



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# **INTERMEDIATE SMALL BANK**

## **PUBLIC DISCLOSURE**

July 14, 2025

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

National Bank of Commerce  
Charter Number: 14109

1127 Tower Avenue  
Superior, WI 54880

Office of the Comptroller of the Currency

222 S 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.

## Contents

Overall CRA Rating .....	1
Description of Institution .....	2
Scope of the Evaluation .....	2
Discriminatory or Other Illegal Credit Practices Review .....	4
Multistate Metropolitan Statistical Area Rating .....	5
Duluth-Superior MMSA .....	5
Appendix A: Scope of Examination .....	A-1
Appendix B: Summary of MMSA and State Ratings .....	B-1
Appendix C: Definitions and Common Abbreviations .....	C-1
Appendix D: Tables of Performance Data .....	D-1

## Overall CRA Rating

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

**The Lending Test is rated: Outstanding.**

**The Community Development Test is rated: Outstanding.**

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio for National Bank of Commerce (NBC) is more than reasonable.
- A substantial majority of the bank's loans are inside the bank's assessment area (AA).
- The distribution of business and home mortgage loans to geographies of different income levels is excellent.
- The distribution of loans to borrowers of different income levels is reasonable, and the distribution of loans to businesses of different sizes is excellent.
- The bank's Community Development (CD) activities demonstrate excellent responsiveness to the AA's needs through CD loans, qualified CD investments, and CD services.
- The bank did not receive any CRA-related complaints during the evaluation period.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

NBC's LTD ratio averaged 90.9 percent over the twelve quarters in the evaluation period. The quarterly LTD ratio ranged from a low of 87.5 percent in the third quarter of 2024 to a high of 94.4 percent in the first quarter of 2022.

NBC ranked first out of four similarly situated institutions operating in or near the bank's AA. The three similarly situated institutions collectively operate 23 locations in the AA and have asset sizes ranging from \$523.6 million to \$3.57 billion. Refer to the table below for NBC's LTD ratio compared to these financial institutions.

Institution (Headquarters)	Total Assets (\$000)	Average LTD Ratio (%)
<b>National Bank of Commerce (Superior, WI)</b>	<b>2,118,333</b>	<b>90.9</b>
North Shore Bank of Commerce (Duluth, MN)	523,596	90.3
Park State Bank (Duluth, MN)	1,410,445	79.0
Frandsen Bank and Trust (Lonsdale, MN)	3,565,200	77.4

### Lending in Assessment Area

A substantial majority of the bank's loans were inside its AA.

The bank originated and purchased 78.1 percent of its total loans by number inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. Specific to small business loans, the bank originated and purchased 90 percent of its loans by number inside the AA. We placed greater weight on the bank's small business loan performance as this represents the bank's primary lending focus during the evaluation period and the largest percentage of the bank's total loan portfolio. Additionally, the bank's home mortgage lending includes multifamily properties with some local borrowers purchasing properties outside the AA, resulting in a higher dollar volume of home

mortgage loans outside the AA.

Table 1: Lending Inside and Outside of the Assessment Area										2022-2024		
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage	683	77.9	194	22.1	877	202,339	52.6	182,680	47.4	385,019		
Small Business	18	90.0	2	10.0	20	6,460	87.6	912	12.4	7,372		
<b>Total</b>	<b>701</b>	<b>78.1</b>	<b>196</b>	<b>21.9</b>	<b>897</b>	<b>208,799</b>	<b>53.2</b>	<b>183,592</b>	<b>46.8</b>	<b>392,391</b>		

Source: 1/1/2022 - 12/31/2024 Bank Data (HMDA data and business loan sample)

Due to rounding, totals may not equal 100.0%

## Description of Institution

NBC is an interstate national bank headquartered in Superior, Wisconsin (WI). As of December 31, 2024, NBC had total assets of \$2.1 billion and tier one capital of \$173.5 million. The bank serves the Duluth, Minnesota (MN)-Superior, WI Multi-state Metropolitan Statistical Area (MMSA). NBC is wholly owned by NATCOM Bancshares, Inc., a one-bank holding company headquartered in Superior, WI. NBC does not have any subsidiaries or affiliates.

