



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

March 7, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BNC National Bank

Charter Number 24224

20175 North 67th Avenue
Glendale, Arizona 85308

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 **Satisfactory**.

The Lending Test is rated: Satisfactory

The Community Development test is rated: Satisfactory

The major factors that support this rating include:

- BNC National Bank (BNC) demonstrated reasonable dispersion of loans throughout geographies of different income levels and distribution of loans to businesses of different sizes. This rating is based on the combined ratings of North Dakota, Arizona, and Minnesota, listed in order of weight.
- BNC's Community Development (CD) performance shows good responsiveness to assessment area (AA) needs through CD loans, qualified investments, and CD services. The CD Test rating is based on the combined ratings of North Dakota, Arizona, and Minnesota, listed in order of weight.
- The loan-to-deposit (LTD) ratio is reasonable, with an adjusted quarterly average of 86.9 percent.
- A majority of loans are originated or purchased inside the assessment areas (AAs).
- BNC did not receive any CRA related complaints during the evaluation period.

Broader Statewide or Regional Activities

BNC originated ten CD loans totaling \$6.6 million during the evaluation period that benefited the broader statewide area outside of the Phoenix MSA AA. All the CD loans were for the purpose of economic development.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
AZ	6	100.0	6,611	100.0

Loan-to-Deposit Ratio

BNC's LTD ratio is reasonable considering the bank's size, financial condition, and credit needs of the AAs. BNC's average quarterly LTD was 69.2 percent over the 12 quarters since the previous CRA evaluation. The ratio ranged from a low of 51.5 percent on March 31, 2018, to a high of 92.5 percent on June 30, 2020. BNC ranked sixth of six similarly situated institutions. However, BNC's lower than peer LTD ratio is explainable given their practice of selling the guaranteed portions of Small Business Association (SBA) loans and loan participations. When factoring in the sold SBA loans segments and loan participations, BNC's average quarterly LTD ratio was 86.9 percent. This results in an adjusted ranking of third out of six similarly situated institutions. Similarly situated institutions had a similar asset-size to BNC ranging from \$909.6 million to \$1.6 billion and shared at least one assessment area.

Loan to Deposit Ratio		
Institution (Headquarters)	Total Assets* (\$000s)	Average LTD Ratio**
Meadows Bank (Las Vegas, NV)	\$1,158,179	99.5%
Home Federal Savings Bank (Rochester, MN)	\$909,562	89.9%
Starion Bank (Bismarck, ND)	\$1,606,710	81.9%
Cornerstone Bank (Fargo, ND)	\$1,102,739	77.5%
Dakota Community Bank & Trust (Hebron, ND)	\$951,710	69.5%
BNC National Bank (Phoenix)	\$1,072,775	69.2%

*Assets as of 12/31/20, Call Report Data

**Average LTD from 1/1/2018-12/31/20, Call Report Data

Lending in Assessment Area

A substantial majority of the BNC's loans are inside its AAs.

BNC originated and purchased 90 percent of its total loans inside their AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

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	73	91.3	7	8.8	80	20,982	92.2	1,765	7.8	22,747
Small Farm	17	85.0	3	15.0	20	1,826	71.9	713	28.1	2,539
Total	90	90.0	10	10.0	100	22,808	90.2	2,478	9.8	25,286

Description of Institution

BNC is an interstate financial institution chartered in Glendale, Arizona. As of December 31, 2020, assets totaled approximately \$1.1 billion. BNC is wholly owned by BNCCORP, Inc., a publicly traded holding company located in Bismarck, North Dakota. As of December 31, 2020, the holding company had \$1.1 billion in total consolidated assets. BNC does not operate any subsidiaries and we did not consider any affiliate activity in this evaluation.

BNC has four AAs in three states. North Dakota has the Bismarck MSA and the combined ND Non-MSA. Arizona has one AA consisting of the Phoenix MSA, and Minnesota has one AA in the Minneapolis MSA. BNC operated twelve branches and nine Automated Teller Machines (ATMs) during the evaluation period. Ten of these branches were located in North Dakota, while one branch each was located in Minnesota and Arizona. All ATMs are onsite at branch locations, and none are deposit-taking.

