



PUBLIC DISCLOSURE

September 27, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Stearns Bank National Association
Charter Number: 15576

4191 2nd Street South
St. Cloud, MN 56030

Office of the Comptroller of the Currency

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

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

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Overall CRA Rating

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

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

Performance Levels	Stearns Bank N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		x	
Low Satisfactory	x		x
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

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

Lending in Assessment Area

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

The bank originated and purchased 3.9 percent of its total loans by number and 5.1 percent by dollar inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA,

level. The analysis was performed by reviewing all small loans to businesses and farms reported on the bank's CRA loan application registrar (LAR) from January 1, 2018 through December 31, 2020.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	852	3.3	24,860	96.7	25,712	91,524	4.7	1,845,640	95.3	1,937,164
Small Farm	237	11.5	1,818	88.5	2,055	13,083	11.8	98,108	88.2	111,191
Total	1,089	3.9	26,678	96.1	27,767	104,607	5.1	1,943,748	94.9	2,048,355

Stearns has a strategic focus on nationwide equipment lending and Small Business Administration (SBA) guaranteed loans. This focus on national product lines is the primary reason that a majority of lending activity occurs outside the bank's AAs.

To further understand the bank's ability to meet community needs, we analyzed the location of deposits. We compared the volume of deposits within the AAs against lending volumes within the AAs. Deposits from customers located within the bank's AAs represent 58.7 percent by dollar and 85.6 percent by number of deposit accounts. The bank's percentage of lending within the AAs is well below the percentage of deposits within the AAs. The bank's low volume of lending inside its AAs had a negative impact on the geographic distribution of loans. The geographic loan distribution analysis is based on loans to borrowers inside the bank's AAs.

Description of Institution

Stearns is a nationally chartered interstate bank headquartered in St. Cloud, Minnesota. Stearns operates as a subsidiary of a three-bank holding company known as Stearns Financial Services, Inc. (SFSI), which is headquartered in St. Cloud, Minnesota. As of June 30, 2021, SFSI had total assets of approximately \$2.3 billion. Stearns has two affiliates through common SFSI ownership. Both are located in the state of Minnesota and include Stearns Bank Holdingford National Association, headquartered in Holdingford, and Stearns Bank Upsala National Association, headquartered in Upsala. This evaluation does not consider affiliate activities in evaluating Stearns' CRA performance. Stearns does not have any subsidiaries.

Stearns is a full-service commercial bank. The bank's business focus is nationwide commercial lending, including United States Department of Agriculture (USDA) rural development lending, SBA 7(a) and 504 lending, and Section 42 Low Income Housing Tax Credit (LIHTC) financing. Stearns is an SBA preferred lender and is a USDA designated multi-state lender. The bank has an equipment finance division offering nationwide leasing and financing. Equipment financing through conditional sales contracts are considered loans for CRA purposes. Stearns also offers agriculture and consumer loans.

During the evaluation period, Stearns was a leader in originating Paycheck Protection Program (PPP) loans. Stearns' PPP lending demonstrated good responsiveness to identified needs of small businesses struggling from the COVID-19 pandemic. Stearns made over 2,600 PPP loans in April and May 2020 that helped numerous small businesses continue to operate. More specifically, the bank originated 2,545 loans for \$1 million or less and 57 loans greater than \$1 million. The loans in amounts of \$1 million or less were reported on the 2020 CRA LAR. To provide more context, Stearns Bank originated 562 PPP

loans totaling \$57.4 million in its AAs. Of those loans, 23 percent totaling about \$17.0 million went to small businesses in LMI geographies.

Additionally, in response to the pandemic, Stearns reached out to all customers to see what they could do. Stearns approved modifications to the terms of numerous existing loans. These flexibilities allowed financial relief for customers struggling as a result of the pandemic. Customers were also able to leverage existing mobile and online digital banking platforms to meet their banking needs while branch lobbies were closed.

Stearns operates eight full-service locations in Minnesota, Arizona, and Florida. In addition to full-service branches, Stearns maintains an operations office located in St. Cloud, Minnesota. During the evaluation period, Stearns did not open or close any branch locations. Stearns operates nine automated teller machines (ATMs) in total, including six in the state of Minnesota and three in the state of Florida. ATMs are cash-dispensing and do not accept deposits. Refer to the Description of Operations in each of the state sections below for more information regarding the branches and ATMs by state and assessment area.

As of June 30, 2021, Stearns had \$2.17 billion in total assets, with net loans and leases comprising approximately 65.7 percent of those assets. The loan portfolio is comprised of approximately 97.4 percent business loans, 1.8 percent home mortgage, less than one percent farm loans, and less than one percent consumer loans. As of June 30, 2021, the tier one leverage ratio totaled 20.61 percent with approximately \$491.3 million in tier one capital.

There are no known legal, financial, or other factors impeding Stearns' ability to meet the credit needs in its AAs. Stearns was rated Satisfactory at the last CRA examination dated May 21, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Evaluation Period

The evaluation period is January 1, 2018 through December 31, 2020 for the Lending Test, Investment Test, and Service Test.

Lending Test

To complete our analysis, we used small loans to businesses and farms data collected and reported by Stearns in their 2018-2020 CRA LAR. In preparation for the CRA exam, we completed a separate data integrity examination and confirmed the data was accurate and reliable.

Small loans to businesses represented the largest portion of lending activity during the evaluation period. Stearns originated and purchased over twenty-five thousand small loans to businesses totaling about \$1.9 billion. Small loans to businesses represent 92.6 percent of total loans by number and 94.6 percent by dollar. Stearns originated and purchased about two thousand small loans to farms totaling approximately \$111 thousand. Small loan to farms represents about 7.4 percent of total loans by number and 5.4 percent by dollar.

Only loans inside the bank's AAs were considered. Business loans were the primary product for all AAs. Farm loans were also considered in the state of Minnesota. Product weighting for Minnesota is

discussed within the Minnesota state rating section. We did not analyze farm loans in Florida or Arizona. In both states, there were five or fewer farm loans originated during the evaluation period and analysis is not meaningful.

