



PUBLIC DISCLOSURE

June 30, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Western National Bank
Charter Number 6352

210 2nd St NW, Cass Lake, MN 56633

Office of the Comptroller of the Currency

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

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

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Overall CRA Rating

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

The lending test is rated: Outstanding

The major factors supporting this rating include:

- The bank originated a substantial majority of loans within its assessment area (AA).
- The distribution of loans to consumers reflects excellent distribution among individuals of different income levels and geographies of different income levels.
- The bank's loan-to deposit (LTD) ratio is reasonable.

Loan-to-Deposit Ratio

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

The bank's average LTD ratio over the 24 quarters preceding December 31, 2024, was 47.85 percent. During that time, the bank's LTD ratio ranged from a low of 29.38 percent in the fourth quarter of 2023 to a high of 68.45 percent in the second quarter of 2020. The bank ranks fourth of four similarly situated institutions. Institutions utilized for the comparison ranged from \$134 million to \$248 million total assets whose headquarters reside within the bank's AA. There are no comparable institutions in the area with a similar asset size. The bank's lower than peer LTD ratio is reasonable after considering performance context. Lending needs are primarily consumer which are generally lower dollar amounts. Additionally, Leech Lake Financial Services provides low-income tribal members smaller personal loans reducing the consumer loan needs in the AA.

Loan-to-Deposit Ratio		
Institution (Headquarters)	Total Assets (\$000's)	Average LTD Ratio (%)
Security Bank USA (Bemidji, MN)	\$247,778	77.69%
Northwoods Bank of Minnesota (Park Rapids, MN)	\$140,012	61.71%
Pine River State Bank (Pine River, MN)	\$179,659	57.26%
Western National Bank (Cass Lake, MN)	\$33,487	47.85%

Source: Call Report data for quarters ending March 31, 2019, through December 31, 2024.

Lending in Assessment Area

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

The bank originated and purchased 100 percent of its loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Consumer	20	100	0	0	20	123	100	0	0	123
Total	20	100	0	0	20	123	100	0	0	123

Source: 1/1/2022 - 12/31/2024 Bank Data.

Due to rounding, totals may not equal 100.0%

Description of Institution

Western National Bank (WNB) is an intrastate bank headquartered in Cass Lake, Minnesota. The bank is wholly owned by Western Bancorporation, Incorporated, which is headquartered in Duluth, MN. Western Bancorporation also owns Western National Bank headquartered in Duluth, MN. WNB Duluth serves as an affiliate to WNB Cass Lake. However, the performance of WNB Duluth is not considered in the evaluation of WNB Cass Lake's CRA performance.

Bank assets total \$33.5 million as of December 31, 2024. WNB operates one main office in Cass Lake, Minnesota, and does not operate any other branches. The bank has not opened or closed any locations since the prior CRA evaluation. The bank operates one ATM off bank premises which is also located in Cass Lake.

WNB has one rating area, which is the State of Minnesota. WNB's single AA is comprised of 23 census tracts (CTs) surrounding the Cass Lake, MN area. The AA includes seven CTs in Cass County, four CTs in Hubbard County, and 12 CTs in Beltrami County. The AA complies with CRA regulatory requirements and does not arbitrarily exclude low- or moderate-income (LMI) areas.

WNB is a full-service community bank offering traditional loan and deposit products. As of December 31, 2024, total loans and leases represented 36 percent of total assets. The bank's loan portfolio is comprised of 77 percent commercial loans and 23 percent retail loans, including consumer loans and residential real estate loans. Tier 1 capital totals \$3.1 million.

There are no known financial, legal, or other factors that impede WNB's ability to help meet the credit needs of its AA. The bank has not engaged in any merger or acquisition activity since the prior CRA evaluation. WNB received an "Outstanding" rating at the last CRA evaluation dated January 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated WNB's performance using CRA small bank procedures, which is limited to the Lending Test. Lending Testing consists of LTD ratio analysis, assessment of credit extended inside and outside the AA, distribution of credit to borrowers and geographies of different income levels, and responsiveness to CRA-related complaints. The evaluation period for the LTD ratio covered January 1, 2019, through December 31, 2024. The CRA complaint analysis period included January 6, 2020, to June 30, 2025. The evaluation period for remaining portions of the Lending Test covered January 1, 2022, to December 31, 2024. We compared lending activity in 2022-2024 to 2020 United States (U.S.) Census data.

During the evaluation period, consumer loans represented the largest lending volume by number at 81 percent of total originations and purchases. While commercial loans represented the highest dollar volume at 81 percent of originations and purchases, the quantity of commercial originations is not high enough to conduct a meaningful analysis at just 15 percent of originations and purchases by number. As such, the bank's primary lending product in the AA is consumer loans. Consumer loans include automobile loans and other installment loans. To complete the lending test, we selected a random sample of 20 consumer loans originated or purchased during the evaluation period.

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

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated 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 Appendix A, Scope of Examination, for additional detail.

Ratings

The bank's overall rating is based on the bank's lending performance within the state of Minnesota, as that is where the bank's single AA is located. Refer to Appendix A, Scope of Examination, for additional detail.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the 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.

State Rating

State of Minnesota

CRA rating for the State of Minnesota: Outstanding

The Lending Test is rated: Outstanding

The major factors that support this rating include:

- The bank exhibits excellent geographic distribution of loans throughout the AA.
- The bank exhibits excellent borrower distribution of loans to individuals of different income levels in the AA.
- The bank received no CRA-related complaints during the evaluation period.