BNC offers traditional community banking services, with full trust powers. BNC also provides nationwide mortgage banking services with online originations. In 2020, mortgage originations totaled \$2.9 billion. These mortgages are primarily originated online or through the bank's network of Loan Production Offices (LPOs). All aforementioned mortgages were sold to the secondary market and not

considered a primary product for CRA purposes. As of December 31, 2020, BNC reported \$821.0 million in outstanding loans and had a net loans and leases to total assets ratio of 63.1 percent. The loan portfolio consisted of 52.1 percent business loans, 38.2 home mortgage loans, 6.0 percent consumer loans, and 3.3 percent farm loans.

There are no known financial, legal, or other factors that impede BNC's ability to help meet the credit needs of its AAs. BNC received a satisfactory rating at the prior CRA evaluation as of September 17, 2018. In the prior CRA Performance Evaluation, the lending test received an outstanding rating while the community development test was rated satisfactory.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2018, through December 31, 2020. We determined BNC's primary loan products for each AA by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. Business loans were BNC's primary loan product in all AAs. In the ND Non-MSA, farm loans were identified as an additional primary product. Refer to the applicable Lending Test narratives under each Rating area section for details on loan products analyzed.

We selected initial samples of 20 business and farm loans for each AA in which it was a primary product. Additional loans were selected as needed to have sufficient information to analyze borrower and geographic distributions within each AA.

The evaluation period for the CD Test is from January 1, 2018, through December 31, 2020. We reviewed CD loans, investments, donations, and services submitted by bank management. Activities meeting the definition of CD are included in this evaluation.

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. For purposes of this evaluation, bank delineated Non-MSA AAs within the same state are combined and evaluated as a single assessment area. Refer to the Scope 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

BNC's overall rating is a blend of the three state ratings. Examiners placed the most weight on BNC's performance in the state of North Dakota because it represents the majority of BNC's deposits, loan originations and purchases, and branches during the evaluation period. North Dakota represented 76.4 percent of bank deposits, 78.4 percent of loan originations, and 83.3 percent of branch presence. The state of Arizona is weighted second highest based upon deposit and loan volume, representing 19.7 percent and 16.6 percent, respectively. The state of Minnesota received the least weight as it had minimal volume of bank deposits and loan originations.

When determining conclusions for the Lending Test, we weighed loan products to be reflective of BNC's loan volume by product type during the evaluation period. We completed this analysis separately for each AA, as lending volumes by product varied depending on the market area.

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Arizona

CRA rating for the State of Arizona: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors supporting this rating include:

- The distribution of loans to businesses of different sizes in Arizona is reasonable.
- The distribution of loans throughout geographies of different income levels in Arizona is poor.
- BNC demonstrated excellent responsiveness to the CD needs of its AA through CD loans, qualified investments, and CD services.

Description of Institution’s Operations in Arizona

BNC delineated one AA in Arizona, the Phoenix-Mesa-Chandler AZ, (Phoenix) MSA AA. The Phoenix MSA AA has one branch within the assessment area. The assessment area consists of the entire MSA: Maricopa and Pinal counties. There are 991 census tracts (CT) in the AA. Of the 991 CTs, 110 CTs are designated as low-income, 231 are moderate-income, 326 are middle-income, 311 are upper-income, and 13 CTs are listed as NA. The single branch is located in Glendale Arizona and has one ATM that does not take deposits.

According to the FDIC Deposit Market Share as of June 30, 2020, BNC had \$186.4 million in deposits in Arizona, or 19.7 percent of total bank deposits. BNC had 0.1 percent deposit market share and ranked 37 of all institutions in the AA. Competition was significant with 59 institutions operating 772 branches in the AA. The top competitors were JPMorgan Chase, N.A. with 25.4 percent market share and 153 offices, Wells Fargo Bank, N.A with 20.0 percent market share and 142 offices, and Bank of America, N.A. with 19.3 percent market share and 99 offices. These three institutions hold 64.7 percent of the market share within the AA.

According to 2020 peer small business data, the top five small business lenders in the Phoenix AA were JPMorgan Chase Bank, American Express National Bank, Wells Fargo Bank, Bank of America, and Citibank. Combined these institutions capture 57.8 percent of the total market share.