Home mortgage data was not considered because there was insufficient volume for meaningful analysis. Stearns was exempt from Home Mortgage Disclosure Act reporting requirements throughout the evaluation period given the low volume of home mortgage loans.

Consumer loans are considered only if requested by the bank. Stearns did not opt for consumer loans to be considered under the Lending Test.

Investment Test

We reviewed the bank's donations, grants, and investments made during the evaluation period and determined which qualified as community development.

Service Test

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

Selection of Areas for Full-Scope Review

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

Ratings

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

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

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

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution 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: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to credit needs in the bank's AAs.
- The geographic distribution of loans throughout census tracts (CT) of different income levels is adequate.
- The distribution of loans to businesses and farms of different sizes is good.
- Stearns made a significant level of CD investments and demonstrated good responsiveness to the needs of its AAs.
- Stearns' service delivery systems are readily accessible to geographies of different income levels.
- Employees provide an adequate level of CD services to qualified organizations.

Description of Institution's Operations in Minnesota

The bank has three AAs in the state of Minnesota. The St. Cloud MSA AA, the MN Non-MSA AA, and the Minneapolis MSA AA. The St. Cloud AA consists of Stearns and Benton Counties and has two full-service locations, one in St. Cloud and another in Albany. The MN Non-MSA AA consists of Pine and Kanabec Counties and includes one branch in Pine City. The Minneapolis AA consists of Isanti, Sherburne, and Chisago Counties and includes one location in North Branch.

Stearns has the largest deposit market share within the seven-county area that comprises its Minnesota AAs, according to the June 30, 2021 FDIC Deposit Market Share report. Stearns market share is 12.7 percent. Wells Fargo and Bremer rank the next highest at 10.0 percent and 8.6 percent, respectively. There are 51 institutions with a presence in Stearns Minnesota AAs. Stearns' Minnesota operations accounts for 80.0 percent of the bank's total deposits as of June 30, 2021. Stearns has the greatest presence in the St. Cloud AA. The St. Cloud AA accounts for 93.7 percent of the bank's deposits within Minnesota and 75.0 percent of the bank's total deposits.

Stearns' primary lending focus in the Minnesota AAs is business loans, followed by farm loans. During the evaluation period, business loans by number accounted for 58.5 percent of loans in the St. Cloud AA, 43.9 percent in the MN Non-MSA AA, and 72.7 percent in the Minneapolis AA. Business loans by dollar accounted for 79.2 percent of loans in the St. Cloud AA, 56.8 percent in the MN Non-MSA AA, and 82.0 percent in the Minneapolis AA.

As part of this review, we contacted the local Chamber of Commerce in the St. Cloud and MN Non-MSA AAs and referenced other recently completed community contacts with community development organizations to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within the AAs. For each of the Minnesota AAs, the contacts indicated there is a need for affordable housing and small business financing. The contacts stated there are many opportunities for bank involvement through financing affordable housing projects and small businesses throughout each of the three Minnesota AAs.

The following tables provide information on the demographic composition of the St. Cloud and MN Non-MSA AAs.

St. Cloud AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: St Cloud MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	0.0	10.5	76.3	13.2	0.0
Population by Geography	191,816	0.0	12.7	71.7	15.7	0.0
Housing Units by Geography	79,007	0.0	13.3	73.2	13.5	0.0
Owner-Occupied Units by Geography	51,046	0.0	7.9	76.5	15.7	0.0
Occupied Rental Units by Geography	21,851	0.0	26.4	63.7	9.9	0.0
Vacant Units by Geography	6,110	0.0	12.4	79.7	7.9	0.0
Businesses by Geography	15,350	0.0	13.9	68.9	17.2	0.0
Farms by Geography	1,232	0.0	2.5	89.9	7.5	0.0
Family Distribution by Income Level	47,374	20.0	17.5	23.0	39.5	0.0
Household Distribution by Income Level	72,897	23.7	16.0	19.4	40.9	0.0
Median Family Income MSA - 41060 St. Cloud, MN MSA		\$69,359	Median Housing Value			\$165,394
			Median Gross Rent			\$744
			Families Below Poverty Level			7.7%

Source: 2015 ACS and 2020 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.

MN Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: MN Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	33.3	66.7	0.0	0.0
Population by Geography	45,221	0.0	38.7	61.3	0.0	0.0
Housing Units by Geography	25,022	0.0	36.4	63.6	0.0	0.0
Owner-Occupied Units by Geography	13,849	0.0	31.9	68.1	0.0	0.0
Occupied Rental Units by Geography	3,703	0.0	62.5	37.5	0.0	0.0
Vacant Units by Geography	7,470	0.0	31.9	68.1	0.0	0.0
Businesses by Geography	2,918	0.0	42.5	57.5	0.0	0.0
Farms by Geography	272	0.0	29.8	70.2	0.0	0.0
Family Distribution by Income Level	11,546	23.4	22.2	22.9	31.5	0.0
Household Distribution by Income Level	17,552	25.9	18.4	20.2	35.5	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$140,572
			Median Gross Rent			\$757
			Families Below Poverty Level			10.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Minnesota

The rating for the state of Minnesota is based on the performance in the St. Cloud, MN Non-MSA, and Minneapolis AAs. The St. Cloud AA and the MN Non-MSA AA were selected for full-scope reviews. The St. Cloud AA represents the largest portion of the bank's branches, deposits, and loan volume within the state. For those reasons, the St. Cloud AA carried the most weight in determining the state rating. The St. Cloud AA consists of 50.0 percent of the branches, 93.7 percent of deposits, and 59.6 percent of loans by number within the state. The MN Non-MSA carried the next most weight. The MN Non-MSA consists of 25.0 percent of branches, 3.8 percent of deposits, and 26.0 percent of loans within the state. We performed a limited-scope review of the Minneapolis AA given the AA represents the smallest portion of loan and deposit volume within the state. Refer to Appendix A for more details on the scope.

