



PUBLIC DISCLOSURE

October 19, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Northwestern Bank, National Association
Charter Number 24372

4 North Main Street
Dilworth, MN 56529

Office of the Comptroller of the Currency

222 9th Street, S
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 major factors supporting this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable.
- The bank originated a majority of its loans inside its assessment areas (AA).
- The distribution of loans to borrowers of different income levels is excellent.
- While the distribution of loans to geographies of different income levels in the Fargo-Moorhead MSA AA (Fargo MMSA AA) is poor, the distribution in the state of Minnesota (MN) is reasonable.
- The bank did not receive any CRA-related complaints during the evaluation period.

Loan-to-Deposit Ratio

Northwestern Bank, National Association's (Northwestern) LTD ratio is reasonable considering the bank's size, financial condition, and credit needs of its AAs.

Northwestern's LTD ratio averaged 85.6 percent over the 16 quarters since the previous CRA evaluation, with a low of 78.0 percent in the fourth quarter of 2017 and a high of 90.7 percent in the third quarter of 2016. Northwestern's average LTD ratio ranked third out of four similarly situated institutions. Similarly situated institutions operate in or near the bank's AAs and have a similar asset size. The following table shows the bank's average LTD ratio compared to similarly situated institutions.

Institution (Headquarters)	Total Assets (\$000s)	Average LTD Ratio (%)
Union State Bank of Fargo (Fargo, ND)	\$109,857	97.3
Security State Bank of Fergus Falls (Fergus Falls, MN)	\$124,674	89.2
Northwestern Bank, National Association (Dilworth, MN)	\$152,815	85.6
Wadena State Bank (Wadena, MN)	\$175,723	68.6

Source: Total assets are based on December 31, 2019, Call Report data.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs. Northwestern originated and purchased 78.8 percent of its total loans by number and 59.8 percent by dollar volume inside its AAs during the evaluation period. To determine lending inside the AA, we analyzed 40 small business loans, 20 small farm loans, and 20 consumer loans originated between January 1, 2017, and December 31, 2019. This analysis is

performed at the bank level, rather than the AA level. Refer to the table below to view lending inside and outside of the bank's AA.

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	33	82.5	7	17.5	40	5,769	53.3	5,049	46.7	10,818
Small Farm	16	80.0	4	20.0	20	2,185	82.7	458	17.3	2,643
Consumer	14	70.0	6	30.0	20	308	83.2	62	16.8	370
Total	63	78.8	17	21.2	80	8,262	59.7	5,569	40.3	13,831

**Source: Small business, small farm, and consumer loan samples.*

Description of Institution

Northwestern is a \$153 million community bank operating in northwestern MN. The bank is headquartered in Dilworth, MN, located in Clay County. Northwestern is an intrastate bank with five branch locations in Hendrum, Moorhead, Ulen, Dilworth, and Fergus Falls, MN. The bank also operates a loan production office in Detroit Lakes, MN. Northwestern does not operate any deposit-taking ATMs. The bank opened the Fergus Falls branch and the Detroit Lakes LPO in 2019. There were no branch closures during the evaluation period. Northwestern is 100 percent owned by Northwestern Bancshares, a one-bank holding company headquartered in Dilworth, MN.

Northwestern offers traditional banking products and services. The bank's business strategy is focused on small, family owned farms and businesses; consumer loans; and home mortgages. Home mortgages generally conform to investor standards and are sold to the secondary market. As of December 31, 2019, the bank's loan portfolio totaled \$119 million. By dollar volume, the portfolio is comprised of 54 percent commercial, 21 percent agricultural, 20 percent residential real estate, and four percent consumer loans. As of December 31, 2019, tier 1 capital totaled \$14.4 million and represented 9.39 percent of total assets.

Northwestern's staff is active in the community. Three employees are involved with local chamber of commerce and business associations. These organizations focus on small businesses in local communities.

