

# **PUBLIC DISCLOSURE**

September 12, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First PREMIER Bank  
500 South Minnesota Avenue  
Sioux Falls, South Dakota 57104  
RSSD 374653

**Federal Reserve Bank of Minneapolis  
90 Hennepin Avenue, P.O. Box 291  
Minneapolis, Minnesota 55480-0291**

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 the safe operation of the institution. This evaluation is not, nor should it 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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*Definitions for many of the terms used in the public evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix B at the end of this public evaluation.*

The following abbreviations may be used throughout this performance evaluation:

Assessment Area	AA
Automated teller machine	ATM
Community Reinvestment Act	CRA
Dun & Bradstreet	D&B
Federal Deposit Insurance Corporation	FDIC
Federal Financial Institutions Examination Council	FFIEC
Federal Housing Administration	FHA
Federal Home Loan Bank	FHLB
Home Mortgage Disclosure Act	HMDA
U.S. Department of Housing and Urban Development	HUD
Metropolitan Statistical Area	MSA
Payment Protection Program	PPP
U.S. Small Business Administration	SBA
South Dakota Housing Development Authority	SDHDA
Department of Veterans Affairs	VA

## INSTITUTION RATING

**INSTITUTION’S CRA RATING:** First PREMIER Bank’s rating is Satisfactory.

Examiners evaluated the bank’s CRA performance using the Large Bank CRA Examination Procedures. The following table shows the CRA performance of First PREMIER Bank, Sioux Falls, South Dakota, with respect to the Lending, Investment, and Service Tests.

<b>First PREMIER Bank Performance Tests</b>			
<i>Performance Levels</i>	<i>Lending Test*</i>	<i>Investment Test</i>	<i>Service Test</i>
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			
*Examiners assigned more weight to the Lending Test than to the Investment and Service Tests for determining the overall rating, in accordance with the Large Bank CRA Examination Procedures.			

Major factors supporting the institution’s rating include the following:

### Lending Test

- Overall, the distribution of loans reflects good dispersion among borrowers of different income levels and businesses and farms of different sizes.
- Overall, the distribution of loans throughout the AA, including low- and moderate-income census tracts, is good.
- The bank makes a relatively high level of community development loans.
- The bank originated a small percentage of its loans within its AAs.
- The bank makes extensive use of innovative and/or flexible lending practices in serving AA credit needs.
- Lending activity shows good responsiveness to credit needs throughout the bank’s AAs.

### Investment Test

- The overall level of qualified investments in the form of securities and donations is adequate.
- The bank’s qualified investments exhibit good responsive to local credit and community development needs. However, the bank rarely uses innovative or complex investments.

### Service Test

- The bank provides a relatively high level of community development services.
- Retail banking services are readily accessible to the bank’s geographies and to residents, businesses, and farms throughout the AAs. Services do not vary in a way that inconveniences low- and moderate-income areas or individuals.
- Changes in the bank’s network of branches, drive-up facilities, and ATMs did not adversely affect the accessibility of the bank’s products and services.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

*General.* First PREMIER Bank is an intrastate bank with headquarters in Sioux Falls, South Dakota, and assets of \$3.5 billion as of June 30, 2022. The bank operates 16 offices in South Dakota. The bank continues to be effective in meeting the credit and community development needs of the residents, businesses, and farms throughout its AAs. No financial constraints or legal impediments prevent the bank from serving the credit needs of its AAs. The bank's CRA rating was Satisfactory at the previous evaluation dated May 13, 2019.

*Structure.* First PREMIER Bank is a full-service bank headquartered in Sioux Falls, South Dakota. The bank is wholly owned by United National Corporation (UNC), Sioux Falls, South Dakota. UNC owns PREMIER Bankcard Holdings, LLC, which is a mid-tier holding company owning 99% of PREMIER Bankcard, LLC (PBC) and PREMIER Nevada, LLC. PBC is responsible for marketing, underwriting, administering, and servicing the bank's credit card portfolio.

*Loan Portfolio.* According to the June 30, 2022, Report of Condition, the bank has total assets of \$3.5 billion. The bank's \$1.7 billion loan portfolio consists of 65.3% consumer, 26.2% commercial, 2.9% residential real estate, 5.4% agricultural, and 0.2% other loans. Since the previous evaluation, total loans increased by 36.0%. The bank had notable growth in the consumer, commercial, and residential real estate loan segments of its loan portfolio.

*Credit Products.* The bank offers closed- and open-end consumer, residential real estate, commercial, and agricultural loan products to meet the needs of residents, businesses, and farms in its AAs. The bank also offers credit cards, which are primarily to subprime borrowers. Finally, the bank participates in indirect lending through a network of dealerships located in South Dakota and other areas of the upper Midwest; these loans consist primarily of installment loans secured by boats and recreational vehicles. For information about additional loan programs, refer to the Innovative and Flexible Lending Practices section of this report.

*Offices.* The bank operates its main office, 14 full-service branches, and one limited-service branch in South Dakota. The main office and eight branches are in Sioux Falls. The remaining branches are in Castlewood, Kranzburg, Lake Norden, Madison, Wakonda, and Watertown. The limited-service branch, located in Kranzburg, only offers deposit products. Since the previous evaluation, the bank closed a branch in Watertown, opened a branch in Madison, closed a branch in Sioux Falls, and relocated its Sioux Falls main office. Lobby hours for the majority of branches are 9:00 a.m. to 5:00 p.m., Monday through Friday. Several branches offer Saturday lobby hours and extended weekday and weekend drive-up hours. Refer to the Retail Banking Services discussion in the Service Test section for more details on the bank's retail delivery systems.

