



PUBLIC DISCLOSURE

August 29, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Proctor
Charter Number: 11125

211 2nd Street
Proctor, MN 55810

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 major factors that support this rating include:

- The First National Bank of Proctor (FNB Proctor or the bank) originated a substantial majority of loans inside its assessment area (AA).
- The distribution of home mortgage and consumer loans to borrowers of different income levels is excellent.
- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and comparison to similar situated financial institutions within the bank's market.
- The distribution of home mortgage and consumer loans across different income level geographies is poor.
- The bank did not receive any complaints during the evaluation period related to the Community Reinvestment Act (CRA).

The Lending Test is based on the Duluth, MN-WI metropolitan statistical area (MSA) serving St. Louis and Carlton Counties in Minnesota

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and comparison to similar situated financial institutions within the bank's AA, the bank's loan-to-deposit ratio is **reasonable**.

FNB Proctor's net LTD ratio is reasonable given the bank's size, financial condition, and competition of other financial institutions within the AA. The bank's LTD ratio averaged 55.22 percent during the evaluation period. The ratio ranged from a quarterly high of 63.06 percent in Q1 of 2020, to a low of 46.56 percent in Q2 of 2021. The bank's LTD ranks fifth among six similarly situated banks. Similarly situated banks are defined as banks with total assets ranging between \$30 million and \$90 million that have a market presence within St. Louis and/or Carlton counties. Lack of loan demand and significant competition within the local market contributed to the lower LTD ratio. Our most recent FDICIA examination performed in February of 2022 observed significant deposit growth stemming from government stimulus funds during the pandemic, placing downward pressure on the bank's LTD ratio. President Peyton expects deposit attrition in the coming quarters as the economy moves out of the ongoing pandemic. The following table illustrates FNB Proctor's average LTD ratio in comparison to similarly situated banks:

Loan to Deposit			
Institution	County	Total Assets as of 6/30/2022 (\$000)	Average LTD Ratio (%)
The First National Bank of Gilbert	St. Louis	72,431	82.57
The First National Bank of Buhl	St. Louis	38,722	76.14
Northern State Bank of Virginia	St. Louis	88,913	73.43
The Miners National Bank of Eveleth	St. Louis	88,195	56.80
FNB Proctor	St. Louis	30,105	55.22
First National Bank (Chisholm)	St. Louis	85,261	39.14

Lending in Assessment Area

FNB Proctor originated a **substantial majority** of loans inside its AA. We transaction tested two loan samples consisting of 20 home mortgage loans and 20 consumer loans originated during the evaluation period. FNB Proctor originated 92.5 percent of loans by number and 92.6 percent of loans by dollar volume within its AA. 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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage (2019 – 2021)	18	90	2	10	20	3,076	92.8	237	7.2	3,313
Consumer (2019 – 2021)	19	95	1	5	20	370	90.6	39	9.4	408
Total	37	92.5	3	7.5	40	3446	92.6	276	7.4	3,722

Description of Institution

FNB Proctor is a \$30 million single-state national bank headquartered in Proctor, Minnesota that primarily serves the western area of the Duluth, MN-WI MSA. The bank is a full-service community bank offering traditional products and services, including checking and savings accounts and commercial and consumer lending products. FNB Proctor's primary focus is home mortgage and consumer lending. The bank has one full-service branch located in Proctor, Minnesota. The bank does not own or operate any automated teller machines that accept deposits. The bank did not open or close any branches since the prior CRA examination in March 2018. The bank has one AA, which is located within the Duluth MN-WI MSA.

FNB Proctor has \$30 million in total assets, \$13.4 million in gross loans, \$28.5 million in deposits, and \$2.5 million in tier 1 capital. Gross loans represent 43.4 percent of total assets. The loan portfolio was primarily comprised of residential real estate loans (77 percent), commercial real estate loans (12 percent), and consumer loans (8 percent).

The bank's AA includes 47 census tracts (CT) across St. Louis and Carlton counties, within the Duluth, MN-WI MSA. The AA includes all CTs within Carlton County and 40 of 67 CTs in St. Louis County.

The AA includes six low-income CTs, six moderate-income CTs, 21 middle-income CTs and 14 upper-income CTs. There were no changes to the AA during the evaluation period.

FNB Proctor is 100 percent owned by the Peyton Family and does not have any subsidiaries or affiliates. The Board consists of five members, four of whom are part of the Peyton family. The bank has not conducted any mergers or acquisitions during our review period.

There are no legal, financial, or other factors impeding the bank's ability to help meet the community's credit needs. FNB Proctor received a "Satisfactory" overall rating at the last CRA examination dated March 8, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated FNB Proctor's CRA performance using small bank performance standards, which consists of the Lending Test to assess compliance with the CRA. The Lending Test evaluated the bank's performance in meeting the credit needs of its AA through lending activities during the evaluation period of January 1, 2019, to December 31, 2021. We used call report data to determine the bank's quarterly average LTD ratio.