NBC operates ten full-service branches in the Duluth-Superior MMSA (AA), with cash-dispensing automated teller machines (ATMs) at all locations. The bank also has an operating center in downtown Superior with a cash-dispensing ATM but no other customer services. The bank does not operate any deposit-taking ATMs. During the evaluation period, the bank closed its branch in downtown Duluth, which did not materially impact the AA as other branch locations within the AA remain in operation. NBC's AA meets regulatory requirements and does not arbitrarily exclude low-and moderate-income (LMI) census tracts (CTs). On December 13, 2024, the holding company acquired RiverWood Bank. Because the acquisition took place in the last 30 days of the analysis period, there was insufficient data to include in the scope of this performance evaluation. As a result, the merger will not be considered in this evaluation.

NBC is a full-service bank offering a variety of traditional loan and deposit products to meet the needs of its customers. NBC offers products and services to both retail and commercial customers, but their primary focus is commercial lending. As of December 31, 2024, the loan portfolio totaled \$1.63 billion, representing 76.7 percent of total assets. The loan portfolio, including outstanding balances and unfunded commitments, consists of 64.7 percent business loans, 31.3 percent home mortgage loans, 2.5 percent consumer loans, and 1.5 percent agricultural loans.

There are no known legal, financial, or other factors impeding NBC's ability to meet the credit needs of its AA. NBC received an Outstanding rating at the last CRA examination dated April 25, 2022.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated NBC's performance using Intermediate Small Bank CRA examination procedures, which includes a Lending Test and CD Test. The Lending Test evaluates the bank's record of meeting the credit need of its AA through lending activities. The CD Test evaluates the bank's record of responding to the CD needs and opportunities through CD lending, qualified investments, donations and service hours within the communities served. The evaluation period for the LTD ratio was January 1, 2022,

through December 31, 2024. The evaluation period for complaints was April 25, 2022, through July 14, 2025.

The Lending Test evaluation period is January 1, 2022, through December 31, 2024. We analyzed the number and dollar volume of loans originated and purchased during the evaluation period to determine NBC's primary loan products. The bank's primary products were business and home mortgage loans. Business loans represented the largest product by dollar volume during the evaluation period at 60.2 percent of total originations and purchases. Home mortgage loans represented the largest product by number during the evaluation period at 40.4 percent of total originations and purchases.

To evaluate lending performance for business loans, we selected a random sample of 20 loans originated during the evaluation period. For home mortgage loans, we reviewed Home Mortgage Disclosure Act (HMDA) loan application register (LAR) data to evaluate the bank's lending performance. Prior to this evaluation, we completed a data integrity examination and determined that the bank's publicly reported HMDA-LAR data was accurate and reliable.

We reviewed the AA's financial, economic, and environmental factors to determine the bank's lending performance in the context of its AA's needs. We also reviewed information provided by three community contacts in the AA to gather additional context on the community's credit needs.

The CD test evaluation period was January 1, 2022, to December 31, 2024. We reviewed all CD loans, investments, donations and service hours submitted by management for consideration and met the regulatory definition of CD activities.

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

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

## **Ratings**

The bank's overall rating is based on the bank's lending and CD performance in the Duluth-Superior MMSA, which is the bank's only rating area.

The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the weighted-average conclusions in those AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

Pursuant to 12 CFR 25.28(c) in determining a national bank's 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 Consumer Financial Protection Bureau, 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.