Within each AA, we analyzed small loans to businesses and farms. Business loans represented the largest proportion of lending activity within the St. Cloud and Minneapolis AAs. Therefore, business loans received the most weight when determining Lending Test conclusions for these AAs. Business loans by total number within each AA represented 58.5 percent for the St. Cloud AA and 72.7 percent for the Minneapolis AA. Business and farm loans were equally rated in the MN Non-MSA AA since business loans were larger by dollar, but farm loans were larger by number. Business loans represented 56.8 percent by dollar and farm loans represented 56.1 percent by number in the MN Non-MSA AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs. Despite high overall lending volumes, the volume of loans made within the bank's AAs is much lower. The table below reflects only loans made inside the AAs. Loans outside the AAs are excluded from the table.

Table Z: Lending Activity						2018-2020	
Number of Loans							
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits	
St Cloud MSA	186	132	4	322	59.3	93.7	
Minneapolis MSA	56	21	3	80	14.7	2.5	
MN Non-MSA	61	78	2	141	26.0	3.8	
Total	303	231	9	543	100.0	100.0	
Dollar Volume of Loans							
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits	
St Cloud MSA	25,754	6,782	3,031	35,567	64.2	93.7	
Minneapolis MSA	7,080	1,549	699	9,328	16.8	2.5	
MN Non-MSA	5,904	4,492	136	10,532	19.0	3.8	
Total	38,738	12,823	3,866	55,427	100.0	100.0	
<i>Source: Bank Data.</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

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

St. Cloud AA

Stearns' lending market share in the St. Cloud AA is poor compared to its deposit share. The June 30, 2021 FDIC Deposit Market Share Report indicates Stearns ranks first among 32 deposit-taking institutions in the AA with a market share of 17.8 percent. 2020 aggregate peer data for small loans to businesses and farms was not available at the time of this review. Instead, we referenced 2019 data since it was the most recent available. Aggregate business loan data for 2019 indicates Stearns ranked ninth among 73 lenders with a 2.8 percent market share. Stearns' business lending market share is significantly lower than its deposit share. Aggregate farm loan data for 2019 indicates Stearns ranked second among 16 lenders with a 22.8 percent market share. Stearns' farm lending market share exceeds its deposit share.

MN Non-MSA AA

Stearns' lending market share in the MN Non-MSA AA is good compared to its deposit share. Stearns ranks fifth among eight deposit-taking institution in the AA with a market share of 6.2 percent. Aggregate small business loan data for 2019 indicates Stearns ranked seventh among 35 lenders with a market share of 5.1 percent by number of loans and 16.7 percent by dollar. Stearns' business lending market share is near its deposit share. Aggregate small farm loan data for 2019 indicates Stearns ranked first among 11 lenders with a 32.5 percent market share. Stearns' farm lending market share significantly exceeds its deposit share.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AAs. More weight was placed on the geographic distribution within the St. Cloud AA given there were more loans made in this area. There are no low-income CTs in the St. Cloud or MN Non-MSA AAs. Therefore, the analysis is based on lending within moderate-income CTs.

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.

St. Cloud AA

The geographic distribution of business loans in different income level CTs in the St. Cloud AA is poor. Stearns' performance lending to businesses in moderate-income CTs was significantly lower than the percentage of businesses located in moderate-income CTs. In addition, the bank's performance is significantly lower than peer aggregate lending performance in moderate-income CTs.

MN Non-MSA AA

The geographic distribution of business loans in different income level CTs in the MN Non-MSA AA is excellent. The bank's performance lending to businesses in moderate-income CTs significantly exceeds the percentage of businesses located in moderate-income CTs. In addition, the bank's performance significantly exceeds aggregate lending performance in moderate-income CTs.

Small Loans to Farms

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

St. Cloud AA

The geographic distribution of farm loans in different income level CTs in the St. Cloud AA is adequate. While the bank made no loans to farms in a moderate-income CT, only 2.5 percent of farms are located in a moderate-income CT, which limits opportunities for lending. This is further reflected in the aggregate lending data that showed no farms loans were made in a moderate-income CT.

MN Non-MSA AA

The geographic distribution of farm loans in different income level CTs in the MN Non-MSA AA is excellent. The bank's performance lending to farms in moderate-income CTs significantly exceeds the

percentage of farms located in moderate-income CTs. In addition, the bank's performance significantly exceeds aggregate lending performance in moderate-income CTs.

Lending Gap Analysis

Geographic distribution analysis included a review of lending gaps, particularly in low-and moderate-income areas. We did not identify any gaps in the moderate-income geographies of the St. Cloud AA. There was one moderate-income CT within the MN Non-MSA with no lending activity during the evaluation period. The gap does not represent a concern. The CT is approximately 20 miles from the branch, contains a municipal airport, and several other banks. These factors reduce lending opportunities for Stearns.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among business and farms of different sizes.

Small Loans to Businesses

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

St. Cloud AA

The distribution of loans to businesses of different sizes in the St. Cloud AA is adequate. The bank's performance lending to small businesses is significantly lower than the percentage of small businesses with the AA. The bank's performance is near to aggregate lending data. By loan size, the bank's percentage of loans of \$100 thousand or less to businesses was somewhat lower than the percentage of small businesses in the AA and aggregate data.

MN Non-MSA AA

The distribution of loans to businesses of different sizes in the MN Non-MSA AA is adequate. The bank's performance lending to small businesses is lower than the percentage of small businesses with the AA. The bank's performance exceeds aggregate lending data. By loan size, the bank's percentage of loans of \$100 thousand or less to businesses was near the percentage of small businesses in the AA and somewhat lower than aggregate data.

Small Loans to Farms

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

St. Cloud AA

The distribution of loans to farm of different sizes in the St. Cloud AA is excellent. Stearns ranked second for small farm lending in the AA based on 2018 and 2019 aggregate data. The bank's performance lending to small farms is somewhat lower than the percentage of small farms with the AA but significantly exceeds aggregate lending data. By loan size, the bank's percentage of loans of \$100 thousand or less to farms was near the percentage of small farms in the AA and aggregate data.