Northwestern operates in two AAs. The Fargo MMSA AA and the MN Non-MSA AA. The Fargo MSA AA consists of Cass County, North Dakota (ND), and Clay County, MN. The MN Non-MSA AA consists of Norman, Becker, Otter Tail, and Wilkin Counties in MN.

There are no known legal, financial, or other factors impeding Northwestern's ability to meet its AA's credit needs. Northwestern received a "Satisfactory" rating in its previous CRA performance evaluated dated April 18, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the lending test covered January 1, 2017, through December 31, 2019. We determined the bank's primary products by reviewing the number and dollar volume of loan originations and purchases during the evaluation period for each AA. The primary products for the Fargo MMSA AA are commercial and consumer loans. The primary products for the MN Non-MSA AA are agricultural and commercial loans. The evaluation period for the LTD ratio analysis covered March 31, 2016, through December 31, 2019. The evaluation period for the complaint review covered April 17, 2016, through October 12, 2020. Refer to the table below to view loan originations and purchases by dollar and number during the evaluation period.

Loan Originations by Product Type				
	Percentage by Number of Loans		Percentage by Dollar Volume	
	Fargo MMSA	MN Non-MSA	Fargo MMSA	MN Non-MSA
Agriculture	17.3	30.3	28.5	53.2
Commercial	37.9	33.3	59.0	38.7
Consumer	38.1	26.9	4.0	3.2
Home Mortgage	6.7	9.5	8.5	4.9
Total	100.0	100.0	100.0	100.0

**Source: Bank provided loan origination and purchased data.*

Demographic data was used in part to determine the bank's lending performance. We relied on demographic data from the 2015 American Community Survey (ACS) effective January 1, 2017. We selected an initial sample of 20 loans for each primary product in each AA. We selected additional loans as needed to have sufficient information to analyze borrower and geographic distributions within the AAs.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact the coronavirus pandemic has had on economies across the United States is not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

Northwestern has two designated AAs, consisting of the Fargo MMSA AA and the MN Non-MSA AA (state of MN). Both AAs were selected for full scope reviews as part of this evaluation.

Ratings

Northwestern's overall rating is based on the bank's lending performance within the Fargo MMSA AA and within the state of MN. We evaluated lending performance using five performance criteria: the LTD ratio; lending in the AA; lending to borrowers of different income levels; distribution of loans to geographies of different income levels; and responses to CRA-related complaints.

The Fargo MMSA AA received more weight than the state of MN since the majority of loans, 87.8 percent by number and 89.5 percent by dollar, were originated within this AA.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Multistate Metropolitan Statistical Area Rating

Fargo-Moorhead MMSA

CRA rating for the Fargo MMSA: Satisfactory

The Lending Test is rated: Satisfactory

The major factors supporting this rating include:

- The distribution of loans to businesses and consumers of different income levels is excellent.
- The distribution of loans to businesses and consumers throughout geographies of different income levels is poor.
- The bank did not receive any CRA-related complaints during the evaluation period.

Description of Institution's Operations in the Fargo-Moorhead MMSA

The Fargo MMSA AA consists of the entire counties of Clay County, MN, and Cass County, ND. The AA consists of 46 census tracts (CTs). There are no low-income, 12 moderate-income, 24 middle-income, and nine upper-income CTs. One CT was not assigned an income classification.

There is significant competition in the Fargo MMSA AA. The June 30, 2019, FDIC Deposit Market Share Report indicates there are 29 financial institutions with 94 branches operating in the area. Northwestern ranked 15th with a 1.28 percent deposit market share. The top five institutions are Bell

Bank, Wells Fargo Bank, U.S. Bank, Gate City Bank, and First International Bank & Trust. These five institutions capture 69.5 percent of the deposit market share.

The Fargo MMSA has a diversified economy. The largest employers are Sanford Health, North Dakota State University, Essentia Health, Wanzek Construction Inc., and the Veterans Administration Medical Center. At year-end 2019, the unemployment rate for counties in the AA was 2.3 percent, which is similar to MN and ND's unemployment rates.