The AA’s economy was moderately impacted by the Covid-19 pandemic and is recovering quickly. The unemployment rate for 2020 was high at 7.4 percent. This is an increase from 2018 when the unemployment rate was 4.3 percent. The top employment industries were Professional and Business Services, Education and Health Services, and Government. The top employers within the MSA include Banner Health System, Walmart Inc., Fry’s Food Stores, Wells Fargo, and Arizona State University.

Information from two community contacts; including one affordable housing organization and one economic development entity, identified the following needs within the Phoenix AA:

- Affordable housing; and
- Aid for small businesses.

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)	991	11.1	23.3	32.9	31.4	1.3
Population by Geography	4,407,915	10.6	23.5	33.7	31.9	0.3
Housing Units by Geography	1,832,045	9.4	23.9	35.6	31.1	0.1
Owner-Occupied Units by Geography	967,478	4.5	19.6	37.1	38.7	0.0
Occupied Rental Units by Geography	602,639	16.7	29.7	32.6	20.8	0.2
Vacant Units by Geography	261,928	10.7	26.4	36.5	26.3	0.1
Businesses by Geography	655,204	7.1	15.3	31.2	45.8	0.5
Farms by Geography	11,091	6.8	19.5	31.7	41.7	0.3
Family Distribution by Income Level	1,036,417	21.9	17.3	19.5	41.3	0.0
Household Distribution by Income Level	1,570,117	23.4	16.5	17.9	42.2	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$197,320
			Median Gross Rent			\$991
			Families Below Poverty Level			12.5%
<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

We completed a full-scope review of the Phoenix MSA AA. We identified business lending as the primary lending product in this AA. We reviewed a sample of business loans to evaluate lending test performance. Refer to Appendix A, Scope of Examination, for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

BNC's performance under the Lending Test in Arizona is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

BNC's lending performance in the state of Arizona is reasonable.

Distribution of Loans by Income Level of the Geography

BNC exhibits poor geographic distribution of loans in the state of Arizona.

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 distribution of small loans to businesses is poor. The percentage of small business loans made in low-income geographies was significantly below the percentage of businesses in those geographies and well below the aggregate percentage of all lenders. The percentage of small business loans made in moderate-income geographies was below the percentage of businesses in those geographies and well below the aggregate percentage of all lenders.

We took into consideration that all loans submitted for the Phoenix AA CD loans were located in low-or moderate-income geographies.

Distribution of Loans by Income Level of the Borrower

BNC exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms 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 originations and purchases of small loans to businesses.

The distribution of loans to businesses by revenue is adequate. The percentage of small business loans was well below the percentage of small businesses but exceeded the aggregate percentage of all lenders.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

BNC's performance under the CD Test in the state of Arizona is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

BNC exhibits excellent responsiveness to community development needs in the state through CD loans, qualified investments, and CD services considering BNC's capacity and the need and availability of such opportunities in their AA.

Number and Amount of Community Development Loans

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

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Phoenix	15	100.0	14,796	100.0

BNC originated 15 CD loans totaling \$14.8 million benefiting the Phoenix MSA during the evaluation period. All CD loans supported economic development initiatives such as financing small businesses in low-and moderate-income CTs.

Examples of CD loans in the AA include:

- Three Paycheck Protection Program loans totaling \$4.3 million to two companies in low-income CTs which supported continued operations of small businesses;
- One loan totaling \$1.9 million for a retail facility in a moderate-income CT; and
- Two loans totaling \$833 thousand for a retail facility in a low-income CT.

Number and Amount of Qualified Investments

BNC exhibits adequate responsiveness to CD investments needs in Arizona. The Qualified Investment table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments.

Qualified Investments										
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% Of Total #	\$(000's)	% Of Total \$	#	\$(000's)
Phoenix	0	0	6	2,058	6	100.0	2,058	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.

BNC made six qualified investments totaling \$2.1 million in the Phoenix MSA during the evaluation period. One investment totaling \$1.9 million was for a pool of low- and moderate-income (LMI) home mortgages. The remaining investments were donations supporting community services.

Extent to Which the Bank Provides Community Development Services

Six employees provided over 900 hours of community service to eight different organizations. These organizations provided economic development opportunities, community services to LMI individuals, and affordable housing opportunities. The majority of these employees served on boards or finance counsels for these charitable organizations. For example, one employee serves on the board for an organization that provides homebuyer's assistance.

