



## **PUBLIC DISCLOSURE**

July 16, 2019

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

MinnStar Bank National Association  
Charter Number 13972

200 North Main St.  
Lake Crystal, MN 56055

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 bank’s performance under the Lending Test is rated Satisfactory**

The major factors supporting this rating include:

- The distribution of loans reflects reasonable distribution among businesses and home mortgage borrowers of different sizes and income levels;
- The distribution of loans reflects reasonable dispersion among businesses and households throughout the assessment area (AA);
- The bank’s loan-to-deposit ratio (LTD) is more than reasonable; and,
- The bank originated a substantial majority of its loans inside its AA.

### Loan-to-Deposit Ratio

MinnStar Bank, National Association’s (MinnStar) LTD ratio is more than reasonable considering the bank’s size, financial condition, and the AA’s credit needs. MinnStar’s LTD ratio averaged 90.34 percent over 20 quarters since the previous CRA evaluation. The bank’s quarterly LTD ratio ranged from a low of 74.7 percent in December of 2014 to a high of 103.4 percent in June 2018. MinnStar ranks first among five similarly situated banks used in our analysis. Similarly situated banks include banks operating in, or near, the Mankato-North Mankato MSA with total assets between \$95 million to \$214 million.

Loan-to-deposit Ratio		
Institution (Headquarter Location)	Total Assets as of 03/31/2019(\$000s)	Average LTD Ratio(%)
<b>MinnStar Bank National Assoc. (Mankato, MN)</b>	<b>\$129,545</b>	<b>90.4%</b>
Saint Clair State Bank (Saint Clair, MN)	\$95,784	85.1%
First National Bank Minnesota (St. Peter, MN)	\$213,818	75.7%
Progrowth Bank (Nicollet, MN)	\$118,100	63.8%
Nicollet County Bank of St. Peter (St. Peter, MN)	\$167,619	50.4%

*Source: Call Report data from March 31, 2014 through March 31, 2019.*

### Lending in Assessment Area

MinnStar originates a substantial majority of its loans inside its AA. We analyzed 115 home mortgage loans and 40 small business loans originated between January 1, 2016 and December 31, 2018. The bank originated and purchased 74.5 percent of its loans by number and 71.2 percent by dollar inside the AA during the evaluation period. The following table shows the lending inside and outside the 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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	115	71.9	45	28.1	160	\$19,556	67.0	\$9,637	33.0	\$29,193
Small Business	34	85.0	6	15.0	40	\$9,291	82.0	\$2,034	18.0	\$11,325
Total	149	74.5	51	25.5	200	\$28,847	71.2	\$11,671	28.8	\$40,518

Source: 2016-2018 HMDA data and small business loan sample

## Description of Institution

MinnStar is a \$126 million single-state national bank located in south central Minnesota. The main office is located in Lake Crystal, Minnesota, with a full-service branch in Mankato, Minnesota. MinnStar is wholly-owned by Lake Crystal Bancorporation, Inc., a one-bank holding company. The bank utilizes two ATMs, neither of which accepts deposits. No merger, acquisition, or contraction activities occurred during the evaluation period.

MinnStar's primary focus is business lending and home mortgage. As of June 30, 2019, the loan portfolio totaled \$110 million, or 87 percent of total assets, with total deposits of \$106 million, and Tier One Capital of \$12 million. The loan portfolio, by outstanding dollar volume, is comprised of 40 percent business loans, 38 percent home mortgage loans, 21 percent agricultural loans, and one percent consumer loans.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AA. MinnStar received a "Satisfactory" rating at the previous CRA performance evaluation dated May 19, 2014.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated MinnStar's CRA performance utilizing small bank performance standards consisting of the Lending Test which evaluates the bank's record of meeting the credit needs of its AA. The evaluation period for the LTD analysis and complaint review portions of the Lending Test covered May 19, 2014 to June 25, 2019. The evaluation period for the remaining portions of the Lending Test covered January 1, 2016 to December 31, 2018. Business and home mortgage loans are the bank's primary products for all evaluation periods. Refer to the table below to view originations by dollar and number during the evaluation period:

