



PUBLIC DISCLOSURE

April 20, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

First National Bank North
Charter Number: 8476

P.O. Box 520
Walker, MN 56484

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 **Outstanding**.

The lending test is rated: Outstanding

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The distribution of loans among individuals of different income levels is excellent.
- The distribution of loans throughout different geographies is excellent.
- A substantial majority of the bank's loans are inside its assessment area (AA).
- The bank's loan-to-deposit (LTD) ratio is reasonable.
- The bank exhibits excellent responsiveness to community development (CD) needs through CD loans, qualified investments, and CD services.

Loan-to-Deposit Ratio

First National Bank North's (FNBN) LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its AA. The bank's LTD ratio averaged 73.6 percent over the twelve quarters included in this evaluation period. The LTD ratio ranged from a high of 76 percent in the second quarter of 2018 to a low of 72.1 percent in the third quarter of 2017. The following table shows FNBN's average LTD ratio compared to four other similarly-situated financial institutions.

Institution	Assets as of 12/31/19	Average LTD Ratio (%)
American National Bank of Minnesota, Baxter, MN	306,098	97.1
BlackRidgeBANK, Fargo, ND	484,305	91.2
Riverwood Bank, Baxter, MN	445,320	87.9
Deerwood Bank, Waite Park, MN	719,021	87.5
First National Bank North, Walker, MN	564,858	73.6

Source: Call Report Data from January 1, 2017 through December 31, 2019.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA. The bank originated and purchased 90 percent of its total loans by number and 79 percent by dollar volume inside the bank's AA during the evaluation period. We analyzed 40 residential real estate loans and 40 consumer loans originated between January 1, 2017 and December 31, 2019.

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	35	87.5	5	12.5	40	5,070	80.3	1,247	19.7	6,317
Consumer	37	92.5	3	7.5	40	378	68.6	173	31.4	551
Total	72	90.0	8	10.0	80	5,448	79.3	1,420	20.7	6,868

Description of Institution

FNBN is a \$564.9 million institution as of December 31, 2019 and headquartered in Walker, Minnesota (MN). FNBN is wholly-owned by Walker Ban Co. (WBC), a one-bank holding company, also headquartered in Walker, MN. As of December 31, 2019, WBC had total assets of \$564.9 million. FNBN did not have merger or acquisition activity during the evaluation period. FNBN does not operate any subsidiaries or affiliates.

FNBN is a single-state institution with ten full-service branches and 14 cash dispensing ATMs in operation during the evaluation period. See Description of Operations in the MN Non-MSA for additional branch and ATM information. For CRA purposes, FNBN operates only within the State of MN. The MN rating area consists of the MN Non-MSA AA.

FNBN is a full-service commercial bank offering a variety of loan and deposit products. The bank's primary focus is home mortgage and consumer lending. The bank offers a variety of traditional banking products and services. Available consumer lending products include home mortgage loans (i.e. FHA, home construction, home equity), installment loans (i.e. new and used auto, recreational vehicles, credit cards), and revolving lines of credit. Available commercial products include commercial real estate, term loans, working capital, and revolving lines of credit. Flexible lending programs include Minnesota Housing Finance Agency mortgage loans, Veterans Administration mortgage loans, Rural Development loans, First Time Home Buyer programs, Heating and Furnace loan programs, and Small Business Administration loan programs. The bank also offers investment services and insurance products.

Net loans and leases represent 64.9 percent of total assets. The loan portfolio is comprised of 45.5 percent home mortgage loans, 43.0 percent business loans, and 11.5 percent consumer loans, based on dollar volume. Tier 1 capital was \$60.1 million or 10.7 percent of total assets at the end of the evaluation period.

There are no known financial, legal, or other factors that impede FNBN's ability to help meet the credit needs it its AA. FNBN received a "Satisfactory" rating at the last CRA examination, dated April 3, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2017 to December 31, 2019. We reviewed a sample of home mortgage loans and consumer loans originated in the MN Non-MSA AA during the evaluation period. These products were selected based on an analysis of the bank's lending activity and

the level of loan originations and purchases during the evaluation period. We also reviewed all CD loans, investments, donations, and services submitted.

Loans originated or purchased in 2017 were analyzed separately from loans originated or purchased in 2018-19 due to a change in the bank's AA.