To determine the bank's lending performance in its AA, we selected primary products based on the number and dollar volume of loan originations during the evaluation period and determined that FNB Proctor's primary products were home mortgage and consumer loans. The table below shows details of the bank's loan originations and purchases during the evaluation period.

Bank Loan Originations and Purchases 2019-2021		
<i>Loan Type</i>	<i>Volume by #</i>	<i>Volume by \$</i>
Home Mortgage	24.3%	64.6%
Business	8.8%	13.6%
Consumer	66.9%	21.8%
Agricultural	0%	0%

Source: Bank loan origination reports for 2019-2021

We also reviewed the financial, economic, and environmental factors in the AA to determine the bank's lending performance. Additionally, we contacted local community members with knowledge of the economic conditions and demographics to understand the credit needs of the AA. FNB Proctor is not subject to the CRA Community Development (CD) test due to the bank's size.

Selection of Areas for Full-Scope Review

FNB Proctor has one AA, which is referred to as the Duluth, MN-WI MSA AA throughout this performance evaluation. The Duluth, MN-WI MSA AA received a Full-Scope review. Refer to Appendix A: Scope of Examination for an outline of the examination scope and Appendix B: Summary of MSA and State Ratings for a full description of the AA and community profile.

Data Integrity

The bank is exempt from reporting Home Mortgage Disclosure Act (HMDA) data. Given the bank is not a HMDA reporter, we did not conduct a HMDA Data Integrity examination prior to the CRA examination. To evaluate the bank's performance, we selected loan samples of both primary products. The initial sample included a random selection of 20 consumer loans and 20 home mortgage loans originated during the evaluation period. In order to have sufficient information to analyze lending performance, we expanded both samples. The consumer loan sample was expanded to 60 loans and the home mortgage sample was expanded to 36 loans. We did not expand the home mortgage sample further as 36 represents all home mortgages within the assessment area originated between 2019 and 2021.

Ratings

FNB Proctor's overall rating is based on the lending performance within the Duluth, MN-WI MSA AA. We evaluated the bank's lending performance on five performance criteria: the LTD ratio, lending in the AA, geographic distribution of loans, lending to borrowers of different incomes, and responses to complaints related to the CRA.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Minnesota

CRA rating for the State of Minnesota: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank originated a substantial majority of its loan inside its AA.
- The distribution of home mortgage and consumer loans to borrowers of different income levels is excellent.
- The bank's LTD ratio is reasonable given the bank's size, financial condition, and comparison to similar situated financial institutions within the bank's market.
- The distribution of home mortgage and consumer loans across different income level geographies is poor.
- The bank did not receive any complaints during the evaluation period related to the CRA.

Description of Institution's Operations in Minnesota

FNB of Proctor is a single-state, national bank headquartered in Proctor, MN. The bank has one branch location in Proctor, MN, a city located adjacent to Duluth, MN on the west side. The bank does not own or operate any automated teller machines that accept deposits. FNB Proctor's primary business strategy is consumer and residential real estate lending.

FNB Proctor's AA is reasonable, complies with regulatory requirements, and does not arbitrarily exclude any low- or moderate-income (LMI) geographies or reflect illegal discrimination. The bank is located in the Duluth, MN-WI MSA and its AA contains two counties in Minnesota, St. Louis and Carlton. The AA includes 47 CTs. FNB Proctor's AA reasonably excludes CTs within the Duluth, MN-WI MSA due to the distance of the CTs from the bank's sole branch. There is no evidence that management arbitrarily excludes LMI CTs from their AA.

Financial competition within St. Louis and Carlton counties is strong and includes 23 financial institutions holding \$4.95 billion in deposits as of June 30, 2021. Per the FDIC Deposit Market Share report, FNB Proctor ranked 19th in the AA with \$28.5 million in deposits, representing a 0.57 percent market share. The two largest financial institutions in the area have 45.47 percent of the deposit market share.

The Duluth MN-WI MSA is diverse and not dependent on any one major industry. The largest employers in the area include Essential Health, St. Luke's Hospital, Miner's, Inc., and the University of Minnesota-Duluth. As part of our review, we interviewed one community contact and leveraged a community contact completed within the assessment period to discuss the local economy and financial needs of the community. We contacted the Duluth Housing and Redevelopment Authority and reviewed a contact from the Duluth Local Initiative Support Corporation. Contacts noted that economic conditions in Duluth are healthy with historical low unemployment. Duluth is seeing an increased investment in historically LMI neighborhoods including the neighborhood of Lincoln Park. The contacts noted that there are continued opportunities for financial institution involvement specifically in

housing projects. The area is seeing challenges in increasing the housing supply due to shortages in construction materials to build homes and increased labor costs. The contacts noted positive perception of financial institutions in the Duluth area and financial institutions are active in the community.