# Multistate Metropolitan Statistical Area Rating

## Duluth-Superior MMSA

**CRA rating for the Duluth-Superior MMSA<sup>1</sup>:** Outstanding.

**The Lending Test is rated:** Outstanding.

**The Community Development Test is rated:** Outstanding.

The major factors supporting this rating include:

- The distribution of loans throughout CTs of different income levels is excellent.
- The distribution of loans to businesses of different sizes is excellent, and the distribution of home mortgage loans to borrowers of different income levels is reasonable.
- The bank demonstrated excellent responsiveness to CD needs through qualified CD loans, services, and investments.
- The bank did not receive any CRA-related complaints during the evaluation period.

## Description of Institution's Operations in the Duluth-Superior MMSA

The Duluth-Superior MMSA consists of 104 CTs in total, including 75 CTs in St Louis County, MN; 15 CTs in Douglas County, WI; nine CTs in Carlton County, MN; and five CTs in Lake County, MN. The bank's AA includes 52 of the 75 CTs in St Louis County, all 14 known<sup>2</sup> CTs in Douglas County, all nine CTs in Carlton County, and none of the CTs in Lake County. In 2023, the Office of Management and Budget (OMB) removed Lake County from the MMSA; however, the bank's AA was not affected because the AA did not extend into Lake County.

Competition within the AA is strong and includes national, regional, and community banks. According to the FDIC Deposit Market Share report as of June 30, 2024, there were 27 financial institutions operating 83 locations in the Duluth-Superior MMSA. The top five depository institutions by market share in the MMSA were Wells Fargo with 20.2 percent, NBC with 19.5 percent, US Bank with 12.8 percent, Park State Bank with 12.6 percent, and North Shore Bank of Commerce with 6.6 percent of the deposit market share.

The Duluth-Superior MMSA has a diverse economy. Major industries in the MMSA include mining, transportation, shipping, healthcare, tourism, and education. The population of the MMSA has remained stable over time; however, there has been some movement out of major cities and into suburbs and rural areas, resulting in increased home construction activity in those areas. According to data from the Bureau of Labor Statistics, unemployment in the MMSA was lower than the national average but higher than Minnesota and Wisconsin. The average unemployment rate of the MMSA during the evaluation

---

<sup>1</sup>MMSA ratings reflect performance within the multistate metropolitan statistical area. Statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

<sup>2</sup> According to FFIEC data, in addition to 72 CTs in St. Louis County, MN, there are two populated CTs (14.00 and 19.00) and one unpopulated CT (9901.00) with "Unknown" income. In Douglas County, WI, there is one unpopulated CT (9900.00), and in Lake County, MN, there is one unpopulated CT (9901.00) with "Unknown" income. The bank's AA includes only the two populated unknown CTs. The MMSA contains 99 known CTs and five unknown CTs, and the AA contains 73 known CTs and two unknown CTs.

period was 3.4 percent, compared to 3.8 percent nationwide, 2.8 percent in Minnesota, and 2.9 percent in Wisconsin.

The bank offers several lending products to facilitate the home-buying process. These include VA mortgages which help servicemembers and their families purchase homes, FHA mortgages which have low down payments and no income requirements, and USDA mortgages for LMI families in rural areas. The bank also participates in the Wisconsin Housing and Economic Development Authority (WHEDA) program for LMI down payment assistance, the Federal Home Loan Bank of Chicago's Downpayment Plus Program which provides closing cost assistance to eligible borrowers, and Freddie Mac's Home Possible Program which provides down payment assistance to LMI borrowers. Mortgages originated using these programs were reported on the bank's HMDA-LARs and were analyzed as part of the Lending Test.

We reviewed information provided by three previous community contacts during the assessment period in the AA. Community contacts noted affordable housing as a primary concern for the region due to low inventory, high construction costs and interest rates, and sluggish wage gains in comparison to housing costs. Duluth's location presents challenges for land availability and new home construction as the city is situated between Lake Superior and a steep topography. Housing supply remains limited with increased demand for homes located in city limits. The current population of housing is aging and in need of repairs. Contacts noted several projects in Duluth to construct multifamily apartments with affordable rents. In Superior, one contact said that several multifamily projects have moved along quickly, while another contact noted that the city and residents have little appetite for designated affordable housing. Contacts agreed there is a large degree of involvement by banks in the area to lend to the community and provide community development activities.