MN Non-MSA AA

The distribution of loans to farms of different sizes in the MN Non-MSA AA is excellent. Stearns ranked first for small farm lending in the AA based on 2018 and 2019 aggregate data. The bank's performance lending to small farms is near the percentage of small farms with the AA but significantly exceeds aggregate lending data. By loan size, the bank's loans of \$100 thousand or less to farms was near the percentage of small farms in the AA and aggregate data.

Community Development Lending

The institution made a low level of CD loans.

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

As discussed in the Description of Institution section, Stearns also originated many PPP loans. Most PPP loans were in amounts of \$1 million and less and are defined as small loans to businesses for CRA purposes. These loans were reported on the 2020 CRA LAR and were considered under the borrower and geographic distribution analysis. The CRA rule prohibits double-counting and therefore PPP loans under \$1 million are excluded from CD loan consideration. Stearns did make several large PPP loans in amounts over \$1 million. Large PPP loans that qualified as CD loans are included in the Lending Activity Table under the Community Development category.

St. Cloud AA

Stearns had a low level of CD lending activity in the St. Cloud AA during the evaluation period. Stearns originated four CD loans totaling \$3.0 million. CD lending represents 0.9 percent of allocated capital. Allocated capital is the percentage of deposits in the AA multiplied by the bank's tier 1 capital as of December 31, 2020. More specifically, the bank made one affordable housing loan, one economic development loan, and two loans to stabilize moderate-income geographies. The two loans to stabilize moderate-income geographies were large PPP loans each for over \$1 million and helped retain jobs for LMI individuals and jobs in a moderate-income area.

Stearns also assisted a neighbor bank with the PPP loan program. The nearby bank had delays in getting SBA approval to make PPP loans for its customers and they reached out to Stearns for help. Stearns immediately responded by accepting PPP applications from the neighboring bank's customers and originated 32 PPP loans for \$3.0 million. These loans were originated within the St. Cloud AA and all were less than \$1 million and included in the CRA LAR. As a result, these loans could not be counted as CD loans to avoid double-counting. However, Stearns involvement was considered responsive to AA needs since it did serve businesses within the St. Cloud AA.

MN Non-MSA AA

Stearns had a low level of CD lending activity in the MN Non-MSA AA during the evaluation period. Stearns originated two CD loans for affordable housing totaling \$136.0 thousand. CD lending represents 1.0 percent of allocated capital.

Product Innovation and Flexibility

The institution uses flexible lending practices in order to serve AA credit needs.

Flexible lending practices include PPP loans and loan modifications in response to COVID. These flexible practices are offered bank-wide and were previously discussed under the Description of Institution section.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Minneapolis AA is stronger than the bank's overall performance under the Lending Test in the full-scope areas. The bank's performance in the Minneapolis AA is stronger than the overall state rating due to significant CD lending and good geographic distribution.

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

INVESTMENT TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

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

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

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

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total#	\$(000's)	% of Total\$	#	\$(000's)
St. Cloud MSA	4	242	80	8,265	84	84.0	8,507	96.1	0	0
Minneapolis MSA	6	143	3	58	9	9.0	200	2.3	0	0
MN Non-MSA	0	0	7	141	7	7.0	141	1.6	0	0

Source: 01/01/2018 – 12/31/2020 Bank Data including donations and investments.

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

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

St. Cloud AA

Stearns made a significant level of qualified CD investments in the St. Cloud AA. In total, qualified CD investments amount to \$8.5 million and represent 2.4 percent of allocated capital. During the evaluation period, Stearns made significant contributions toward community services for LMI individuals and

affordable housing. The investments and donations demonstrate good responsiveness to identified affordable housing needs in the AA.

The bank made \$3.8 million of new investments in mortgage-backed securities (MBS) and had \$242 thousand in prior period MBS investments still outstanding at the end of this evaluation period. These MBS provide affordable housing to LMI individuals within the AA and demonstrate Stearns' use of complex investments. Stearns also donated \$62 thousand to Habitat for Humanity.

Stearns donated \$4.3 million for community services benefiting LMI individuals. As an example, Stearns donated \$2.5 million to the Boys and Girls Clubs of Central Minnesota, which offers programs benefiting youth from LMI households. Stearns donated \$360 thousand to food shelves in the AA and \$335 thousand to college scholarships for LMI students.

MN Non-MSA AA

Stearns made an adequate level of qualified CD investments in the MN Non-MSA AA. In total, CD investments amount to \$141 thousand and represent 1.0 percent of allocated capital. Qualified CD investments consisted of \$100 thousand in investments supporting economic development and \$41 thousand in donations supporting community services to LMI. Stearns supported economic development by making investments in a minority depository institution promoting economic development in Indian country. The bank supported community services to LMI by donating to area food shelves and providing education scholarships to LMI students.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Investment Test in the Minneapolis AA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. Stearns made \$200 thousand in qualified CD investments in the AA, which represent 2.14 percent of allocated capital. CD investments in the Minneapolis AA were focus on affordable housing and community services to LMI, both of which were identified needs in the AA.

SERVICE TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

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

Retail Banking Services

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

The table on the next page illustrates the bank's branch distribution by geography.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
St. Cloud MSA	93.7	2	50.0	0.0	50.0	50.0	0.0	0.0	12.7	71.7	15.7
Minneapolis MSA	2.5	1	25.0	0.0	100.0	0.0	0.0	0.0	12.9	84.3	2.8
MN Non-MSA	3.8	1	25.0	0.0	100.0	0.0	0.0	0.0	38.7	61.3	0.0

St. Cloud AA

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

MN Non-MSA AA

The branch location is readily accessible to geographies and individuals of different income levels, particularly moderate-income geographies and LMI individuals. The bank's single location in the MN Non-MSA AA is in a moderate-income CT.

Branch Openings and Closings

The bank did not open or close branches during the evaluation period.

Services and Business Hours

Services and business hours do not vary in a way that inconveniences its AAs, particularly LMI geographies and individuals.

Lobby and drive-up hours are similar between all locations in the St. Cloud and MN Non-MSA AAs. Branch lobbies were closed for several months during 2020 in response to the COVID-19 pandemic. During this time, the bank was readily available for customers through the drive-ups at each location as well as through online services. All branches offer ATM services. The ATMs are cash-dispensing only and do not accept deposits.