We contacted two community members associated with two different area non-profit organizations. The contacts conveyed the local population is diverse, with a large immigrant demographic, young adults, and families. Through the end of 2019, the economy was strong with a robust small business landscape and strong hospitality sector. The contacts stated local financial needs include loans for start-up businesses. One contact stated there are opportunities for banks to work with local non-profit organizations and get involved with workforce development activities.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Northwestern Bank Fargo MMSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	0.0	26.1	52.2	19.6	2.2
Population by Geography	223,379	0.0	21.9	44.4	32.3	1.4
Housing Units by Geography	97,878	0.0	23.8	45.8	28.7	1.6
Owner-Occupied Units by Geography	51,774	0.0	14.8	50.9	33.7	0.6
Occupied Rental Units by Geography	39,676	0.0	36.1	38.3	23.0	2.6
Vacant Units by Geography	6,428	0.0	21.0	51.2	23.7	4.2
Businesses by Geography	18,301	0.0	31.2	36.6	31.7	0.5
Farms by Geography	916	0.0	8.5	66.3	24.9	0.3
Family Distribution by Income Level	52,742	18.8	19.0	23.0	39.3	0.0
Household Distribution by Income Level	91,450	23.5	17.3	17.2	42.0	0.0
Median Family Income MSA - 2020 Fargo, ND-MN MSA		\$75,010	Median Housing Value			\$165,470
2019 FFIEC Updated Fargo ND-MN MSA Median Family Income		\$84,100	Median Gross Rent			\$709
Households Below Poverty Level		12.4%	Families Below Poverty Level			6.7%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Fargo MMSA

The rating for the Fargo MMSA is based on Northwestern's performance in the AA. Business loans received the most weight considering management's strategic focus and the dollar volume of loan originations and purchases of this product during the evaluation period.

Refer to Appendix A-1 for additional information.

LENDING TEST

The bank's performance under the Lending Test in the Fargo MMSA AA is rated Satisfactory.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

Refer to Table R in the Fargo MMSA section of Appendix D-3 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes is excellent. Northwestern's percentage of small loans to businesses exceeds the demographic comparator and significantly exceeds aggregate lending data.

Consumer Loans

Refer to Table V in the Fargo MMSA section of Appendix D-4 for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

Consumer lending reflects excellent distribution to borrowers of different income levels. Northwestern's percentage of consumer loans to low-income borrowers exceeds the percentage of low-income households. The percentage of consumer loans to moderate-income borrowers significantly exceeds the percentage of moderate-income households.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the Fargo MMSA AA. Access to Northwestern's branches from moderate-income CTs is limited. The AA's moderate-income CTs are primarily in downtown Fargo and west of downtown. The nearest bank branch is approximately three miles away and there is limited walkability due to major highways separating branches from these CTs. Additionally, competition in downtown Fargo is significant, making it difficult for Northwestern to attract customers from moderate-income CTs.

Small Loans to Businesses

Refer to Table Q in the Fargo MMSA section of Appendix D-3 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses in CTs of different income levels is poor given performance context described above. Northwestern's percentage of loans to small businesses in moderate-income census tracts is below both the percentage of small businesses and aggregate lending data in the moderate-income census tracts. There were no low-income CTs in the AA during the evaluation period.

Consumer Loans

Refer to Table U in the Fargo MMSA section of Appendix D-3 for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to geographies of different income levels is satisfactory, given the performance context described above. Northwestern's percentage of consumer loans in moderate-income census tracts is below the percentage of households in the moderate-income census tracts. There were no low-income CTs in the AA during the evaluation period.

Responses to Complaints

Northwestern did not receive any CRA related complaints in the Fargo MSA AA during the evaluation period.