Assessment Area - Duluth-Superior MMSA						
2022-2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	75	2.7	18.7	50.7	25.3	2.7
<b>Population by Geography</b>	228,705	1.5	13.9	54.6	28.0	1.9
<b>Housing Units by Geography</b>	109,398	1.8	13.6	56.9	25.2	2.5
<b>Owner-Occupied Housing by Geography</b>	66,950	0.4	11.2	57.0	31.0	0.4
<b>Occupied Rental Units by Geography</b>	27,653	5.7	22.8	48.3	15.4	7.8
<b>Vacant Units by Geography</b>	14,795	0.9	6.8	72.6	17.4	2.3
<b>Businesses by Geography</b>	8,390	4.5	11.1	45.9	29.1	9.4
<b>Farms by Geography</b>	305	1.3	3.6	59.7	31.8	3.6
<b>Family Distribution by Income Level</b>	55,454	17.9	17.6	22.7	41.8	0.0
<b>Household Distribution by Income Level</b>	94,603	23.2	16.0	17.6	43.2	0.0
<b>Unemployment rate (%)</b>	4.6	8.6	5.5	4.9	3.2	10.4
<b>Households Below Poverty Level (%)</b>	12.5	35.9	19.8	11.3	6.1	43.7
<b>Median Family Income (Duluth, MN-WI MMSA)</b>	\$77,539			<b>Median Housing Value</b>	\$164,950	
<b>Median Family Income (Duluth, MN-WI MMSA) for 2024</b>	\$94,700			<b>Median Gross Rent</b>	\$844	
				<b>Families Below Poverty Level</b>	6.25	
<i>FFIEC File - 2020 Census</i>						
<i>2024 Dun &amp; Bradstreet SBSF Demographics</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>						

## Conclusions with Respect to Performance Tests in the Duluth-Superior MMSA

### Lending Test

The bank's performance under the Lending Test in the Duluth-Superior MMSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Duluth-Superior MMSA is excellent.

### Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the MMSA.

#### *Home Mortgage Loans*

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in the AA is excellent. The bank exceeded the demographic and aggregate comparators for lending to borrowers in low-income CTs. In moderate-income CTs, the bank exceeded the demographic comparator and was near to the aggregate comparator. The bank also exceeded the demographic and aggregate comparators for CTs with a "not available" income designation. These two CTs, located in downtown Duluth, had a poverty and unemployment rate that was higher than those of low-income CTs. One CT was low-income, and one CT was moderate-income as of the 2015 American Community Survey, but they were redesignated as "unknown" after the 2020 Census.

#### *Small Loans to Businesses*

Refer to Table 9 in 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 the AA is excellent. The bank exceeded the demographic and aggregate comparators for lending in low-income CTs. The bank was near to the demographic and aggregate comparators for moderate-income CTs. When viewed collectively, the percentage of loans to LMI CTs exceeded the demographic and aggregate comparators. The bank also exceeded the demographic and aggregate comparators for lending in CTs with a "not available" income designation.

#### *Lending Gap Analysis*

We completed a lending gap analysis as part of our review of the geographic distribution of home mortgage loans. We did not identify any unexplained conspicuous lending gaps in LMI geographies in the MMSA.

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

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

### ***Home Mortgage Loans***

Refer to Table 8 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to borrowers of different income levels is reasonable considering the performance context. The bank's lending to low-income borrowers was near to the aggregate comparator but below the demographic comparator. The bank's lending to moderate-income borrowers was near to the demographic comparator but below the aggregate comparator. We considered strong competition from traditional financial institutions and mortgage companies when evaluating performance. In addition, 35.9 percent of low-income households in the AA fall below the poverty level, which reduces the available opportunities to lend to these families. Finally, the bank has a high number of home mortgage loans to borrowers where the income was "not available". These can include multifamily properties who rent to LMI families.