The following table provides demographic information on the Duluth, MN-WI MSA AA's. We analyzed and incorporated relevant demographic information from the AA into the Lending Test below to evaluate the bank's performance in home mortgage and consumer lending.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Duluth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	47	12.8	12.8	44.7	29.8	0.0
Population by Geography	160,907	7.5	7.1	47.8	37.7	0.0
Housing Units by Geography	71,737	8.9	8.2	48.5	34.4	0.0
Owner-Occupied Units by Geography	44,646	2.8	4.8	51.7	40.7	0.0
Occupied Rental Units by Geography	19,278	23.2	16.1	40.8	20.0	0.0
Vacant Units by Geography	7,813	8.7	7.6	49.9	33.8	0.0
Businesses by Geography	13,674	9.7	14.1	42.5	33.8	0.0
Farms by Geography	362	5.5	5.0	47.8	41.7	0.0
Family Distribution by Income Level	38,402	17.9	15.8	23.3	43.0	0.0
Household Distribution by Income Level	63,924	24.1	14.8	16.7	44.3	0.0
Median Family Income MSA - 20260 Duluth, MN-WI MSA		\$64,033	Median Housing Value			\$168,660
			Median Gross Rent			\$739
			Families Below Poverty Level			8.6%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Minnesota

The Minnesota state rating is based solely on the results of the Duluth, MN-WI MSA AA. As indicated previously, this is the bank's only AA, and it received a full-scope review. We based Lending Test conclusions on home mortgage and consumer lending, as these are the bank's primary products.

LENDING TEST

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

Based on a **Full-Scope review**, the bank's performance in the **Duluth, MN-WI MSA AA** is **satisfactory**.

Distribution of Loans by Income Level of the Geography

The bank exhibits **poor** geographic distribution compared to aggregate lending data and AA demographics.

Home Mortgage Loans

FNB Proctor exhibits a poor distribution of home mortgage loans across different income level geographies in the AA. Refer to Table O in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

For the 2019 to 2021 evaluation period, the bank's home mortgage lending in LMI CTs is poor. The bank originated 2.7 percent of its home mortgage loans in moderate-income CTs, which is below both the 4.8 percent of the AA's owner-occupied housing units that are located in moderate-income CTs and the 4.3 percent of aggregate lending that occurred in moderate-income CTs. The bank originated no home mortgage loans in low-income CTs, which is below the 2.8 percent of the AA's owner-occupied housing units that are located in low-income CTs and the 3.7 percent of aggregate lending that occurred in the low-income CTs. Performance context was considered to adjust from the "very poor" distribution found in transaction testing results. Performance context includes geographics of the region, traffic patterns, and strong competition within the AA. FNB Proctor operates only one branch which is located in, and surrounded by, middle- and upper-income CTs. LMI CTs are primarily located in and around the city of Duluth. The lack of a physical presence in the LMI CTs coupled with local traffic/commuting patterns impeded the bank's lending opportunities within LMI CTs. Competition among financial institutions in the Duluth MN-WI MSA is strong with 23 financial institutions holding \$4.95 billion in deposits as of June 30, 2021. Per the FDIC Deposit Market Share report, FNB Proctor ranked 19th in the assessment area with \$28.5 million in deposits, representing a 0.57 percent market share. The two largest financial institutions in the area have 45.47 percent of the deposit market share. Examiners reviewed demographic information to calculate the total number of owner-occupied housing units within LMI CTs. Low-income CTs have owner occupied housing of 2.84 percent (percentage of total owner occupied) or 182 individual units for 2021. Moderate income CTs have owner occupied housing of 4.83 percent or 283 individual units for 2021.

Consumer Loans

FNB Proctor exhibits a poor distribution of consumer loans across different income level geographies in the AA. Refer to Table U in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

For the 2019 to 2021 evaluation period, the bank's consumer lending in LMI CTs is poor. The bank originated 1.7 percent of its consumer loans in moderate-income CTs, which is below the 8.2 percent of the AA's percentage of households that are located in moderate-income CTs. The bank originated no consumer loans in low-income CTs, which is below the 9.0 percent of the AA's percentage of households that are located in low-income CTs. Performance context was considered to adjust from the "very poor" distribution found in transaction testing results. Performance context includes geographics of the region, traffic patterns, and competition within some of the LMI CTs. FNB Proctor operates only one branch which is located in, and surrounded by, middle- and upper-income CTs. The LMI CTs are primarily located in and around the city of Duluth. The lack of a physical presence in the LMI CTs coupled with local traffic/commuting patterns impeded the bank's lending opportunities within LMI

CTs. Competition among financial institutions in the Duluth MN-WI MSA is strong with 23 financial institutions holding \$4.95 billion in deposits as of June 30, 2021.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an **excellent** distribution of loans to individuals of different income levels compared to aggregate lending data and AA demographics.