Demographic data is used in part to determine the bank's lending performance. The U.S. Census Bureau released updated demographic data from the 2015 American Community Survey (ACS), which took effect on January 1, 2017.

Selection of Areas for Full-Scope Review

A full-scope review was completed for the bank's only AA within the only state where the bank has an office. For purposes of this evaluation, 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

The bank's overall rating is based solely on the State of MN rating, as it is the bank's only rating area.

Home mortgage loans and consumer loans were selected as primary products. Home mortgage loans received more weight in the Lending Test analysis as they serve as the largest loan portfolio segment and comprise the majority of the bank's originations by dollar volume during the evaluation period. Home mortgage loans represent 14 percent of loan originations by number and 57 percent by dollar volume. Consumer loans represent 75 percent of loan originations by number and 17 percent by dollar volume. Business and farm loans were not included in our analysis given the limited volume. The 2018-2019 performance received more weight than 2017 as it included the two most recent years in the evaluation period and the majority of the bank's loan origination volume.

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 Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The bank exhibits an excellent geographic distribution of loans in the State of MN. There were no gaps identified within the bank's lending to low- or moderate-income CTs.
- The bank exhibits an excellent distribution of loans to individuals of different income levels in the State of MN.
- The bank exhibits excellent responsiveness to CD needs in the State of MN through CD loans, qualified investments, and CD services.
- The bank did not receive any CRA-related complaints during the evaluation period.

Description of Institution's Operations in Minnesota

The MN Non-MSA AA consists of Cass, Crow Wing, and Hubbard Counties. FNBN chose to remove three middle-income CTs in the western part of Hubbard county from their AA, beginning in 2018 due to limited lending activity. FNBN operated ten full-service branches in the MN Non-MSA during the evaluation period. Branches are located in Akeley, Backus, Baxter, Crosslake, Hackensack, Longville, Pequot Lakes, Remer, and Walker. In June 2019, the two branches in Longville merged due to lending activity, reducing full-service branches to nine. FNBN operates fourteen non-deposit taking ATMs within the AA. Eleven of the ATMs are located at branch offices. Three ATMs are located at grocery or convenience stores.

The June 30, 2019 FDIC Deposit Market Share Report indicated that FNBN had \$480.1 million, or 100 percent of its deposits in the MN Non-MSA AA. FNBN ranks first of 20 deposit-taking institutions in the AA with deposit market share of 20.2 percent. Other leaders in the market are Bremer Bank, The Citizens National Bank of Park Rapids, and Deerwood Bank with a combined market share of 30.2 percent.

We completed one community contact in the MN Non-MSA AA as part of this examination. The contact is located in Backus, MN in Cass County and serves Cass and Hubbard Counties. This organization assists local residents with their affordable housing needs. The contact stated that the area has a significant underserved and LMI population with elevated unemployment, but opportunities to provide affordable housing are limited without county issued bonds or tax credits. The contact specifically noted FNBN as having a significant presence in the county.

Additionally, the following performance context factors were considered when performing this evaluation. The average unemployment rate in the MN Non-MSA AA was 5.3 percent in 2019, elevated

when compared to the MN unemployment rate of 3.2 percent. The median housing value of \$194 thousand is high in relation to the median family income of \$63 thousand. This is driven by the number of lake homes and second homes, owned by upper-income individuals, which are located in the AA and hinder the ability of low- and moderate-income individuals from purchasing homes.

