Non-MSAs - MN		\$63,045	Median Gross Rent			\$846
			Families Below Poverty Level			5.8%

*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.*

The following table provides information on the demographic composition of the St. Cloud AA:

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB Milaca - St Cloud AA</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)	2	0.0	0.0	100.0	0.0	0.0
Population by Geography	8,538	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	3,379	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,759	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	423	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	197	0.0	0.0	100.0	0.0	0.0

Businesses by Geography	624	0.0	0.0	100.0	0.0	0.0
Farms by Geography	148	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,355	15.0	18.6	25.9	40.6	0.0
Household Distribution by Income Level	3,182	19.0	14.9	20.2	45.9	0.0
Median Family Income MSA - 41060 St. Cloud, MN MSA		\$69,359	Median Housing Value			\$175,234
			Median Gross Rent			\$632
			Families Below Poverty Level			5.0%
<p><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></p>						

## Scope of Evaluation in Minnesota

The Minnesota state rating is based on the results of the Minneapolis and St. Cloud AAs given the bank operates in two AA within the state. Both AAs received full-scope reviews. The Minneapolis AA received more weight because the Minneapolis AA contains more branches and generates significantly more loan and deposit volume compared to the St. Cloud AA.

Refer to Appendix A for additional information on the AAs reviewed.

## Lending Test

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

Based on a full-scope review the bank's performance in the Minneapolis AA and the St. Cloud AA is excellent. Both the geographic distribution and borrower distribution conclusions are based on the bank's performance in the Minneapolis AA and the St. Cloud AA.

## Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State of Minnesota.

### *Small Loans to Businesses*

The geographic distribution of small loans to businesses in different income level CTs within the Minneapolis AA is excellent. The percentage of small loans to businesses made in moderate-income geographies significantly exceeded the percentage of business operating in moderate-income CTs and also significantly exceeded the aggregate comparator. There are no low income CTs within the Minneapolis AA.

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.

### *Small Loans to Farms*

The distribution of farm loans by income level of geography is not meaningful because there were no low-or moderate-income (LMI) CTs in the St. Cloud AA during the evaluation period.

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 loans to farms.

### ***Consumer Loans***

The geographic distribution of consumer loans in different income level CTs is excellent. The percentage of consumer loans made in moderate-income geographies significantly exceeded the demographic percentage of households located in moderate-income CTs. There are no low income CTs within the Minneapolis AA.

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

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

The bank exhibits excellent distribution of loans to farms and businesses of different sizes and individuals of different income levels.

### ***Small Loans to Businesses***

The distribution of loans to businesses of different sizes in the Minneapolis AA is excellent. The percentage of small loans to businesses with revenues less than or equal to one million significantly exceeded the aggregate comparator. The percentage of small businesses in the Minneapolis AA is near to the percentage of bank loans originated in this AA.

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.

### ***Small Loans to Farms***

The distribution of loans to farms of different sizes in the St. Cloud AA is excellent. The percentage of small loans to farms with revenues less than or equal to one million exceeded the aggregate comparator and was near to the percentage of small farms located in the St. Cloud AA.

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 farms.

### ***Consumer Loans***

The distribution of consumer loans by income level category in the Minneapolis AA is excellent. The percentage of loans to LMI borrowers significantly exceeded the percentage of LMI households located in the AA.

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

## COMMUNITY DEVELOPMENT

CD activities are optional for banks evaluated using small bank CRA procedures. At its option, a bank may request to have CD activities considered. FNB Milaca elected to have CD investments and donations considered in this performance evaluation.

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development donations and qualified investments considering the bank's capacity, need, and availability of such opportunities for community development in the bank's assessment areas. Performance related to community development activities had a positive effect on the bank's rating in the state.

### Number and Amount of Community Development Loans

FNB Milaca did not submit any CD loans for consideration.

### Number and Amount of Qualified Investments

FNB Milaca exhibits an adequate responsiveness to CD investment needs in the Minneapolis AA and CD investments within the St. Cloud AA. The Qualified Investment table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments.

Qualified Community Development Investments									2019 - 2021	
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Minneapolis AA	0	0	26	544	26	100	544	100	0	0
St. Cloud AA	0	0	3	1.5	3	100	1.5	100	0	0

FNB Milaca's qualified investments consist of donations and municipal investments. The bank made 29 qualified donations totaling \$545.5 thousand within the Minneapolis and St. Cloud AAs during the evaluation period. One example was a \$1,500 donation to the Lakes and Pines Reach for Warmth Program, a program that provides assistance to LMI individuals to pay energy bills. Another example was a donation of \$500 to the Zimmerman County Food Shelf, providing additional goods to LMI individuals in LMI geographies.

### Extent to Which the Bank Provides Community Development Services

FNB Milaca did not submit any community development services for consideration.

\* '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.