Home Mortgage Loans

FNB Proctor exhibits **excellent** distribution of home mortgage loans to LMI borrowers in the AA. The high and increasing cost of housing in the AA impacted the bank's ability to make home mortgage loans to low-income borrowers, and we considered this factor when evaluating the bank's lending performance in the AA. Refer to Table P in the state of Minnesota section of Appendix D: Tables of Performance Data for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

For the 2019 to 2021 evaluation period, the bank's home mortgage lending to LMI borrowers is excellent. The bank originated or purchased 16.7 percent of its loans to moderate-income borrowers, which exceeds both the 15.8 percent of moderate-income households in the AA and the 15.6 percent of aggregate lending that occurred to moderate-income borrowers. The bank originated 5.5 percent of its loans to low-income borrowers, which is below the 17.9 percent of low-income households in the AA; however, the bank's performance exceeds the 4.6 percent of aggregate lending that occurred to low-income borrowers. In aggregate, the bank originated 22.2 percent of its loans to LMI borrowers which exceeds the 20.2 percent of LMI households within the AA. Based on 2015 ACS Census and Federal Financial Institutions Examination Council (FFIEC) data, the median housing value was \$168,660 and low-income families made less than \$34,750 in 2019, \$36,350 in 2020, and \$37,350 in 2021. Home listing data explains the inability for low-income borrowers to purchase homes. Median home listing price for St. Louis County MN was \$211 thousand (average of monthly data for 2021), a 27.3 percent increase over the assessment period (2018 to 2021). The Federal Reserve of St. Louis did not have similar data for Carlton County. Due to the high and increasing cost of housing in the AA, it would be difficult for low-income borrowers to afford a home, which limits the bank's lending opportunities to these borrowers.

Consumer Loans

FNB Proctor exhibits **excellent** distribution of consumer loans to LMI borrowers in the AA. Refer to Table V in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations.

For the 2019 to 2021 evaluation period, the bank's consumer lending to LMI borrowers is excellent. The bank originated 25 percent of its loans to moderate-income borrowers, which exceeds the percentage of moderate-income households of 14.8 percent. The bank originated 16.7 percent of its loans to low-income borrowers, which is marginally below the percentage of low-income households of 24.1 percent. In aggregate, the bank originated 41.7 percent of its loans to LMI borrowers which exceeds the aggregate percentage of LMI households of 38.9 percent.

Responses to Complaints

During the review period, there were no complaints related to FNB Proctor's performance in meeting the AA's credit needs.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation and loan products considered for FNB Proctor. There were no affiliate activities reviewed. The table also reflects the Duluth, MN-WI MSA that received comprehensive examination review (designated by the term “full-scope”).

Time Period Reviewed:	(01/01/2019 to 12/31/2021)	
Bank Products Reviewed:	Home mortgage & consumer loans	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Wisconsin		
Duluth, MN-WI MSA AA	Full-Scope	Counties of St. Louis and Carlton (47 CTs) *Sole branch located within St. Louis County

Appendix B: Summary of MSA and State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
FNB Proctor	Satisfactory
State:	
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.): 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.

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 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.

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 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.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2019-2021

	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Duluth, MN-WI AA	36	5,130	100	2.8	0.0	3.7	4.8	2.7	4.3	51.7	36.1	45.6	40.7	61.1	46.4	0.0	--	0.0
Total	36	5,130	100	2.8	0.0	3.7	4.8	2.7	4.3	51.7	36.1	45.6	40.7	61.1	46.4	0.0	--	0.0

Source: 2015 U.S Census; 01/01/2019 - 12/31/2021 Bank Data,. Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2019-2021

	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate
Duluth, MN-WI AA	36	5,130	100	17.9	5.5	4.6	15.8	16.7	15.6	23.3	19.4	22.0	43.0	58.3	39.5	0.0	--	18.2
Total	36	5,130	100	17.9	5.5	4.6	15.8	16.7	15.6	23.3	19.4	22.0	43.0	58.3	39.5	0.0	--	18.2

Source: 2015 U.S Census; 01/01/2019 - 12/31/2021 Bank Data,. Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2019-2021	
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	
Duluth, MN-WI AA	60	971	100	9.0	0.0	8.2	1.7	48.4	48.3	34.4	50.0	0.0	--	
<i>Source: 20XX U.S Census; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2019-2021	
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	
Duluth, MN-WI AA	60	971	100	24.1	16.7	14.8	25.0	16.7	28.3	44.3	30	0.0	--	
Total	60	971	100	24.1	16.7	14.8	25.0	16.7	28.3	44.3	30	0.0	--	
<i>Source: 20XX U.S Census; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0</i>														