The following tables provide information on the demographic composition of the MN Non-MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB North MN Non-MSA AA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	15.2	81.8	3.0	0.0
Population by Geography	112,141	0.0	13.7	81.6	4.7	0.0
Housing Units by Geography	80,297	0.0	14.3	82.2	3.5	0.0
Owner-Occupied Units by Geography	37,380	0.0	11.6	83.8	4.6	0.0
Occupied Rental Units by Geography	10,628	0.0	23.1	73.9	3.0	0.0
Vacant Units by Geography	32,289	0.0	14.5	83.1	2.3	0.0
Businesses by Geography	8,710	0.0	16.2	79.3	4.5	0.0
Farms by Geography	463	0.0	9.1	86.4	4.5	0.0
Family Distribution by Income Level	32,637	21.8	20.2	23.1	35.0	0.0
Household Distribution by Income Level	48,008	24.1	17.6	19.3	39.0	0.0
Median Family Income Non-MSAs - MN		\$63,182	Median Housing Value			\$193,339
			Median Gross Rent			\$706
			Families Below Poverty Level			9.0%
<i>Source: 2015 ACS and 2017 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB North MN Non-MSA AA – 2018-2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	0.0	13.3	83.3	3.3	0.0
Population by Geography	103,204	0.0	12.5	82.4	5.1	0.0
Housing Units by Geography	74,103	0.0	13.7	82.5	3.8	0.0
Owner-Occupied Units by Geography	34,511	0.0	11.0	84.0	5.0	0.0
Occupied Rental Units by Geography	9,500	0.0	19.9	76.7	3.4	0.0
Vacant Units by Geography	30,092	0.0	15.0	82.5	2.5	0.0
Businesses by Geography	8,849	0.0	12.4	82.6	5.0	0.0
Farms by Geography	455	0.0	9.5	85.3	5.3	0.0
Family Distribution by Income Level	30,092	21.6	20.1	22.9	35.4	0.0
Household Distribution by Income Level	44,011	23.8	17.4	19.4	39.5	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$193,989

	Median Gross Rent	\$721
	Families Below Poverty Level	9.2%
<i>Source: 2015 ACS and 2019 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

We completed a full-scope review of the bank's only AA, the MN Non-MSA AA. The MN Non-MSA AA includes all of the bank's branch locations, deposits, and loan origination activity. Primary products in the MN Non-MSA AA were home mortgage and consumer loans.

Refer to the table in Appendix A for additional information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State of Minnesota, based solely on the bank's performance in the MN Non-MSA AA.

Home Mortgage Loans

The bank exhibits excellent geographic distribution of home mortgage loans in the State of Minnesota. 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 distribution of home mortgage loans to geographies of different income levels in the MN Non-MSA AA is excellent. FNBN originated 15 percent of home mortgage loans within moderate-income geographies in 2018-2019, significantly exceeding both the demographic and aggregate comparators. FNBN originated ten percent of home mortgage loans within moderate-income geographies in 2017, near to both the demographic and aggregate comparators. There were no low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

Consumer Loans

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

The distribution of consumer loans to geographies of different income levels in the MN Non-MSA AA is excellent. FNBN originated 23.3 percent of consumer loans within moderate-income geographies in 2018-19, significantly exceeding the demographic comparator. FNBN originated 30 percent of home mortgage loans within moderate-income geographies in 2017, significantly exceeding the demographic comparator. There were no low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

The bank exhibits excellent distribution of loans to individuals of different income levels. 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 borrower distribution of home mortgage loans to borrowers of different levels in the MN Non-MSA AA is excellent. FNBN originated 25 percent of home mortgage loans to low-income borrowers in 2018-19, significantly exceeding both the demographic and aggregate comparators. FNBN originated 15 percent of home mortgage loans to moderate-income borrowers in 2017, which is below the demographic comparator but near to the aggregate comparator. FNBN originated 6.7 percent of home mortgage loans to low-income borrowers in 2017, significantly below the demographic comparator but exceeding aggregate lending. This can be attributed to the elevated median home value of \$194 thousand in the AA. FNBN originated 20 percent of home mortgage loans to moderate-income borrowers, significantly exceeding the aggregate comparator and approximates the demographic comparator.

Consumer Loans

The bank exhibits excellent distribution of loans to individuals of different income levels. Refer to Table V in the State of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans to borrowers of different income levels in the MN Non-MSA AA is excellent. The bank significantly exceeded all demographic comparators. FNBN originated 35 percent of consumer loans to low-income borrowers and 30 percent to moderate-income borrowers in 2018-19. FNBN originated 35 percent of consumer loans to low-income borrowers and 45 percent to moderate-income borrowers in 2017.

Responses to Complaints

FNBN did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the State of Minnesota is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the MN Non-MSA through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The bank exhibits excellent responsiveness to CD lending needs in the state. The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
MN Non-MSA	33	100	12,697	100

Management originated a total of 33 CD loans totaling \$12.7 million during the evaluation period. The majority of CD loans, 14 totaling \$7.4 million, supported economic development within the bank's AA by promoting LMI job creation and retention within the MN Non-MSA AA. Another 13 CD loans totaling \$3.5 million supported organizations that provided affordable housing or specific affordable housing projects in the AA. Six CD loans supported organizations that provide necessary community services to low- and moderate-income individuals within the AA.