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

Refer to Table 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes is excellent. The bank's lending to small businesses was below the demographic comparator but exceeded the aggregate comparator. Aggregate lending data is considered a better comparator as it represents all lending opportunities to small businesses in the AA.

### **Responses to Complaints**

NBC 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 Duluth-Superior MMSA is rated Outstanding.

Based on a full-scope review, the bank exhibited excellent responsiveness to community development needs in the MMSA through community development loans and community development services, and adequate responsiveness through community development investments, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

### **Number and Amount of Community Development Loans**

The bank exhibited excellent responsiveness to AA needs through community development loans.

Refer to the Community Development Loan table below for the facts 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.

**Table 3: Community Development Loans**

Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Duluth-Superior MMSA	24	80.0	47,830	75.0
Broader Statewide or Regional Area	6	20.0	15,933	25.0
Total	30	100.0	63,763	100.0

During the evaluation period, the bank made 24 qualified CD loans in the AA totaling \$47.83 million, or 25.4 percent of tier one capital plus the allowance for credit losses (capital). Of these loans, 68 percent of the dollar volume went toward revitalization of LMI income tracts, 21 percent went to affordable housing, 6 percent went toward economic development, and 5 percent went to organizations providing community services. The bank also originated six CD loans totaling \$15.93 million outside the AA that benefited the broader statewide or regional area.

The following are examples of CD loans the bank originated or purchased in the MMSA:

- The bank extended and renewed a \$1.9 million line of credit to an organization that provides LMI housing in the AA.
- The bank provided multiple Taxable Grant Anticipation Notes to the City of Superior to immediately access grant money to reconstruct a port in an LMI geography.
- The bank provided working capital lines of credit to a nursing home where the majority of patients have care paid for by Medicaid.

## Number and Amount of Qualified Investments

**Table 4: Qualified Investments**

Assessment Area	Prior Period*		Current Period		Total			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Duluth-Superior MMSA	0	0	98	659	98	100	659	100	0	0
Total	0	0	98	659	98	100	659	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.

The Qualified Investment Table, shown above, displays the information and data used to evaluate the bank's level of qualified investments. These tables include all qualified investment, including prior period investments that remain outstanding as of the end of evaluation period.

The bank made \$659 thousand in qualified donations and investments during the evaluation period, totaling 0.3 percent of capital. 85 percent of investments by number were to organizations providing community services to LMI individuals, and 87 percent of investments by dollar volume were for economic development.

The following are examples of qualified investments in the MMSA:

- The bank made a \$500 thousand equity equivalent investment in a nonprofit that offers flexible financing for new or existing businesses in the AA.

- The bank made 21 donations totaling \$15 thousand to food shelves in various cities across the AA.

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

Employees provided qualified CD services totaling 1,735 hours to 17 organizations during the evaluation period. Employees provided their expertise serving on the boards of organizations that provide economic development and community services. Examples of services provided are representing property owners in sustaining, promoting, and enhancing commercial business districts, providing housing units and childcare services for LMI individuals, and providing research services, technical support, and financial assistance to businesses in the AA.

The following are examples of qualified services in the MMSA:

- Employees provided a total of 430 hours to two separate organizations that provide vocational training and employment to people with disabilities in the AA.
- One employee provided 350 hours serving as chair of the loan committee of a fund that invests in affordable housing in the AA.
- Employees provided 170 hours to a nonprofit that revitalizes distressed neighborhoods in the AA.