State Rating

State of Minnesota

CRA rating for the State of Minnesota: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors supporting this rating include:

- The distribution of loans throughout geographies of different income levels in Minnesota is excellent.
- The distribution of loans to businesses of different sizes in Minnesota is reasonable.
- BNC demonstrated excellent responsiveness to the CD needs of its AA through CD loans, qualified investments, and CD services.

Description of Institution's Operations in Minnesota

BNC delineated one AA in the Minneapolis-St. Paul-Bloomington, MN-WI (Minneapolis) MSA. BNC had one branch in the AA, located in Golden Valley, MN, and no ATMs. The AA consisted of a portion of the Minneapolis MSA: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright Counties. The AA consisted of 732 census tracts of which 54 CTs were low-income, 158 were moderate-income, 317 were middle-income, 196 were upper-income, and seven without an income designation.

According to the FDIC Deposit Market Share Report as of June 30, 2020, BNC had \$36.9 million, or 3.9 percent of its deposits in the Minneapolis AA. BNC had less than 0.01 percent deposit market share and ranked 106 of all institutions in the AA. Competition was significant with 128 institutions operating 687 offices in the AA. The top three market leaders are US Bank NA with 39.0 percent market share and 94 offices, Wells Fargo NA with 30.4 percent and 92 offices, and TCF National Bank 3.9 percent with 80 offices.

According to 2020 peer small business data, the top five small business lenders in the Minneapolis MSA were Wells Fargo NA, US Bank NA, American Express National Bank, Old National Bank, and JP Morgan Chase Bank NA. Combined these institutions capture 56.6 percent of the small business market share of loans in the AA.

The unemployment rate at the end of 2020 for each AA county ranged from a low of 4.3 percent in Washington County to a high of 5.6 percent in Sherburne County. The overall unemployment in Minnesota was 4.9 percent. Unemployment rates were impacted less than other areas in the nation during the pandemic, but the rebound has also been less impressive.

Information from five community contacts; including one local government agency and four economic development entities, identified the following needs within the Minneapolis AA:

- Home Mortgage financing;
- Small business financing;

- Affordable housing in general and specifically for senior citizens;
- Direct loans to small businesses; and
- Multi-family housing financing.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minneapolis MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	732	7.4	21.6	43.3	26.8	1.0
Population by Geography	3,171,206	6.0	18.6	45.5	29.6	0.3
Housing Units by Geography	1,289,111	5.6	19.4	46.3	28.3	0.3
Owner-Occupied Units by Geography	847,611	2.2	14.5	48.9	34.3	0.1
Occupied Rental Units by Geography	378,382	12.8	29.8	40.7	15.9	0.9
Vacant Units by Geography	63,118	9.2	22.0	46.4	21.6	0.8
Businesses by Geography	315,218	5.0	16.5	45.5	32.7	0.3
Farms by Geography	7,302	1.9	10.6	55.1	32.3	0.1
Family Distribution by Income Level	788,752	20.2	17.2	22.0	40.5	0.0
Household Distribution by Income Level	1,225,993	23.6	16.1	18.4	42.0	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$84,589	Median Housing Value			\$230,018
			Median Gross Rent			\$965
			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 Minnesota

We completed a full-scope review of the Minneapolis AA, which is BNC's smallest AA by deposit volume and loan originations. BNC has one branch in the Minneapolis MSA. We identified business lending as the primary product in this AA. We reviewed a sample of business loans to evaluate lending test performance. Refer to Appendix A, Scope of Examination, for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

BNC's performance under the Lending Test in Minnesota is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

BNC's lending performance in the state of Minnesota is reasonable.

Distribution of Loans by Income Level of the Geography

BNC exhibits excellent geographic distribution of loans in the state of Minnesota.

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 BNC's originations and purchases of small loans to businesses.

The distribution of small loans to businesses is excellent. The percentage of small business loans made in low-income geographies approximated the percentage of businesses and exceeded the aggregate percentage of all reporting lenders. The percentage of small business loans made in moderate-income geographies exceeded the percentage of business and the aggregate percentage of all reporting lenders.

Distribution of Loans by Income Level of the Borrower

BNC exhibits a reasonable distribution of loans to individuals of different income levels and businesses 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 BNC's originations and purchases of small loans to businesses.

