

June 5, 2025

Conditional Approval #1341
July 2025

*Sent via OCC secured email: heatherp@stearnsbank.com
Melissa.larkin@battlebank.com*

Heather Plumski, President
Stearns Financial Services, Inc.
4191 2nd Street South
St. Cloud, Minnesota 56301

Melissa Larkin, Chief Financial Officer
Battle Financial, Inc.
56 Edwards Village Blvd, Suite 206-10
Edwards, Colorado 81632

Subject: Change in Assets Application
Residency Waiver Request
Stearns Bank Upsala, National Association
Upsala, Minnesota
Charter Number: 23458
OCC Control Numbers: 2025-5.53-341161 and 2025-Waiver-341160

Dear Mmes. Plumski and Larkin:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the Application filed on March 26, 2025 by Stearns Bank Upsala, NA (Stearns or Bank), Upsala, Minnesota, to affect a substantial asset change through the sale of certain assets to Stearns Financial Services, Inc. and the material alteration in the composition of the types of assets and liabilities.

The Bank applied to the OCC for prior approval of a substantial change in its asset composition under 12 CFR 5.53. In connection with the proposed transaction, subject to the approval of the Board of Governors of the Federal Reserve System, the Bank will be acquired by Battle Financial Inc., and the Bank's name will be changed to Battle Bank, National Association. The OCC understands that a holding company application was filed with the Federal Reserve Bank of Minneapolis and the Board of Governors of the Federal Reserve System to establish Battle Financial Inc. as a bank holding company and decision on the application is pending. Approval to be bank holding company is required prior to the acquisition of the Bank.

With the proposed transaction, the Bank will implement a new business plan, resulting in a material expansion of products and services. The Bank plans to expand its market through a national direct-to-consumer strategy and product offerings such as self-directed individual

retirement accounts, market-index CDs, FDIC insured MMDAs and CDs denominated in foreign currency, recurring revenue software lending, precious metals lending, and metals dealing.

The OCC hereby grants a waiver of the residency requirements of 12 USC 72 for the non-resident directors listed in the Request submitted along with the Application on March 26, 2026. The non-resident directors are Arthur Richards Rule, IV, Francis O. Trotter, III, Vincent F. Amato, Barry Biegler, Melissa K. Larkin, Sean P. McManus, and Sepideh Rowland. The OCC understands that after their election, no directors will reside within the state where the Bank is located or within 100 miles of the Bank's main, and sole, office. This approval is limited to the named directors. Should the Bank choose to replace any of the named directors and/or add new directors who fail to meet the residency requirements of 12 USC 72, a waiver request will need to be submitted to the OCC. The OCC reserves the right to withdraw this waiver at any time and, at its discretion, to request additional biographical and/or financial information on these individuals.

These approvals are granted after a thorough review of all information available, including the representations and commitments made in the Application and Request by the Bank's representatives.

In deciding a change in assets Application, the OCC considers the capital level of the resulting institution; the conformity of the transaction to applicable law, regulation and supervisory policies; the purpose of the transaction; its impact on the safety and soundness of the bank; and any effect on the bank's shareholders, depositors, other creditors, and customers. The OCC also considers whether the directors are familiar with national banking laws and regulations; whether there is competent management, including a board of directors, with ability and experience relevant to the types of services to be provided; whether the capital is sufficient to support the projected volume and type of business; whether it is reasonable to expect and maintain profitability; whether it will be operated in a safe and sound manner; and whether the title misrepresents the nature of the institution or the services it offers. These additional factors are specified under 12 CFR 5.20(f)(2). The OCC reviewed all factors and deemed conditional approval consistent with regulatory requirements.

This approval is subject to the following conditions:

- The Bank shall: (1) give the OCC's Minneapolis/Alexandria Office at least 60 days prior written notice of its intent to significantly deviate or change from its business plan or operations, and (2) obtain the OCC's written determination of no objection before the Bank engages in any significant deviations or change from this business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice. This condition shall remain in effect during the Bank's first three (3) years of operation.
- The Bank must receive the \$47,042,000 cash capital injection from the Bank's parent, Battle Financial Inc., at closing, as stated in the application and the response to the OCC's additional information request, before commencing operations. The Bank shall maintain minimum capital levels commensurate with the prospective risk of the Bank's business plan, including tier 1 leverage at levels at or above the tier 1 leverage ratio set forth in the pro forma capital

calculations submitted with the application for the first three (3) years of operation.

- The Bank must file an Interagency Biographical and Financial Report (IBFR) with the OCC and receive a letter of no objection from the OCC prior to any new executive officers or directors assuming such position. This condition shall remain in effect during the Bank's first two (2) years of operation.
- The Bank needs to submit a draft CRA Strategic Plan within 90 days of closing of the transaction and implement an approved CRA Strategic Plan within 12 months of the closing of this transaction.

The conditions of this approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

This approval is also subject to the following pre-consummation requirement:

- Prior to acquisition of the Bank, provide evidence of all related regulatory approvals not previously submitted, including FRB approval of Battle Financial Inc. to acquire 100% of Stearns and, thereby, to become a bank holding company.

If all steps of the transaction are not consummated within six (6) months of the date of this letter, this approval shall automatically terminate, unless the OCC grants an extension of the time period. Within 10 days of consummating the final step in this transaction, the Bank must advise the Licensing Office of the effective date of consummation, so the OCC may complete its records. If any of the terms, conditions, or parties to the transaction described in the application change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Substantial Asset Change application.

You are reminded that in order to make the Bank's title change effective, the Bank shall submit amended Articles of Association to the OCC pursuant to 12 USC 21a and 12 CFR 5.42 and a Change in Corporate Title Notice. See [Comptroller's Licensing Manual & Forms | OCC](#) for more information.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Stearns Bank Upsala, NA
2025-5.53-341161 and 2025-Waiver-341160

A survey form is enclosed requesting your feedback on how we handled the referenced notice. We would appreciate your response so we may improve our service. If you have any questions, contact Senior Licensing Analyst Stephanie O'Neil by telephone at (202) 701-7682 or by email at Stephanie.ONeil@occ.treas.gov. Please include the OCC control number on any correspondence related to this filing.

Sincerely,

/s/

John J. Hansen
Director for Licensing

Enclosure: Survey

cc: Sally Merrill, ADC