## 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”.

<b>Time Period Reviewed:</b>	January 1, 2022, to December 31, 2024	
<b>Bank Products Reviewed:</b>	Home mortgage, small business loans, community development loans, qualified investments, community development services	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
Duluth-Superior MMSA	Full-scope	Entire county of Douglas County, WI Entire county of Carlton County, MN The following CTs in St. Louis County, MN: 1, 2, 3.01, 3.02, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 22, 23, 24, 26, 29, 30, 33, 34, 36, 37, 38, 101, 102, 103.01, 103.02, 104, 105, 106.01, 106.02, 111.01, 111.02, 112, 113, 114.01, 114.02, 121, 122, 123, 124, 125, 156, 157, and 158

## Appendix B: Summary of MMSA and State Ratings

---

<b>RATINGS</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
National Bank of Commerce	Outstanding	Outstanding	Outstanding
<b>MMSA:</b>			
Duluth-Superior MMSA	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 CD loans and qualified investments, branch distribution, and CD services).

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

**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.

**Multistate Metropolitan Statistical Area (MMSA):** 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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

**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 multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

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

**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/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

**Table 7. 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 8. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.

**Table 9. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.

**Table 10. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

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

## Duluth-Superior MMSA

Assessment Area:	Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography															2022-2024			
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate
Duluth-Superior MMSA	683	202,339	100.0	10,974	0.4	2.1	0.5	11.2	12.5	14.6	57.0	55.8	54.8	31.0	28.1	29.7	0.4	1.6	0.4
<b>Total</b>	<b>683</b>	<b>202,339</b>	<b>100.0</b>	<b>10,974</b>	<b>0.4</b>	<b>2.1</b>	<b>0.5</b>	<b>11.2</b>	<b>12.5</b>	<b>14.6</b>	<b>57.0</b>	<b>55.8</b>	<b>54.8</b>	<b>31.0</b>	<b>28.1</b>	<b>29.7</b>	<b>0.4</b>	<b>1.6</b>	<b>0.4</b>

Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, -- HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Assessment Area:	Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower															2022-2024			
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Duluth-Superior MMSA	683	202,339	100.0	10,974	17.9	6.3	9.6	17.6	16.1	23.0	22.7	17.6	22.8	41.8	38.2	30.3	--	21.8	14.3
<b>Total</b>	<b>683</b>	<b>202,339</b>	<b>100.0</b>	<b>10,974</b>	<b>17.9</b>	<b>6.3</b>	<b>9.6</b>	<b>17.6</b>	<b>16.1</b>	<b>23.0</b>	<b>22.7</b>	<b>17.6</b>	<b>22.8</b>	<b>41.8</b>	<b>38.2</b>	<b>30.3</b>	<b>--</b>	<b>21.8</b>	<b>14.3</b>

Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, -- HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Assessment Area:	2022-2024																		
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Duluth-Superior MMSA	20	6,860	100.0	6,405	4.5	10.0	3.6	11.1	10.0	11.6	45.9	35.0	45.1	29.1	35.0	32.6	9.4	10.0	7.1
<b>Total</b>	<b>20</b>	<b>6,860</b>	<b>100.0</b>	<b>6,405</b>	<b>4.5</b>	<b>10.0</b>	<b>3.6</b>	<b>11.1</b>	<b>10.0</b>	<b>11.6</b>	<b>45.9</b>	<b>35.0</b>	<b>45.1</b>	<b>29.1</b>	<b>35.0</b>	<b>32.6</b>	<b>9.4</b>	<b>10.0</b>	<b>7.1</b>

Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023, -- CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Assessment Area:	2022-2024										
	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Duluth-Superior MMSA	20	6,860	100.0	6,405	75.9	55.0	54.4	10.7	45.0	13.4	0.0
<b>Total</b>	<b>20</b>	<b>6,860</b>	<b>100.0</b>	<b>6,405</b>	<b>75.9</b>	<b>55.0</b>	<b>54.4</b>	<b>10.7</b>	<b>45.0</b>	<b>13.4</b>	<b>0.0</b>

Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023, -- CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%