The distribution of small loans to businesses by revenue is adequate. The percentage of loans to small businesses was well below the percentage of small businesses but exceeded the aggregate percentage of all lenders.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

BNC's performance under the CD Test in the state of Minnesota is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

BNC exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments, and CD services considering BNC's capacity and the need and availability of such opportunities in their AA.

Refer to the qualified investments table below for the facts and data used to evaluate BNC's level of qualified investments.

Number and Amount of Community Development Loans

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

Community Development Loans				
Assessment Area	Total			
	#	% Of Total #	\$(000's)	% Of Total \$
Minneapolis	8	100	10,563	100

BNC originated eight CD loans totaling \$10.6 million benefiting the Minneapolis MSA during the evaluation period. All CD loans supported economic development initiatives such as financing small businesses in low-and moderate-income CTs.

Examples of CD loans include:

- Two loans totaling \$4.1 million for a small business renovation project for a daycare in a moderate-income CT; and
- One loan totaling \$250 thousand for a small coffee shop in a low-income CT.

Number and Amount of Qualified Investments

BNC exhibits excellent responsiveness to CD investments needs in Minnesota. The Qualified Investment table, shown below, sets forth the information and data used to evaluate the BNC's level of qualified CD investments.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% Of Total #	\$(000's)	% Of Total \$	#	\$(000's)
Minneapolis	0	0	6	1,012	6	100	1,012	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.

BNC made six qualified investments totaling \$1.0 million in the Minneapolis MSA during the evaluation period. Qualified investments were comprised entirely of donations, primarily supporting economic development.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, one employee served on a finance committee for a non-profit organization targeting low-income families with need for childcare. As a board member, he contributed many hours of support over the evaluation period. This bank branch has a minimal number of employees.

State Rating

State of North Dakota

CRA rating for the State of North Dakota: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors supporting this rating include:

- The distribution of loans throughout geographies of different income levels in North Dakota is reasonable.
- The distribution of loans to businesses of different sizes in North Dakota is reasonable.
- BNC's CD performance demonstrated good responsiveness to the CD needs of its AA through CD loans, qualified investments, and CD services.

Description of Institution's Operations in North Dakota

BNC delineated two AAs in North Dakota. They included Bismarck MSA and North Dakota Non-MSA. As of year-end 2020, BNC had ten offices and eight ATMs, of which none were deposit taking within these AAs.

Bismarck MSA

The Bismarck MSA AA consisted of the entire Bismarck MSA: Burleigh, Morton, and Oliver Counties. There are 25 census tracts (CTs) located in the Bismarck MSA. The AA consists of four moderate-income CTs, 19 middle-income CTs, and two upper-income CTs. The AA does not have any low-income CTs. BNC operates five full-service branches in the AA and four ATMs, of which none are deposit-taking ATMs.

According to the FDIC Deposit Market Share Report as of June 30, 2020, BNC had \$435.6 million, or 46.1 percent of its deposits in the Bismarck MSA. BNC ranked fifth of all institutions in the AA with a deposit market share of 8.6 percent. Competition was average with 19 institutions operating 59 offices in the AA. The top three market leaders are Wells Fargo Bank, NA with 16.0 percent market share and four offices, Starion Bank with 15.2 percent market share and five offices, and Dakota Community Bank & Trust, NA with 9.9 percent market share and seven offices.

According to 2020 peer small business data, the top five small business lenders in the Bismarck AA were Starion Bank, American Bank Center, Choice Financial, Gate City Bank, and American Express National Bank. Combined, these institutions captured 56.6 percent of the total market share.

As of December 31, 2020, unemployment in North Dakota was 4.8 percent. Unemployment rates were impacted less than other areas in the nation during the pandemic, but the rebound has also been slower than elsewhere. The unemployment rate in Bismarck is slightly lower than the state of ND at 4.6 percent.

The Bismarck area was not significantly affected by the pandemic. The area's diverse employment opportunities allowed people to remain employed. Local government, energy, education, and health care are significant employment sectors. As of year-end 2020, the top employers in Bismarck are the State of North Dakota, Sanford Health, and Bismarck Public Schools.

Information from three community contacts; including one local government agency, one economic development entity, and one from a local real estate agent, identified the following needs within the Bismarck AA:

- Affordable housing;
- Start-up capital for small businesses; and
- Farm loans.