Originations by Product Type						
	Percentage by Dollar Volume			Percentage by Number of Loans		
	2016	2017 & 2018	2016-2018	2016	2017 & 2018	2016-2018
Agriculture	12.7%	13.7%	13.5%	16.7%	15.4%	15.8%
Commercial	44.2%	40.7%	41.7%	33.9%	30.9%	31.7%
Consumer	0.6%	1.1%	0.9%	14.6%	15.9%	15.6%
Home Mortgage	42.5%	44.5%	43.9%	34.8%	37.8%	36.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Demographic data is used in part to determine the bank's lending performance. The U.S. Census Bureau released updated demographic data from the 2015 American Community Survey (ACS) effective January 1, 2017. We analyzed 2016 loans separately from 2017-2018 loans given changes in AA demographic data.

We reviewed the AA's financial, economic, and environmental factors to determine the bank's lending performance. We also contacted a community member with knowledge of the area's economic conditions and demographics to gather additional insight on lending needs in the AA.

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

MinnStar has one AA, which is referred to as the MinnStar AA throughout this report. Refer to Appendix A-1 for an outline of the examination scope.

### **Ratings**

MinnStar's overall rating is based on the bank's lending performance within the MinnStar AA. We evaluated lending performance using four performance criteria: the LTD ratio; lending in the AA; lending to borrowers of different income levels; and responses to CRA related complaints. We gave more consideration to home mortgage loans compared to business loans due to the higher loan volume throughout the evaluation period. Additionally, the 2017-2018 evaluation period receives more weight because it is more recent.

### **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 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 of Minnesota Rating

**CRA rating for the State of Minnesota:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors supporting this rating include:

- The distribution of loans reflects reasonable distribution among businesses and home mortgage borrowers of different sizes and income levels.
- The distribution of loans reflects reasonable dispersion among businesses and households throughout the AA.

## Description of Institution's Operations in Minnesota

MinnStar's sole AA is located in the Mankato-North Mankato, MN MSA. The AA includes all of Blue Earth County and three CTs in south-eastern Nicollet County. The AA has 19 of 23 CTs in the Mankato-North Mankato MSA. The four excluded CTs are outside of the bank's core market area and cannot be reasonably served by the bank's existing locations. MinnStar's Mankato branch is located in a moderate-income CT, while the Lake Crystal branch is located in a middle-income CT. The AA includes Minnesota State University at Mankato.

Competition in the bank's market is strong. The June 30, 2018, FDIC Deposit Share Report indicates there were 21 financial institutions with 40 locations operating in the Mankato-North Mankato MSA. MinnStar ranks eighth with four percent of the total MSA deposit share. Wells Fargo has the largest market share with 27 percent, and U.S. Bank is second with nearly 11 percent.

Competition for loans is also strong. Based on 2017 peer mortgage data, 168 lenders originated or purchased residential real estate loans in the AA. MinnStar ranked 15<sup>th</sup> with 2.1 percent market share by number of loans originated. The top five home mortgage lending institutions are Wells Fargo, U.S. Bank, Minnesota Valley Federal Credit Union, Community Bank Mankato, and Bremer Bank. The top five institutions have a combined 38.6 percent market share.

Based on 2017 peer small business data, 44 lenders originated or purchased a small business loan in the AA. The top five small business institutions are U.S. Bank, Wells Fargo, Capital One, American Express, and Frandsen Bank. These institutions have a combined 59.5 percent market share.

As a part of this review, we contacted a community member to gain understanding of the area's economic conditions, credit needs, and involvement of local financial institutions. The contact's organization works in the AA and nearby areas outside the AA with a primary goal of helping low- and moderate-income (LMI) individuals find affordable housing. The community contact indicated the local economy is doing well. She indicated there are plenty of low-paying jobs available, but the area's LMI employees would benefit from opportunities at higher paying jobs. She stated local financial institutions are meeting the credit needs of the community.