State Rating

State of Minnesota

CRA rating for the State of Minnesota: Satisfactory

The Lending Test is rated: Satisfactory

The major factors supporting this rating include:

- The distribution of small loans to businesses and farms among businesses of different income levels is excellent.
- The distribution of small loans to businesses and farms throughout geographies of different income levels is reasonable.
- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Minnesota

Northwestern's MN-Non MSA AA consists of the entire counties of Norman, Becker, Otter Tail, and Wilkin in MN. The AA consists of 32 census tracts (CT), of which three are moderate-income, 25 are middle-income, and four are upper-income.

There is moderate competition in the area. The June 30, 2019, FDIC Deposit Market Share Report indicates there were 26 financial institutions with 52 branches operating in the AA. Northwestern ranked 25th and captured a 0.44 percent deposit market share. The top five institutions are Bremer Bank, Midwest Bank, Bell Bank, Wells Fargo Bank, and United Community Bank. The top five institutions combine to capture 59.5 percent of the deposit market share.

The local economy in the MN Non-MSA AA is primarily focused on agriculture and recreational activity. The population grows during the summer months when outdoor recreation activity increases. Two major cities in the MN Non-MSA AA are Detroit Lakes and Fergus Falls, MN. Major industries

include agriculture, recreation, and manufacturing. Major employers include Lake Region Healthcare, Otter Tail Power Company, the University of Minnesota, Thomson Reuters, and the Mayo Clinic.

We reviewed three previously completed community contacts during this evaluation. The contacts included two non-profit organization employees and one associated with a local government agency. One contact stated the agricultural economy is depressed, with more farmers relying on United States Department of Agriculture payments and loans from the Farm Service Agency (FSA) Guaranteed Loan Program. During 2018 and 2019, crop farmers experienced financial hardships due to inclement weather and low commodity prices. The contacts also noted there is a need for affordable housing and childcare in the AA. The contacts indicated agriculture and commercial loans, specifically in Becker County, are primary credit needs.

The following tables show the demographic and economic characteristics of Northwestern's MN Non-MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Northwestern Bank MN Non-MSA AA - 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	0.0	9.4	78.1	12.5	0.0
Population by Geography	103,867	0.0	10.9	77.5	11.7	0.0
Housing Units by Geography	61,153	0.0	10.6	78.3	11.1	0.0
Owner-Occupied Units by Geography	33,903	0.0	9.5	77.4	13.1	0.0
Occupied Rental Units by Geography	9,205	0.0	15.4	80.1	4.5	0.0
Vacant Units by Geography	18,045	0.0	10.1	79.2	10.7	0.0
Businesses by Geography	8,765	0.0	12.5	76.7	10.8	0.0
Farms by Geography	1,214	0.0	8.9	80.5	10.6	0.0
Family Distribution by Income Level	28,884	17.9	17.8	24.5	39.9	0.0
Household Distribution by Income Level	43,108	23.4	15.8	18.6	42.2	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$171,721
2019 FFIEC Updated MN Non-MSA Median Family Income		\$68,800	Median Gross Rent			\$638
Households Below Poverty Level		11.9%	Families Below Poverty Level			7.0%
<i>Source: 2015 ACS and 2019 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.</i>						

Scope of Evaluation in Minnesota

The rating for the state of MN is based wholly on Northwestern's performance of the MN Non-MSA AA. The state of MN received less weight than the Fargo MMSA AA in this evaluation. Both primary products in the MN Non-MSA AA received equal weighting in our analysis.

LENDING TEST

The bank's performance under the Lending Test in the state of MN is rated Satisfactory.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in MN.

Small Loans to Businesses

Refer to Table Q in the State of Minnesota section of Appendix D-4 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses in CTs of different income levels is reasonable. Northwestern's percentage of small loans to businesses in moderate-income CTs was near the demographic comparator and slightly exceeded aggregate lending data. There were no low-income CTs in the AA during the evaluation period.