Description of Institution's Operations in Minnesota

The institution only operated one branch during the evaluation period which is in Cass Lake, Minnesota. Additionally, WNB has one deposit taking ATM location in Cass Lake outside of the branch location. The institution's AA is comprised of 23 CTs located in Minnesota, near and including Cass Lake. The AA includes portions of Beltrami, Cass, and Hubbard counties. The AA is comprised of one low-income CT, 7 moderate-, 14 middle-, and one upper-income CT(s).

Competition in the bank's market area is strong. The FDIC Market Share report as of June 30, 2024, reflects 17 institutions with 33 total offices in the AA. The top three institutions by deposit share are First National Bank of Bemidji, First National Bank North, and the Citizens National Bank of Park Rapids, representing a 57.7 percent market share. WNB ranks 12 holding 1.36 percent of the market share.

The local economy remains stable and healthy. According to the U.S Bureau of Labor Statistics, the 2022 average unemployment level in the assessment area is 4.66 percent. This exceeds the statewide average of 2.5 percent. Major employers in the AA include the Minnesota Chippewa Tribe, Leech Lake Band of Chippewa, and North Country Health Services, as well as several lake resorts.

Our evaluation included one community contact to better understand the economic conditions and credit needs of the AA. The contact is involved in a local agricultural support agency. They noted the local economy is strong, and the local financial institutions are meeting the credit needs of the AA. The local community needs continue to be quality affordable housing, homeownership assistance, and consumer lending.

Cass Lake AA

Assessment Area - Cass Lake AA						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	4.35	30.43	60.87	4.35	0.00
Population by Geography	68,526	2.84	31.95	63.04	2.17	0.00
Housing Units by Geography	45,623	2.67	34.49	61.39	1.45	0.00
Owner-Occupied Housing by Geography	21,183	0.60	28.64	68.28	2.49	0.00
Occupied Rental Units by Geography	7,235	14.33	47.39	37.28	1.00	0.00
Vacant Units by Geography	17,205	0.30	36.27	63.05	0.37	0.00
Businesses by Geography	2,579	3.37	32.88	63.28	0.47	0.00
Farms by Geography	157	0.64	26.11	71.97	1.27	0.00
Family Distribution by Income Level	17,593	23.60	20.17	21.14	35.08	0.00
Household Distribution by Income Level	28,418	25.93	17.84	19.02	37.22	0.00
Unemployment rate (%)	4.66	12.93	4.94	4.10	0.00	0.00
Households Below Poverty Level (%)	14.56	41.07	20.07	10.20	0.67	0.00
Median Family Income (Non-MSAs - MN)		\$74,710		Median Housing Value		\$178,700
Median Family Income (Non-MSAs - MN) for 2024		\$90,300		Median Gross Rent		\$773
				Families Below Poverty Level		9.99

FFIEC File - 2024 Census
 2024 Dun & Bradstreet SBSF Demographics
 Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Cass Lake AA was excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the Cass Lake AA.

Consumer Loans

Refer to Table 13 in the State of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank’s consumer loan originations and purchases.

The distribution of loans to borrowers in geographies of different income levels was excellent. The percentage of consumer loans to borrowers in moderate-income geographies significantly exceeds the demographic comparator. The bank did not originate or purchase any loans to individuals in the low-income CT during the evaluation period. This is reasonable given performance context. The AA is limited to one low-income CT, mostly occupied by the Bemidji Regional Airport.

Lending Gap Analysis

There were no unexplained or conspicuous lending gaps identified.

Distribution of Loans by Income Level of the Borrower

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

Consumer Loans

Refer to Table 14 in the State of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The bank exhibits excellent distribution of consumer loans to individuals of different income levels. The percentage of consumer loans to low-income borrowers was near to the demographic comparator and loans to moderate-income borrowers significantly exceeded the demographic comparator. Lending opportunities to low-income borrowers declined due to stimulus funding, tribal distributions to members, and the shift to Leech Lake Financial Services providing smaller personal loans to low-income tribal individuals with accrued paid time off taken as collateral.

Responses to Complaints

There were no CRA related complaints during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2022, to December 31, 2024	
Bank Products Reviewed:	Consumer	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota		
Cass Lake AA	Full-scope	AA Includes: Seven CTs in the Northern portion of Cass County, MN Four CTs in the Eastern portion of Hubbard County, MN Twelve CTs in the Southern portion of Beltrami County, MN

Appendix B: Summary of State Rating

RATINGS	
Overall Bank:	Lending Test Rating
Western National Bank	Outstanding
State:	
Minnesota	Outstanding

Appendix C: Definitions and Common Abbreviations

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

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/AA.

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/AA.

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 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 13. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table 14. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

State of Minnesota

Table 13: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2022 - 2024	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Cass Lake AA	20	123	100.0	4.10	0.0	33.41	75.0	60.38	25.0	2.11	0.0	--	0.0	
Total	20	123	100.0	4.10	0.0	33.41	75.0	60.38	25.0	2.11	0.0	--	0.0	

Source: FFIEC File - 2024 Census; 1/1/2022 - 12/31/2024 Bank Data.
 Due to rounding, totals may not equal 100.0%

Table 14: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2022 - 2024	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total Number	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Cass Lake AA	20	123	100.0	25.94	25.0	17.84	50.0	19.02	20.0	37.20	5.0	--	0.0	
Total	20	123	100.0	25.94	25.0	17.84	50.0	19.02	20.0	37.20	5.0	--	0.0	

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