Alternative delivery systems enhance accessibility within LMI areas and to LMI individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution provides an adequate level of CD services. This assessment is based on the opportunities in the AAs, number of service hours, and the types of organizations that benefited from the services provided.

St. Cloud AA

Bank employees provide an adequate level of CD services in the St. Cloud AA. During the evaluation period, 14 employees provided 1,060 service hours to 12 qualified CD organizations benefiting the AA. CD services primarily supported affordable housing, and to a lesser extent community services to LMI and economic development. Examples include:

- One employee used financial expertise to provide loan servicing of home mortgages made by Habitat for Humanity, an organization that provides affordable housing in the St. Cloud area.
- One employee served as a Finance Committee member and Board member for an economic development organization and provided expertise on small business financing options.

MN Non-MSA AA

Bank employees provide an adequate level of CD services in the MN-Non MSA AA. During the evaluation period, two employees provided 176 service hours to two qualified CD organizations benefiting the AA. The number of CD service hours is reasonable given the bank's smaller presence in this market and the available service opportunities. CD services supported economic development. Employees served as Board members for economic development organizations and provided expertise on small business financing options.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Minneapolis AA is weaker than the bank's overall performance under the Service Test in the full-scope areas. The primary reason for the weaker performance in the Minneapolis AA is because employees provided no CD services during the evaluation period.

State Rating

State of Florida

CRA rating for the State of Florida: Satisfactory
The Lending Test is rated: Low Satisfactory
The Investment Test is rated: High Satisfactory
The Service Test is rated: Needs to Improve

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to credit needs in the bank's AAs.
- The geographic distribution of loans throughout CTs of different income levels is adequate.
- The distribution of loans to businesses of different sizes is adequate.
- Stearns made a significant level of CD investments and demonstrated good responsiveness to the needs of its AAs.
- Stearns' service delivery systems are readily accessible to geographies of different income levels.
- Employees provide no CD services to qualified organizations.

Description of Institution's Operations in Florida

The bank has two AAs in Florida. The Sarasota MSA AA consists of Sarasota County and has two full-service locations, one in Sarasota and another in Venice. The Tampa MSA AA consists of Pinellas County and has one branch in St. Petersburg.

According to the June 30, 2021 FDIC Deposit Market Share report, Stearns ranks 32nd of 44 institutions with deposits Sarasota and Pinellas Counties. In its combined Florida AAs, Stearns has \$176.7 million in deposits, which represents 11.1 percent of the bank's total deposits. More specifically, the Sarasota AA accounts for 9.3 percent of Stearns' total deposits and holds approximately \$148.6 million in deposits. Primary competitors in the AA include Bank of America, Truist Bank, and Wells Fargo who collectively hold 45.2 percent of the market share, compared to Stearns' 0.8 percent market share. The Tampa AA has about \$28.1 million in deposits, which represents 1.8 percent of the bank's total deposits. Primary competitors in the AA include Raymond James Bank, Bank of America, and Wells Fargo who hold 65.7 percent of the market share, compared to Stearns' 0.04 percent market share. Stearns did not open or close any new branches or ATMs in the AAs during the evaluation period.

As part of this review, we contacted the Sarasota Chamber of Commerce and referenced other recently completed community contacts with local community development organizations to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within the AAs. The contacts indicated there are a variety of community needs, including affordable housing, small business financing, and banking the underserved community particularly in the Sarasota

AA. The contacts stated there appears to be many opportunities for bank involvement through financing affordable housing projects and small businesses throughout both of the Florida AAs.

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

Sarasota AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Sarasota MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	1.1	21.1	50.5	26.3	1.1
Population by Geography	392,038	1.0	20.2	54.9	23.9	0.0
Housing Units by Geography	230,150	0.8	18.7	51.2	29.3	0.0
Owner-Occupied Units by Geography	127,964	0.5	16.1	55.9	27.6	0.0
Occupied Rental Units by Geography	47,221	2.3	28.7	49.6	19.4	0.0
Vacant Units by Geography	54,965	0.3	16.4	41.8	41.5	0.0
Businesses by Geography	68,429	0.5	19.3	46.3	33.9	0.0
Farms by Geography	1,769	0.7	17.9	53.5	27.9	0.0
Family Distribution by Income Level	106,472	17.5	19.2	21.9	41.4	0.0
Household Distribution by Income Level	175,185	21.9	17.0	18.7	42.4	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value			\$234,066
			Median Gross Rent			\$1,040
			Families Below Poverty Level			7.0%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Florida

The rating for the state of Florida is based on the performance in the Sarasota AA and Tampa AA. The Sarasota AA was selected for a full-scope review. The Sarasota AA represents the largest portion of the bank's branches and deposits within the state. For those reasons, the Sarasota AA carried the most weight in determining the state rating. The Sarasota AA consists of 66.7 percent of the branches, 84.1 percent of deposits, and 36.0 percent of loans within the state. We performed a limited-scope review of the Tampa AA given the AA represents the smallest portion of deposit volume within the state. Refer to Appendix A for more details on the scope.

Within each AA, we analyzed business loans to arrive at Lending Test conclusions. We did not analyze farm loans given the volume was too small to provide meaningful analysis. During the evaluation period, the bank originated no farm loans in the Sarasota AA and only one farm loan in the Tampa AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Lending Activity

Lending levels reflect poor responsiveness to AA credit needs.

Table Z: Lending Activity						2018-2020
Number of Loans						
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Sarasota MSA	64	0	0	64	36.0	84.1
Tampa MSA	113	1	0	114	64.0	15.9
Total	177	1	0	178	100.0	100.0
Dollar Volume of Loans						
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Sarasota MSA	4,724	0	0	4,724	34.2	84.1
Tampa MSA	9,012	80	0	9,092	65.8	15.9
Total	13,736	80	0	13,816	100.0	100.0
<i>Source: Bank Data; "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

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

Stearns' lending market share in the Sarasota AA is poor compared to its deposit share. The June 30, 2021 FDIC Deposit Market Share Report indicates Stearns ranks 21st among 32 deposit-taking institution in the AA with a market share of 0.8 percent. Aggregate small business loan data for 2019 indicates Stearns ranked 43rd among 114 lenders with a 0.1 percent market share. Stearns' lending market share is lower than its deposit share.