Table A – Demographic Information of the Assessment Area						
Assessment Area: BNC Bismarck MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	0.0	16.0	76.0	8.0	0.0
Population by Geography	119,027	0.0	13.6	78.9	7.6	0.0
Housing Units by Geography	52,959	0.0	15.5	78.6	5.9	0.0
Owner-Occupied Units by Geography	35,846	0.0	12.0	79.7	8.3	0.0
Occupied Rental Units by Geography	14,315	0.0	23.3	76.0	0.7	0.0
Vacant Units by Geography	2,798	0.0	20.1	77.3	2.7	0.0
Businesses by Geography	12,260	0.0	19.9	71.3	8.8	0.0
Farms by Geography	697	0.0	14.9	77.3	7.7	0.0
Family Distribution by Income Level	31,651	18.0	18.9	25.0	38.2	0.0
Household Distribution by Income Level	50,161	22.0	17.6	19.2	41.2	0.0
Median Family Income MSA - 13900 Bismarck, ND MSA		\$80,768	Median Housing Value			\$189,166
			Median Gross Rent			\$735
			Families Below Poverty Level			5.0%
<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>						

North Dakota Non-MSA

The AA is comprised of six CTs located in rural North Dakota. The CTs are located in Divide (one CT), McLean (two CTs), Emmons (one CT), Mountrail (one CT), and McKenzie (one CT) counties in North Dakota. The AA consists of one moderate-income CT, three middle-income CTs, and two upper-income CTs. BNC operates five full-service branches in the AA and four ATMs, of which none are deposit-taking ATMs.

According to the FDIC Deposit Market Share as of June 30, 2020, BNC had \$286.4 million in deposits, which comprise 30.3 percent of total bank deposits. BNC had 11.2 percent deposit market share and ranked third of all institutions in the AA. Competition is average with 12 institutions operating 25

offices in the AA. The top competitors are First International Bank & Trust with 31.4 percent market share and three offices, and Cornerstone Bank with 25.9 percent market share and five offices.

According to 2020 peer small business data, the top five small business lenders in the ND Non-MSA were First International Bank & Trust, American Bank Center, John Deere Financial FSB, American Express National Bank, and Lake Forest Bank & Trust, NA. Combined these institutions capture 63.7 percent of the market share.

As of December 31, 2020, unemployment in North Dakota was 4.8 percent. Unemployment rates were impacted less than other areas in the nation during the pandemic, but the rebound has also been slower than elsewhere. The unemployment rates in the ND Non-MSA at the end of 2020 ranged from 2.9 percent in Divide County to 8.3 percent in McKenzie County.

As of June 2020, the top industries in the area are services, agriculture, forestry, and fishing. The top employers in the state of North Dakota are Sanford Health, University of North Dakota, and North Dakota State University.

Information from three community contacts; including two local government agencies, and one economic development entity, identified the following needs within the ND Non-MSA AA:

- Affordable housing;
- Down payment assistance;
- First time homebuyer programs; and
- Farm loans.

Table A – Demographic Information of the Assessment Area						
Assessment Area: BNC ND Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	16.7	50.0	33.3	0.0
Population by Geography	24,092	0.0	14.4	48.8	36.8	0.0
Housing Units by Geography	13,520	0.0	15.6	54.0	30.4	0.0
Owner-Occupied Units by Geography	7,592	0.0	17.0	53.8	29.2	0.0
Occupied Rental Units by Geography	2,615	0.0	11.9	47.0	41.1	0.0
Vacant Units by Geography	3,313	0.0	15.4	60.0	24.6	0.0
Businesses by Geography	2,559	0.0	13.1	44.3	42.7	0.0
Farms by Geography	511	0.0	23.1	54.6	22.3	0.0
Family Distribution by Income Level	6,658	20.4	17.0	20.8	41.8	0.0
Household Distribution by Income Level	10,207	25.0	15.5	17.3	42.1	0.0
Median Family Income Non-MSAs - ND		\$72,414	Median Housing Value			\$132,411
			Median Gross Rent			\$670
			Families Below Poverty Level			6.2%

*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.*

Scope of Evaluation in North Dakota

We completed a full-scope review for the Bismarck MSA AA and North Dakota Non-MSA AA. The Bismarck MSA AA is the largest AA in North Dakota by lending and deposit volume. For this reason, the Bismarck MSA AA is also given the most weight in determining the rating for the state of North Dakota. We identified business lending as the primary product in the Bismarck MSA AA and business loans and farm loans as primary products for the North Dakota Non-MSA AA. We reviewed a sample of business and farm loans to evaluate lending test performance. Refer to Appendix A, Scope of Examination, for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH DAKOTA

LENDING TEST

BNC's performance under the Lending Test in North Dakota is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

BNC's lending performance in the state of North Dakota is reasonable.