According to a June 2019 Moody's Analytics report, economic expansion in the MSA has slowed and the economy is among the weakest performers in Minnesota. Job growth is minimal over the past year and a half. Housing appreciation has slowed to half of the U.S. average. Top employers are Taylor Corp, Immanuel-St. Joseph's Mayo Health System, Minnesota State University at Mankato, and Mankato Rehabilitation Center. While Mankato is home to a university, the MSA experiences significant attrition, with only about one in five graduates remaining local after graduation.

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	19	0.0	10.5	73.7	15.8	0.0
Population by Geography	77,301	0.0	11.3	73.1	15.6	0.0
Housing Units by Geography	31,574	0.0	11.5	76.2	12.2	0.0
Owner-Occupied Units by Geography	19,911	0.0	9.1	76.0	14.9	0.0
Occupied Rental Units by Geography	9,391	0.0	17.1	76.3	6.5	0.0
Vacant Units by Geography	2,272	0.0	10.3	77.2	12.5	0.0
Businesses by Geography	4,972	0.0	12.0	78.3	9.7	0.0
Farms by Geography	504	0.0	3.4	77.2	19.4	0.0
Family Distribution by Income Level	17,366	17.4	19.3	24.9	38.4	0.0
Household Distribution by Income Level	29,302	23.4	16.5	20.2	39.9	0.0
Median Family Income MSA - 31860 Mankato-North Mankato, MN MSA		\$66,038	Median Housing Value			\$165,172
<i>Source: 2010 U.S. Census and 2016 D&amp;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>			Median Gross Rent			\$685
			Families Below Poverty Level			6.6%

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	19	0.0	21.1	73.7	5.3	0.0
Population by Geography	78,541	0.0	18.7	76.5	4.8	0.0
Housing Units by Geography	32,822	0.0	17.4	78.2	4.4	0.0
Owner-Occupied Units by Geography	20,277	0.0	9.5	84.2	6.3	0.0
Occupied Rental Units by Geography	10,417	0.0	31.6	67.4	1.1	0.0
Vacant Units by Geography	2,128	0.0	23.2	73.1	3.7	0.0
Businesses by Geography	5,121	0.0	23.7	72.2	4.1	0.0
Farms by Geography	455	0.0	5.3	78.2	16.5	0.0
Family Distribution by Income Level	18,170	20.5	18.0	22.9	38.6	0.0
Household Distribution by Income Level	30,694	25.5	16.7	17.4	40.3	0.0
Median Family Income MSA - 31860 Mankato-North Mankato, MN MSA		\$71,814	Median Housing Value			\$163,219
<i>Source: 2015 ACS Census and 2018 D&amp;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>			Median Gross Rent			\$743
			Families Below Poverty Level			8.2%

## **Scope of Evaluation in Minnesota**

### **LENDING TEST**

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

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

MinnStar exhibits reasonable geographic distribution of loans in the AA, particularly for home mortgage loans which receives the most weight. There are no low-income census tracts in the AA. Therefore, our analysis focused on MinnStar's performance in the moderate-income tracts.

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

The geographic distribution of home mortgage loans is reasonable.

Refer to Table O in Appendix D-2 for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in 2016 is good and reflects excellent dispersion to CTs of different income levels. MinnStar's distribution of home mortgage loans in moderate-income CTs is near to the demographic comparator and aggregate lending data of home mortgage loans in the moderate-income tracts.

The geographic distribution of home mortgage loans in the 2017-2018 evaluation period is reasonable and reflects adequate dispersion to CTs of different income levels. MinnStar's distribution of home mortgage loans in moderate-income CTs is below the demographic comparator and well-below aggregate lending data.

The change in performance between the two evaluation periods is explained by changes to CT income designations. A moderate-income CT in 2016 where the bank originated a material number of loans changed to middle-income in the 2017-2018 evaluation period. The bank continued to generate material loan volume in the CT during 2017-2018.