Number and Amount of Qualified Investments

The bank exhibits excellent responsiveness to qualified investment needs in the state. The Qualified Investments Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified investments. The table includes all qualified investments, including CD donations.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
MN Non-MSA	0	0	118	6,420	118	100	6,420	100	0	0

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

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

Qualified investments totaled \$6.4 million during the evaluation period, consisting of qualified investments and donations. FNBN purchased seven qualified investments totaling \$6.3 million. Four

investments supported necessary community services by supporting a local school district that serves moderate-income geographies and is comprised entirely of Title 1 schools. Two investments supported affordable housing to LMI individuals or in moderate-income geographies, which displays use of complex investments to meet AA needs. One investment supported revitalization within a moderate-income geography by providing funding to improve essential infrastructure.

During the evaluation period, management provided 111 donations totaling \$124 thousand to 63 qualified CD organizations in the AA. The majority of donations, 96 totaling \$34 thousand, supported organizations providing community services to the AA. Six donations totaling \$77 thousand supported affordable housing organizations or projects. This includes one large donation, totaling \$50M to The Leech Lake Housing Authority and The Tribally Designated Housing Authority. This is in response to a specific identified need in the AA, to increase affordable housing for reservation residents. Nine donations totaling \$13 thousand supported economic development organizations.

Extent to Which the Bank Provides Community Development Services

The bank exhibits adequate responsiveness to CD service needs in the state.

During the evaluation period, 14 employees provided 686 hours to 15 qualified CD organizations benefitting the MN Non-MSA AA. The majority of service hours, 344, were provided to nine organizations that provide community services to LMI individuals. Another 318 service hours were provided to four economic development organizations. Remaining service hours were provided to two organizations that provide affordable housing. Examples include:

- One employee served as a Board member and the treasurer of an organization dedicated to working with victims of human trafficking.
- One employee served as secretary of the Board for an organization that works with Leech Lake Reservation members, the reservation is located in a moderate-income census tract.
- Two employees have served as a Board member and in other various roles for an economic development organization that specifically works with businesses located in LMI census tracts.
- One employee serves on the micro lending committee for an economic development organization that works with small businesses to approve micro business loans.

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 MSA(s) and non-MSA(s) 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:	01/01/2017 to 12/31/2019	
Bank Products Reviewed:	Home mortgage and consumer loans Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota		
MN Non-MSA	Full-scope	2017 - Cass, Crow Wing, and Hubbard Counties 2018-2019 Cass and Crow Wing Counties and a portion of Hubbard County (CTs 701, 703, 704, and 707)

Appendix B: Summary of MMSA and State Ratings

RATINGS: First National Bank North			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
First National Bank North	Outstanding	Outstanding	Outstanding
State:			
Minnesota	Outstanding	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table 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 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.

State of Minnesota

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-19
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	20	3,495	100.0	3,920	0.0	0.0	0.0	11.0	15.0	12.8	84.0	70.0	80.7	5.0	15.0	6.5	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Note: 2019 HMDA Aggregate Data is not available.
Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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	60	7,694	100.0	4,248	0.0	0.0	0.0	11.6	10.0	10.7	83.8	90.0	83.8	4.6	0.0	5.5	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography														2018-19
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MN Non-MSA	60	501	100.0	0.0	0.0	12.9	23.3	82.5	76.7	4.7	0.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data,
Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MN Non-MSA	20	239	100.0	0.0	0.0	14.1	30.0	81.6	70.0	4.3	0.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank 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																			2018-19		
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	20	3,495	100.0	3,920	21.6	25.0	6.8	20.1	15.0	17.2	22.9	20.0	19.0	35.4	40.0	40.5	0.0	0.0	16.5		

Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Note: 2019 HMDA Aggregate Data is not available.
 Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017		
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	60	7,694	100.0	4,248	21.8	6.7	6.2	20.2	20.0	15.7	23.1	18.3	18.8	35.0	55.0	43.7	0.0	0.0	15.6		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018-19	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MN Non-MSA	20	158	100.0	23.8	35.0	17.4	30.0	19.4	30.0	39.5	5.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data,
Due to rounding, totals may not equal 100.0*

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
MN Non-MSA	20	239	100.0	24.1	35.0	17.6	45.0	19.3	10.0	39.0	10.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data
Due to rounding, totals may not equal 100.0*