Distribution of Loans by Income Level of the Geography

BNC exhibits reasonable geographic distribution of loans in the state of North Dakota.

Small Loans to Businesses

Refer to Table Q in the State of North Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of BNC's originations and purchases of small loans to businesses.

Bismarck

The distribution of small loans to businesses is adequate. The percentage of loans to small businesses in moderate-income geographies was below the percentage of small businesses and the aggregate percentage of all reporting lenders.

ND Non-MSA

The distribution of small loans to businesses is excellent. The percentage of loans to small businesses in moderate-income geographies exceeded the percentage of small businesses and the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table S in the State of North Dakota section of Appendix D for the facts and data used to evaluate the geographic distribution of BNC's originations and purchases of small loans to farms.

ND Non-MSA

The distribution of small loans to farms is excellent. The percentage of loans to small farms exceeded the percentage of small farms and the aggregate percentage of all reporting lenders.

Distribution of Loans by Income Level of the Borrower

BNC exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes.

Small Loans to Businesses

Refer to Table R in the State of North Dakota 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.

Bismarck

The distribution of small loans to businesses is adequate. The percentage of loans to small businesses was well below the percentage of small businesses but exceeded the aggregate percentage of all reporting lenders.

ND Non-MSA

The distribution of small loans to businesses is excellent. The percentage of loans to small businesses is near-to the percentage of small businesses and exceeded the aggregate percentage of all lenders.

Small Loans to Farms

Refer to Table T in the State of North Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

ND Non-MSA

The distribution of small loans to farms is excellent. The percentage of loans to small farms exceeded the percentage of small farms and the aggregate percentage of all reporting lenders.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

BNC's performance under the CD Test in the state of North Dakota is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

BNC exhibits good responsiveness to CD needs in the state through CD loans, qualified investments, and CD services considering BNC's capacity and the need and availability of such opportunities in their AAs.

Number and Amount of Community Development Loans

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

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% Of Total #	\$(000's)	% Of Total \$
Bismarck	29	90.6	45,768	98.9
ND Non-MSA	3	9.4	522	1.1
Total	32	100.0	46,290	100.0

Bismarck

BNC originated 29 CD loans totaling \$45.8 million benefiting the Bismarck MSA during the evaluation period. The largest volume of CD loans supported economic development, for which a majority of small businesses were also located in moderate-income CTs.

ND Non-MSA

BNC originated three CD loans totaling \$522 thousand benefiting the ND Non-MSA during the evaluation period. All CD loans supported economic development.

Number and Amount of Qualified Investments

BNC exhibits good responsiveness to CD investment needs in North Dakota. The Qualified Investments table, shown below, sets forth the information and data used to evaluate BNC's level of qualified CD investments.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% Of Total #	\$(000's)	% Of Total \$	#	\$(000's)
Bismarck	0	0	22	6,055	22	95.7	6,055	97.4	0	0
ND Non-MSA	0	0	1	160	1	4.3	160	2.6	0	0
Total	0	0	23	6,215	23	100.0	6,215	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.

Bismarck

BNC originated 22 CD investments totaling \$6.1 million that benefited the Bismarck MSA during the evaluation period. CD investments in the Bismarck MSA consisted of mortgage-backed securities and

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

donations. Mortgage-backed securities supported affordable housing while donations were directed towards community services.