## 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”.

<b>Time Period Reviewed:</b>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Small business, small farm, and consumer loans Community development loans and qualified investments	
<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>Minnesota</b>		
Minneapolis AA	Full-scope	Mille Lacs County CTs: 1704, 1705, 1706, 1707, 9701, 9703 Aitkin County CT: 7905.01 Sherburne County CTs: 301.01, 301.02, 302
St. Cloud AA	Full-scope	Benton County CTs: 201, 202.02

# Appendix B: Summary of State Ratings

---

<b>RATINGS</b>			
<b>First National Bank of Milaca</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating</b>	<b>Optional Community Development Test Rating</b>	<b>Overall Bank/State Rating</b>
First National Bank of Milaca	Outstanding	Satisfactory	Outstanding
<b>State:</b>			
Minnesota	Outstanding	Satisfactory	Outstanding

## 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.

**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

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

**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. The table also presents aggregate peer data for the years the data is available. 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 assessment area.

**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

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.

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/assessment area.

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2019-21</b>	
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	
FNB Milaca - Minneapolis AA	20	1,085,871.83	100	955	0.0	--	0.0	42.8	90.0	34.6	57.2	10.0	65.4	0.0	--	0.0	0.0	--	0.0	
FNB Milaca – St Cloud AA	--	--	--	142	0.0	--	0.0	0.0	--	0.0	100.0	--	100.0	0.0	--	0.0	0.0	--	0.0	
<b>Total</b>	<b>20</b>	<b>1,085,871.83</b>	<b>100.0</b>	<b>1,097</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>37.5</b>	<b>--</b>	<b>30.1</b>	<b>62.5</b>	<b>--</b>	<b>69.9</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	

*Source: 2021 D&B Data; 01/01/2019 - 12/13/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2019-21</b>
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	
FNB Milaca - Minneapolis AA	20	1,085,871.83	100	955	91.4	80.0	51.5	2.8	20.0	5.8	0.0	
FNB Milaca - St Cloud AA	--	--	--	142	89.1	--	71.8	2.7	--	8.2	--	
<b>Total</b>	20	1,085,871.83	100.0	<b>1,097</b>	<b>91.1</b>	--	<b>54.1</b>	<b>2.8</b>	--	<b>6.1</b>	--	
<i>Source: 2021 D&amp;B Data; 01/01/2019 - 12/13/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>												

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 S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2019-21	
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	
FNB Milaca - Minneapolis AA	--	--	--	44	0.0	--	0.0	38.4	--	59.1	61.6	--	40.9	0.0	--	0.0	0.0	--	0.0	
FNB Milaca - St Cloud AA	20	1,712,486.70	100	111	0.0	--	0.0	0.0	--	0.0	100.0	100.00	100.0	0.0	--	0.0	0.0	--	0.0	
<b>Total</b>	<b>20</b>	<b>1,712,486.70</b>	<b>100</b>	<b>155</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>25.2</b>	<b>--</b>	<b>16.8</b>	<b>74.8</b>	<b>--</b>	<b>83.2</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	

Source: 2021 D&B Data; 01/01/2019 - 12/13/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

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

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2019-21</b>	
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	
FNB Milaca - Minneapolis AA	--	--	--	44	97.9	--	63.6	1.4	--	0.7	--	
FNB Milaca - St Cloud AA	20	1,712,486.70	100	111	98.0	90.0	78.4	0.7	5.0	1.4	5.0	
<b>Total</b>	<b>20</b>	<b>1,712,486.70</b>	<b>100</b>	<b>155</b>	<b>97.9</b>	<b>--</b>	<b>74.2</b>	<b>1.2</b>	<b>--</b>	<b>0.9</b>	<b>--</b>	
<i>Source: 2021 D&amp;B Data; 01/01/2019 - 12/13/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>												

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 U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>													<b>2019-21</b>	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
FNB Milaca - Minneapolis AA	20	232,001.52	100.0	0.0	0.0	47.4	95.0	52.6	5.0	0.0	0.0	0.0	0.0	
FNB Milaca - St Cloud AA	--	--	--	0.0	--	0.0	--		--	0.0	--	0.0	--	
<b>Total</b>	20	232,001.52	100.0	<b>0.0</b>	--	<b>40.5</b>	-- <sup>100.0</sup>	<b>59.5</b>	--	<b>0.0</b>	--	<b>0.0</b>	--	

Source: 2015 ACS; 01/01/2019 - 12/13/2021 Bank Data.  
Due to rounding, totals may not equal 100.0%

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



<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2019-21</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
FNB Milaca - Minneapolis AA	20	232,001.52	100	24.6	35.0	19.4	45.0	21.4	10.0	34.6	10.0	0.0	0.0	
FNB Milaca - St Cloud AA	--	--	--	19.0	--	14.9	--		--	45.9	--	0.0	--	
<b>Total</b>	20	232,001.52	100	<b>23.8</b>	--	<b>18.8</b>	<b>--20.2</b>	<b>21.3</b>	--	<b>36.2</b>	--	<b>0.0</b>	--	

*Source: 2015 ACS; 01/01/2019 - 12/13/2021 Bank Data.  
Due to rounding, totals may not equal 100.0%*

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