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

The geographic distribution of business loans in different income level CTs in the Sarasota AA is poor. Stearns made no loans to businesses in a low-income CT. There is only one low-income CT in the bank's AA, and it is primarily residential, which makes it more difficult to lend to a business in a low-income area. However, aggregate data showed other banks did lend in the low-income area. The bank's performance lending to businesses in moderate-income CTs was lower than the percentage of businesses located in moderate-income CTs and lower than peer aggregate lending performance.

Lending Gap Analysis

Geographic distribution analysis included a review of lending gaps, particularly in LMI areas. There was one low-income and 12 moderate-income CTs within the Sarasota AA with no lending activity during the evaluation period. The gaps do not represent a concern. The CTs were either primarily residential or several miles away from the nearest branch with competitor banks in closer proximity. These factors reduce business lending opportunities for Stearns.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among business of different sizes.

Small Loans to Businesses

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

The distribution of loans to businesses of different sizes in the Sarasota AA is adequate. The bank's performance lending to small businesses is significantly lower than the percentage of small businesses with the AA and somewhat lower than aggregate lending data. By loan size, the bank's percentage of loans of \$100 thousand or less to businesses was near the percentage of small businesses in the AA and somewhat lower than aggregate data.

Community Development Lending

The institution made no CD loans.

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

Stearns made no qualified CD loans in the Sarasota AA during the evaluation period.

Product Innovation and Flexibility

The institution makes little use of innovative or flexible lending practices in order to serve AA credit needs. There were no AA-specific innovative or flexible lending practices. As previously discussed, the bank provided flexibility during the pandemic by offering PPP loans and loan modifications bank wide. However, there were fewer PPP and COVID-19 related loan modifications in Florida than in Minnesota and Arizona.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Lending Test in the Tampa AA is stronger than the bank’s overall performance under the Lending Test in the full-scope area. Lending activity and geographic distribution were excellent while borrower distribution was poor. Stearns made no CD loans in the Tampa AA.

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

INVESTMENT TEST

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

Conclusions for Area/Areas Receiving a Full-Scope Review

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

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

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total#	\$(000's)	% of Total\$	#	\$(000's)
Sarasota MSA	0	0	20	1,797	20	80.0	1,797	96.0	0	0
Tampa MSA	0	0	5	75	5	20.0	75	4.0	0	0

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

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

In total, qualified CD investments amount to \$1.8 million and represent 4.1 percent of allocated capital. During the evaluation period, Stearns made significant contributions to affordable housing and to a lesser extent community services for LMI individuals.

The investments and donations demonstrate excellent responsiveness to identified affordable housing needs in the AA. The bank made a \$1.5 million investment in an MBS for an affordable multifamily housing project in Sarasota. Stearns donated \$95 thousand to Habitat for Humanity to support affordable housing projects in the southern part of Sarasota County. Donations supporting community services for LMI included for example donations to food shelves and school supplies for low-income students.

Stearns demonstrated occasional use of complex investments by purchasing an MBS with a property specifically located in their AA and benefiting LMI individuals.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Investment Test in the Tampa AA is weaker than the bank’s overall performance under the Investment Test in the full-scope areas. Stearns made fewer CD investments in the AA. There were no innovative or complex investments. CD investments totaled \$75 thousand and represent 0.9 percent of allocated capital.

SERVICE TEST

The bank's performance under the Service Test in Florida is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

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

Retail Banking Services

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

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Sarasota MSA	84.1	2	66.7	0.0	50.0	50.0	0.0	1.0	20.2	54.9	23.9
Tampa MSA	15.9	1	33.3	0.0	100.0	0.0	0.0	3.2	17.4	47.9	31.6

The branch locations in the Sarasota AA are readily accessible to geographies and individuals of different income levels, particularly LMI geographies and individuals. The bank has one branch located in a moderate-income CT, which comprises 50.0 percent of the branch network in the AA. The bank's percentage of branches in a moderate-income CT exceeds the population percentage in a moderate-income geography.

Stearns did not open or close any branches in the Sarasota AA during the evaluation period.

Services and business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals.

Lobby and drive-up hours are similar between both branches in the Sarasota AA. Branch lobbies were closed for several months during 2020 in response to the COVID-19 pandemic. During this time, the bank was readily available for customers through the drive-ups at each location as well as through online services. Both branches offer ATM services. The ATMs are cash-dispensing only and do not accept deposits.

Alternative delivery systems enhance accessibility within LMI areas and to LMI individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution provides no CD services.

Bank employees provided no CD services to qualified organizations benefiting the Sarasota AA. The lack of CD services was weighted heavily in the Service Test rating. Community contacts indicated there are service opportunities within the AA.

Conclusions for Area Receiving a Limited-Scope Review

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

State Rating

State of Arizona

CRA rating for the State of Arizona: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: High Satisfactory
The Service Test is rated: Needs to Improve

The major factors that support this rating include:

- The geographic distribution of loans throughout CTs of different income levels is adequate.
- Lending levels reflect excellent responsiveness to credit needs in the bank's AAs.
- The distribution of loans to businesses of different sizes is poor.
- Stearns made a significant level of CD investments and demonstrated good responsiveness to the needs of its AAs.
- Stearns' service delivery systems are reasonably accessible to geographies of different income levels.
- Employees provide limited CD services to qualified organizations.

Description of Institution's Operations in Arizona

The bank has one AA in Arizona. The Phoenix MSA AA is comprised of Maricopa County. Stearns has one branch located in Scottsdale. According to the June 30, 2021 FDIC Deposit Market Share report, the Phoenix AA accounts for \$142.3 million in deposits, which represents 8.9 percent of Stearns' total deposits. Stearns ranks 41st out of 58 institutions with a presence in the AA. Primary competitors in the AA include JP Morgan Chase, Wells Fargo Bank, and Bank of America, who collectively hold 63.6 percent of the deposit market share, compared to Stearns' 0.1 percent deposit market share. Stearns did not open or close any new branches or ATMs in the AA during the evaluation period.