ND Non-MSA

BNC originated one CD investment for \$160 thousand benefiting the ND Non-MSA during the evaluation period. The CD investment was a mortgage-backed security supporting affordable housing.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, 16 employees in the state of North Dakota provided services to 21 different organizations totaling 1,700 hours. These organizations provided economic development opportunities to small businesses, provided community services to LMI individuals, and supported affordable housing initiatives. Of the services performed, the majority of the employees served as board or finance council members. For example, one employee served all three years of the evaluation period as a board member for an organization that helps builders provide affordable housing in the Bismarck MSA.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Lending Test: small business and small farm loans CD Test: CD loans, qualified investments, and CD services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Arizona		
Phoenix MSA AA	Full-scope	Maricopa and Pinal Counties
Minnesota		
Minneapolis MSA AA	Full-scope	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright Counties
North Dakota		
Bismarck MSA AA	Full-scope	Burleigh, Morton, and Oliver Counties
ND Non-MSA AA	Full-scope	Divide County – 9545 McLean County – 9608, 9610 Emmons County – 9665 Mountrail County – 9552 McKenzie County – 9624

Appendix B: Summary of MSA and State Ratings

RATINGS BNC National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
BNC National Bank	Satisfactory	Satisfactory	Satisfactory
State:			
Arizona	Satisfactory	Outstanding	Satisfactory
Minnesota	Satisfactory	Outstanding	Satisfactory
North Dakota	Satisfactory	Satisfactory	Satisfactory

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

State of Arizona Tables

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	
Phoenix MSA AA	60	21,228	100.0	123,870	7.1	3.3	6.6	15.3	11.7	17.0	31.2	16.7	27.8	45.8	63.3	47.9	0.5	5.0	0.6	
Total	60	21,228	100.0	123,870	7.1	3.3	6.6	15.3	11.7	17.0	31.2	16.7	27.8	45.8	63.3	47.9	0.5	5.0	0.6	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
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			
Phoenix MSA AA	60	21,228	100.0	123,870	93.1	45.0	40.3	2.2	55.0	4.7	0.0			
Total	60	21,228	100.0	123,870	93.1	45.0	40.3	2.2	55.0	4.7	0.0			

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

State of Minnesota Tables

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 AA	20	5,140	100.0	71,363	5.0	5.0	4.8	16.5	20.0	15.7	45.5	30.0	44.9	32.7	45.0	34.4	0.3	0.0	0.2	
Total	20	5,140	100.0	71,363	5.0	5.0	4.8	16.5	20.0	15.7	45.5	30.0	44.9	32.7	45.0	34.4	0.3	0.0	0.2	

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2018-2020	
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 AA	20	5,140	100.0	71,363	87.9	50.0	45.5	4.9	50.0	7.3	0.0		
Total	20	5,140	100.0	71,363	87.9	50.0	45.5	4.9	50.0	7.3	0.0		

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

State of North Dakota Tables

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	
Bismarck MSA AA	20	7,788	50	3,170	0.0	0.0	0.0	19.9	15.0	21.5	71.3	70.0	68.6	8.8	15.0	9.9	0.0	0.0	0.0	
ND Non-MSA AA	20	1,875	50	563	0.0	0.0	0.0	13.1	70.0	6.4	44.3	25.0	31.8	42.7	5.0	61.8	0.0	0.0	0.0	
Total	40	9,663	100	3,733	0.0	0.0	0.0	18.7	23.2	19.2	66.7	63.2	63.0	14.6	13.5	17.8	0.0	0.0	0.0	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
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		
Bismarck MSA AA	20	7,788	50	3,170	83.5	55.0	40.8	4.7	45.0	11.8	0.0		
ND Non-MSA AA	20	1,875	50	563	80.0	75.0	38.5	4.8	25.0	15.2	0.0		
Total	40	9,663	100	3,733	82.9	58.0	40.5	4.7	42.0	12.4	0.0		

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

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2018-2020		
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		
ND Non-MSA AA	20	1,925	100.0	343	0.0	0.0	0.0	23.1	100.0	12.8	54.6	0.0	40.5	22.3	0.0	46.6	0.0	0.0	0.0		
Total	20	1,925	100.0	343	0.0	0.0	0.0	23.1	100.0	12.8	54.6	0.0	40.5	22.3	0.0	46.6	0.0	0.0	0.0		

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

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues												2018-2020	
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		
ND Non-MSA AA	20	1,925	100.0	343	99.2	100.0	59.2	0.6	0.0	0.2	0.0		
Total	20	1,925	100.0	343	99.2	100.0	59.2	0.6	0.0	0.2	0.0		

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