Small Loans to Farms

Refer to Table S in the State of Minnesota section of Appendix D-5 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of small loans to farms in CTs of different income levels is reasonable, considering performance context. Northwestern's percentage of small loans to farms in moderate income CTs was below both the demographic and aggregate comparators; however, there are only around 100 farms in the AA and the bank's branches are more than 20 miles from the rural moderate-income CTs. There were no low-income CTs in the AA during the evaluation period.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

Refer to Table R in the State of Minnesota section of Appendix D-4 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes is excellent. Northwestern's percentage of loans to small businesses exceeded the demographic comparator and significantly exceeded aggregate lending data.

Small Loans to Farms

Refer to Table T in the State of Minnesota section of Appendix D-5 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The distribution of loans to farms of different sizes is excellent. Northwestern's percentage of loans to small farms was near to the demographic comparator and significantly exceeded aggregate lending data.

Responses to Complaints

Northwestern did not receive any CRA related complaints in the MN Non-MSA AA 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:	01/01/2017 – 12/31/2019	
Bank Products Reviewed:	Small business, small farm, and consumer loans	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
Fargo MMSA AA	Full-Scope	Clay County MN, Cass County ND
Minnesota		
MN Non-MSA AA	Full-Scope	Becker, Norman, Otter Tail, Wilkin Counties in MN

Appendix B: Summary of MMSA and State Ratings

RATINGS – Northwestern Bank, National Association	
Overall Bank	Lending Test Rating
Satisfactory	Satisfactory
MMSA or State:	
Fargo MMSA	Satisfactory
State of Minnesota	Satisfactory

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.) (Peer): 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, 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.

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.

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

Fargo MMSA

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
Fargo MMSA AA	60	12,035	100.0	5,367	0.0	0.0	0.0	31.2	15.0	33.1	36.6	66.7	33.1	31.7	18.3	33.5	0.5	0.0	0.4
Total	60	12,035	100.0	5,367	0.0	0.0	0.0	31.2	15.0	33.1	36.6	66.7	33.1	31.7	18.3	33.5	0.5	0.0	0.4

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

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
Fargo MMSA AA	20	5,211	100.0	5,367	81.4	85.0	49.1	6.7	15.0	11.9	0.0
Total	20	5,211	100.0	5,367	81.4	85.0	49.1	6.7	15.0	11.9	0.0

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

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
Fargo MMSA AA	60	767	100.0	0.0	0.0	24.0	15.0	45.5	71.7	29.1	13.3	1.5	0.0

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data.
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Fargo MMSA AA	20	407	100.0	23.5	30.0	17.3	50.0	17.2	20.0	42.0	0.0	0.0	0.0
Total	20	407	100.0	23.5	30.0	17.3	50.0	17.2	20.0	42.0	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data.
Due to rounding, totals may not equal 100.0%

State of Minnesota

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
MN Non-MSA AA	20	999	100.0	1,929	0.0	0.0	0.0	12.5	10.0	9.9	76.7	80.0	76.4	10.8	10.0	13.7	0.0	0.0	0.0
Total	20	999	100.0	1,929	0.0	0.0	0.0	12.5	10.0	9.9	76.7	80.0	76.4	10.8	10.0	13.7	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

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
MN Non-MSA AA	20	999	100.0	1,929	83.7	95.0	57.3	4.9	--	11.4	5.0
Total	20	999	100.0	1,929	83.7	--	57.3	4.9	--	11.4	5.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 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																			2017-19	
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	
MN Non-MSA AA	47	9,137	100.0	656	0.0	0.0	0.0	8.9	0.0	7.0	80.5	100.0	78.7	10.6	0.0	14.3	0.0	0.0	0.0	
Total	47	9,137	100.0	656	0.0	0.0	0.0	8.9	0.0	7.0	80.5	100.0	78.7	10.6	0.0	14.3	0.0	0.0	0.0	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 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												2017-19	
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		
MN Non-MSA AA	20	2,856	100.0	656	97.5	95.0	55.3	1.9	0.0	0.6	5.0		
Total	20	2,856	100.0	656	97.5	95.0	55.3	1.9	0.0	0.6	5.0		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%