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

The geographic distribution of small loans to businesses needs to improve.

Refer to Table Q in 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 business loans in 2017-2018 needs to improve and reflects poor dispersion to CTs of different income levels. MinnStar's distribution of business loans in moderate-income CTs is lower than the demographic comparator and aggregate lending data of businesses operating in moderate-income CTs.

The geographic distribution of business loans in 2016 reflects very poor dispersion to CTs of different income levels. MinnStar's distribution of business loans in moderate-income CTs is significantly below



the demographic comparator and aggregate lending data of businesses operating in the moderate-income CTs.

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

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

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

The borrower distribution of home mortgage loans is reasonable. We noted a high percentage of households below the poverty rate over both evaluation periods. High poverty levels are a barrier to families being able to purchase homes. Additionally, while evaluating the borrower distribution of home loans, we noted a significant number of bank loans with income recorded as *not available*. Upon further analysis, we determined the bank originates a significant amount of mortgage loans to businesses for investment properties. We completed additional analysis considering only those loans to borrowers purchasing an owner-occupied unit.

Refer to Table P in Appendix D-3 for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

During the 2017-2018 evaluation period, the bank's borrower distribution is reasonable. The percentage of loans to low-income borrowers was well-below the percentage of low-income families, but was near aggregate lending. The percentage of loans to moderate-income borrowers is well-below the percentage of moderate-income families and significantly below aggregate lending. When considering only owner-occupied units, the percentage of bank loans to low-income borrowers exceeds the percentage of low-income families, and the percentage of bank loans to moderate-income borrowers is near the percentage of moderate-income families. During this evaluation period, 16 percent of households were below the poverty level based on census data.

During the 2016 evaluation period, the bank's borrower distribution is reasonable. The percentage of loans to low-income borrowers is below the percentage of low-income families, but substantially meets aggregate lending. The percentage of loans to moderate-income borrowers is significantly below the percentage of moderate-income families and aggregate lending. When considering only owner-occupied units, the percentage of loans to low-income borrowers was somewhat near the percentage of low-income families, and the percentage of loans to moderate-income borrowers is near the percentage of moderate-income families. During the 2016 evaluation period, 15 percent of households were below the poverty level based on census data.

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

The borrower distribution of small loans to businesses is excellent.

Refer to Table R in 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 businesses.

The borrower distribution of business loans from 2016-2018 reflects excellent distribution among businesses of different income levels. The percentage of small business loans exceeded the proportion of small businesses and significantly exceeded aggregate lending for both evaluation periods.

### **Responses to Complaints**

During the evaluation period, MinnStar did not receive any complaints related to performance in meeting the AA's credit needs.

### **Data Integrity**

We also completed a data integrity examination for the loans reported on the Home Mortgage Disclosure Act Loan Application Register from January 1, 2016 to December 31, 2018, and determined the data to be accurate.

## Appendix A: Scope of Examination

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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”.

<b>Time Period Reviewed:</b>	1/1/2016 to 12/31/2018	
<b>Bank Products Reviewed:</b>	Home mortgage, small business loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
MinnStar MSA AA	Full-scope	Refer to State Rating Section

## Appendix B: Summary of MMSA and State Ratings

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<b>RATING—MinnStar Bank, National Association</b>	
<b>Overall Bank</b>	<b>Lending Test Rating</b>
Satisfactory	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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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.