As part of this review, we contacted a community organization and referenced other recently completed community contacts to gain an understanding of the economic conditions, credit needs, and involvement of local financial institutions within the Phoenix AA. The contacts indicated a need for affordable housing and small business financing. The contacts stated there are numerous opportunities for bank involvement through financing affordable housing projects and small businesses.

The table on the following page provides information on the demographic composition of the Phoenix AA.

Phoenix AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Phoenix MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	630,020	7.2	15.0	29.9	47.3	0.6
Farms by Geography	10,146	7.0	18.5	29.1	45.1	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$203,811
			Median Gross Rent			\$993
			Families Below Poverty Level			12.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Arizona

The bank has one AA in the state of Arizona. The Phoenix AA was selected for a full-scope review. We analyzed business loans to arrive at Lending Test conclusions. We did not analyze farm loans given the volume was too small to provide meaningful analysis. During the evaluation period, the bank originated five farm loans in the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Table Z: Lending Activity						2018-2020
Number of Loans						
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Phoenix MSA	372	5	31	408	100.0	100.0
Dollar Volume of Loans						
Assessment Area	Small Business	Small Farm	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Phoenix MSA	39,050	180	75,580	114,810	100.0	100.0
<i>Source: Bank Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

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

Stearns' lending market share in the Phoenix AA is excellent compared to its deposit share. The June 30, 2021 FDIC Deposit Market Share Report indicates Stearns ranks 41st among 58 deposit-taking institution in the AA with a market share of 0.1 percent. Aggregate small business loan data for 2019 indicates Stearns ranked 35th among 212 lenders with a 0.2 percent market share. Stearns' lending market share in the Phoenix AA exceeds its deposit market share.

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

The geographic distribution of business loans in different income level CTs in the Phoenix AA is adequate. Stearns' performance lending to businesses in low-income CTs was somewhat lower than the percentage of businesses located in low-income CTs and near aggregate lending performance. The bank's performance lending to businesses in moderate-income CTs was somewhat lower than the percentage of businesses located in moderate-income CTs and aggregate lending performance.

Lending Gap Analysis

Geographic distribution analysis included a review of lending gaps, particularly in LMI areas. There were 77 low-income and 157 moderate-income CTs within the Phoenix AA with no lending activity during the evaluation period. Despite the large number of gaps, the gaps do not represent a concern. The Phoenix AA is very large, and the bank cannot reasonably serve the entire AA with only one branch. In nearly all instances, the CT was 20 or more miles away from the bank. Given the distance and heavy competition within the market, businesses are less likely to travel the distance to Stearns for their lending needs when there are other banks in closer proximity. In a few other instances, the LMI CTs were primarily residential. Without little or no business presence, the need for business lending is reduced and provides a reasonable explanation for the lack of business lending in the CT.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a poor distribution of loans among business of different sizes.

Small Loans to Businesses

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

The distribution of loans to businesses of different sizes in the Phoenix AA is poor. The bank's performance lending to small businesses is significantly lower than the percentage of small businesses within the AA and aggregate lending data. By loan size, the bank's percentage of loans of \$100 thousand or less to businesses was somewhat lower than the percentage of small businesses in the AA and aggregate data.

Community Development Lending

The institution is a leader in making CD loans.

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

Stearns had an excellent level of CD lending activity in the Phoenix AA during the evaluation period. Stearns originated 31 CD loans totaling \$75.6 million. CD lending represents 180.0 percent of allocated capital. More specifically, the bank made two affordable housing loans, 18 economic development loans, and 11 loans to stabilize LMI geographies. Four of the loans to stabilize LMI geographies were large PPP loans each for over \$1 million that helped retain jobs for LMI individuals and jobs in LMI areas. One of the affordable housing loans provided \$8.3 million in financing for a new 50-unit LIHTC apartment complex in Phoenix. CD loans were responsive to identified needs for affordable housing and small business financing within the AA.

Product Innovation and Flexibility

The institution uses flexible lending practices in order to serve AA credit needs.

Flexible lending practices include PPP loans and loan modifications in response to COVID. These flexible practices were offered bank-wide and previously discussed under the Description of Institution section.

INVESTMENT TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Arizona is good.

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

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total#	\$(000's)	% of Total \$	#	\$(000's)
Phoenix MSA	0	0	12	1,445	12	100.0	1,445	100.0	0	0

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

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

In total, qualified CD investments amount to \$1.4 million and represent 3.4 percent of allocated capital. During the evaluation period, Stearns made a \$1.0 million investment in a MBS for a multifamily property in a moderate-income area of Phoenix. The investment helps stabilize the area by providing housing. Additionally, Stearns made donations that support affordable housing, economic development, and community services to LMI. For example, Stearns contributed \$100 thousand towards Habitat for Humanity affordable housing projects and \$200 thousand for school scholarships for LMI students.

The investments and donations demonstrate good responsiveness to identified affordable housing needs in the AA. Stearns demonstrated occasional use of complex investments by purchasing an MBS with a property specifically located in their AA and benefiting a moderate-income geography.

SERVICE TEST

The bank's performance under the Service Test in Arizona is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

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

Retail Banking Services

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

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Phoenix MSA	100.0	1	100.0	0.0	0.0	100.0	0.0	11.1	22.9	31.3	34.4

The one branch located in the Phoenix AA is in a middle-income geography but borders a large moderate-income CT and is near several other moderate-income CTs.

Stearns did not open or close any branches in the Phoenix AA during the evaluation period.

Services and business hours do not vary in a way that inconveniences its AA, particularly LMI geographies or individuals.

Lobby and drive-up hours are similar between the Phoenix branch and other Stearns' branches. The branch lobby was closed for several months during 2020 in response to the COVID-19 pandemic. During this time, the bank was readily available for customers through the drive-up as well as through online services.