**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.

**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.

**Tier One 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

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### 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 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table 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 O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
MinnStar Bank AA 2016	36	6,165	100.0	2,581	0.0	0.0	0.0	9.1	8.3	8.4	76.0	77.8	76.9	14.9	13.9	14.7	0.0	0.0	0.0
<b>Total</b>	<b>36</b>	<b>6,165</b>	<b>100.0</b>	<b>2,581</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.1</b>	<b>8.3</b>	<b>8.4</b>	<b>76.0</b>	<b>77.8</b>	<b>76.9</b>	<b>14.9</b>	<b>13.9</b>	<b>14.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2018
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
MinnStar Bank AA 2017-2018	79	13,391	100.0	2,241	0.0	0.0	0.0	9.5	7.6	12.9	84.2	89.9	82.3	6.3	2.5	4.8	0.0	0.0	0.0
<b>Total</b>	<b>79</b>	<b>13,391</b>	<b>100.0</b>	<b>2,241</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.5</b>	<b>7.6</b>	<b>12.9</b>	<b>84.2</b>	<b>89.9</b>	<b>82.3</b>	<b>6.3</b>	<b>2.5</b>	<b>4.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MinnStar Bank AA 2016	36	6,165	100.0	2,581	17.4	11.1	11.0	19.3	8.3	21.0	24.9	30.6	25.3	38.4	16.7	26.7	0.0	33.3	16.0
<b>Total</b>	<b>36</b>	<b>6,165</b>	<b>100.0</b>	<b>2,581</b>	<b>17.4</b>	<b>11.1</b>	<b>11.0</b>	<b>19.3</b>	<b>8.3</b>	<b>21.0</b>	<b>24.9</b>	<b>30.6</b>	<b>25.3</b>	<b>38.4</b>	<b>16.7</b>	<b>26.7</b>	<b>0.0</b>	<b>33.3</b>	<b>16.0</b>

Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2018
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MinnStar Bank AA 2017-2018	79	13,391	100.0	2,241	20.5	6.3	10.0	18.0	10.1	24.8	22.9	21.5	22.5	38.6	30.4	24.8	0.0	31.6	17.9
<b>Total</b>	<b>79</b>	<b>13,391</b>	<b>100.0</b>	<b>2,241</b>	<b>20.5</b>	<b>6.3</b>	<b>10.0</b>	<b>18.0</b>	<b>10.1</b>	<b>24.8</b>	<b>22.9</b>	<b>21.5</b>	<b>22.5</b>	<b>38.6</b>	<b>30.4</b>	<b>24.8</b>	<b>0.0</b>	<b>31.6</b>	<b>17.9</b>

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2016
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
MinnStar Bank AA 2016	60	11,076	100	1,235	0.0	0.0	0.0	12.0	3.3	14.4	78.3	98.7	72.7	9.7	0.7	12.9	0.0	0.0	0.0
<b>Total</b>	--	--	--	<b>1,235</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>10.0</b>	<b>14.4</b>	<b>78.3</b>	<b>88.3</b>	<b>72.7</b>	<b>9.7</b>	<b>1.7</b>	<b>12.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data. "--" data not available.  
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-2018
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
MinnStar Bank AA 2017-2018	60	14,703	100	1,237	0.0	0.0	0.0	23.7	15.0	23.4	72.2	81.7	72.7	4.1	3.3	4.0	0.0	0.0	0.0
<b>Total</b>	<b>60</b>	<b>14,703</b>	<b>100</b>	<b>1,237</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.7</b>	<b>15.0</b>	<b>23.4</b>	<b>72.2</b>	<b>81.7</b>	<b>72.7</b>	<b>4.1</b>	<b>3.3</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 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											2016
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
MinnStar Bank AA 2016	20	2,508	33.3	1,235	77.6	80.0	46.0	7.7	15.0	14.8	5.0
<b>Total</b>	--	--	--	<b>1,235</b>	<b>77.6</b>	<b>80.0</b>	<b>46.0</b>	<b>7.7</b>	<b>15.0</b>	<b>14.8</b>	<b>5.0</b>

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 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											2017-2018
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
MinnStar Bank AA 2017-2018	20	8,819	33.3	1,237	77.5	85.0	50.7	7.4	5.0	15.0	10.0
<b>Total</b>	<b>20</b>	<b>8,819</b>	<b>33.3</b>	<b>1,237</b>	<b>77.5</b>	<b>85.0</b>	<b>50.7</b>	<b>7.4</b>	<b>5.0</b>	<b>15.0</b>	<b>10.0</b>

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