Alternative delivery systems enhance accessibility within LMI areas and to LMI individuals. Alternative delivery systems include online banking, mobile banking, and telephone banking.

Community Development Services

The institution provides few CD services. The limited number of CD services weighted heavily in the Service Test rating. Community contacts indicated there are service opportunities within the AA.

One bank employee provided 41 hours of CD services by serving as a Board member of a certified Community Development Financial Institution (CDFI) benefiting the Phoenix AA. The CDFI provides a variety of services targeting affordable housing, economic development, and community services to LMI individuals.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Small business and small farm loans Community development loans, qualified investments, community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
Minnesota		
St. Cloud MSA AA	Full-scope	Benton and Stearns Counties
MN Non-MSA AA	Full-scope	Kanabec and Pine Counties
Minneapolis MSA AA	Limited-scope	Chisago, Isanti, Sherburne Counties
Florida		
Sarasota MSA AA	Full-scope	Sarasota County
Tampa MSA AA	Limited-scope	Pinellas County
Arizona		
Phoenix MSA AA	Full-scope	Maricopa County

Appendix B: Summary of MMSA and State Ratings

RATINGS (STEARNS BANK NATIONAL ASSOCIATION)				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Stearns Bank N.A.	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State:				
Minnesota	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Florida	Low Satisfactory	High Satisfactory	Needs to Improve	Satisfactory
Arizona	High Satisfactory	High Satisfactory	Needs to Improve	Satisfactory

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

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/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 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. 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 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 Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Minneapolis MSA	56	7,080	6.6	3,307	0.0	0.0	0.0	9.6	10.7	8.8	87.6	89.3	88.3	2.8	0.0	2.9	0.0	0.0	0.0
MN Non-MSA	61	5,904	7.2	501	0.0	0.0	0.0	42.5	54.1	39.1	57.5	45.9	60.9	0.0	0.0	0.0	0.0	0.0	0.0
Phoenix MSA	372	39,050	43.7	111,778	7.2	5.9	6.8	15.0	12.1	16.5	29.9	36.0	27.0	47.3	45.2	49.2	0.6	0.8	0.6
Sarasota MSA	64	4,724	7.5	15,532	0.5	0.0	0.5	19.3	10.9	18.3	46.3	54.7	44.7	33.9	34.4	36.5	0.0	0.0	0.0
St Cloud MSA	186	25,754	21.8	3,060	0.0	0.0	0.0	13.9	4.8	14.8	68.9	76.3	69.6	17.2	18.8	15.6	0.0	0.0	0.0
Tampa MSA	113	9,012	13.3	31,205	2.6	7.1	2.9	15.4	13.3	16.3	43.5	47.8	43.3	38.4	31.9	37.5	0.0	0.0	0.0
Total	852	91,524	100.0	165,383	5.7	3.5	5.2	15.4	13.5	16.5	35.1	52.0	33.8	43.4	30.6	44.1	0.4	0.4	0.4

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Minneapolis MSA	56	7,080	6.6	3,307	90.3	28.6	57.0	3.5	39.3	6.2	32.1
MN Non-MSA	61	5,904	7.2	501	86.4	59.0	54.5	3.6	36.1	10.0	4.9
Phoenix MSA	372	39,050	43.7	111,778	93.1	22.3	49.6	2.3	6.5	4.7	71.2
Sarasota MSA	64	4,724	7.5	15,532	92.1	39.1	49.5	2.8	6.3	5.2	54.7
St Cloud MSA	186	25,754	21.8	3,060	84.1	40.9	47.8	5.9	39.8	10.1	19.4
Tampa MSA	113	9,012	13.3	31,205	90.9	22.1	50.6	3.3	8.9	5.8	69.0
Total	852	91,524	100.0	165,383	92.4	30.6	49.9	2.6	18.3	5.0	51.1

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0%*

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography

2018-20

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Minneapolis MSA	11	1,549	8.9	113	0.0	0.0	0.0	5.4	0.0	14.2	93.5	190.9	85.8	1.1	0.0	0.0	0.0	0.0	0.0
MNNon-MSA	78	4,492	32.9	120	0.0	0.0	0.0	29.8	44.9	23.3	70.2	55.1	76.7	0.0	0.0	0.0	0.0	0.0	0.0
Phoenix MSA	10	180	4.0	431	7.0	0.0	1.9	18.5	0.0	14.8	29.1	30.0	25.3	45.1	20.0	56.1	0.3	0.0	1.9
Sarasota MSA	0	0	0.0	68	0.7	0.0	0.0	17.9	0.0	10.3	53.5	0.0	39.7	27.9	0.0	50.0	0.0	0.0	0.0
St Cloud MSA	142	6,782	55.7	277	0.0	0.0	0.0	2.5	0.0	0.0	89.9	89.4	96.0	7.5	3.5	4.0	0.0	0.0	0.0
Tampa MSA	1	80	0.8	63	3.6	100.0	1.6	16.8	0.0	14.3	47.2	0.0	33.3	32.4	0.0	50.8	0.0	0.0	0.0
Total	504	13,083	100.0	1,072	4.8	0.2	0.8	16.5	6.9	11.6	42.8	38.5	57.1	35.7	1.4	29.8	0.2	0.0	0.7

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2018-20**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Minneapolis MSA	21	1,549	8.9	113	97.4	85.7	61.1	1.8	0.0	0.8	14.3
MN Non-MSA	78	4,492	32.9	120	96.7	85.9	69.2	2.2	10.3	1.1	3.8
Phoenix MSA	5	180	2.1	431	96.0	0.0	41.3	2.4	0.0	1.6	100.0
Sarasota MSA	0	0	0.0	68	97.2	0.0	63.2	1.9	0.0	1.0	0.0
St Cloud MSA	132	6,782	55.7	277	97.4	72.7	48.0	1.4	5.3	1.2	22.0
Tampa MSA	1	80	0.4	63	97.3	0.0	74.6	1.3	0.0	1.4	100.0
Total	237	13,083	100.0	1,072	96.5	76.4	51.6	2.1	6.3	1.4	17.3

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0%*