*Assessment Areas.* The bank has three AAs for CRA purposes: the Sioux Falls MSA, Watertown, and Wakonda AAs. The bank has not changed any AA delineations since the previous evaluation. However, the income classifications of certain tracts changed, based on updated census and FFIEC data. Detailed descriptions of the AAs are in the applicable individual AA sections of this evaluation.

<b>AA Information</b>		
<i>AAAA Name</i>	<i>Number of Offices by City</i>	<i>Geographical Description</i>
Sioux Falls MSA	Sioux Falls – 9	All of Lincoln, McCook, Minnehaha, and Turner counties
Watertown	Madison – 1 Watertown – 2 Castlewood – 1 Lake Norden – 1 Kranzburg – 1	All of Brookings, Codington, Deuel, Hamlin, Kingsbury, Lake, and Moody counties
Wakonda	Wakonda – 1	All of Yankton and Clay counties

## SCOPE OF EVALUATION

To understand the bank’s CRA performance, examiners evaluated a sample of the bank’s 2021 consumer loans and credit cards.<sup>1</sup> In addition, examiners analyzed the bank’s 2018 to 2021 HMDA, small business, and small farm loans.<sup>2</sup> Examiners also evaluated the bank’s qualified investments and community development services from May 13, 2019, to September 12, 2022, and examiners evaluated the bank’s qualified community development loans from May 13, 2019, to December 31, 2021.<sup>3</sup>

Examiners selected two of the bank’s AAs for full-scope reviews: Sioux Falls MSA and Watertown. These AAs represent 96.2% of the bank’s loans originated inside of the AAs by number of loans and 98.2% by dollar amount of loans, according to loan data from January 1, 2021, to December 31, 2021. A full-scope review requires examiners to evaluate the bank’s quantitative and qualitative performance using the following criteria: lending activity, lending to borrowers of different income levels and to businesses and farms of different sizes, geographic distribution of loans throughout the AA, community development lending, flexible and/or innovative lending practices, qualified investments, retail services, and community development services. The Wakonda AA received a limited-scope review in which examiners analyzed quantitative data about the bank’s lending, investments, and services.

In determining the overall CRA rating, examiners placed the greatest weight on the bank’s activities in its Sioux Falls MSA AA because the majority of the bank’s lending occurs in this AA. During the evaluation period, the bank extended, by number, 72.6% of its HMDA, consumer, small business, small business secured by real estate, and small farm loans in the Sioux Falls MSA AA.<sup>4</sup> The comparative percentages for the Watertown and Wakonda AAs were 24.3% and 3.1%, respectively.

Examiners analyzed the lending performance in each AA by focusing on the predominant loan types (consumer, HMDA, small business, and/or small farm) for each AA. Examiners did not evaluate the bank’s small farm lending in the Sioux Falls MSA AA because the volume was too small to provide a meaningful analysis. Similarly, examiners did not evaluate consumer loans in the Watertown AA because consumer lending in this AA was too limited to provide a meaningful analysis. Finally, examiners did not

<sup>1</sup> The bank offers nationwide credit card products. Between January 1, 2021, and December 31, 2021, the bank originated approximately 1.4 million credit cards, with outstanding receivables of \$1.8 billion as of December 31, 2021. Based on this level of lending, examiners included credit cards in the scope of the Lending Test. To analyze credit card activity, examiners selected a sample of credit cards originated in South Dakota.

<sup>2</sup> Examiners reviewed 2018 and 2019 HMDA, small business, and small farm loan data for consistency with 2020 and 2021 data, but did not include the analysis in this public evaluation.

<sup>3</sup> In 2020 and 2021, the bank participated in the Paycheck Protection Program (PPP) lending through the Federal Reserve System and the Small Business Administration (SBA). These loans were designed to help businesses keep their workforces employed during the COVID-19 pandemic. Examiners considered the bank’s PPP loans primarily in their evaluation of the bank’s small business and community development loans.

<sup>4</sup> Based on the total number of loans extended inside the bank’s AAs during the four-year evaluation period.

evaluate credit card loans in the bank's Sioux Falls MSA and Watertown AAs because samples for the AAs were too small to provide meaningful analyses.

Because of the bank's size and its branches in MSAs, HMDA requires the bank to report home purchase, refinance, home improvement, multifamily loan applications, and other purpose closed/exempt loans. The bank must also report small business, small farm, and community development loans because of its asset size. Examiners compared the bank's HMDA and CRA lending performance to that of aggregate lenders that report loans originated or purchased in the AAs.

Examiners also analyzed the demographic characteristics of each AA as one way to measure loan demand. For HMDA loans, examiners relied on demographic information, primarily from the 2015 U.S. Census or 2021 FFIEC adjusted census data, to understand the income levels and geographic locations of the families and housing units in the AAs. For small business and small farm loans, examiners used D&B data for the applicable year. D&B collects and publishes this self-reported data concerning the revenues and locations of local businesses and farms. The demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Instead, examiners reviewed the demographic data to provide a context for the bank's performance, along with the information obtained from bank management and community contacts.

As part of this evaluation, examiners had discussions with bank management and community contacts regarding local economic conditions, demographic characteristics, the performance of local financial institutions, and opportunities to participate in community development activities. Further, bank management provided information regarding the bank's lending activities, credit demand, and competition. Examiners considered these factors and the size and financial condition of the bank when evaluating its performance. The contacts did not identify any unmet credit needs in the bank's AAs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The bank's CRA rating is Satisfactory based on the ratings for the Lending, Investment, and Service Tests. Overall, the bank did a good job of serving the credit and community development needs of its AAs.

Examiners analyzed the following criteria to determine the Lending Test rating:

- Lending activity
- Lending to borrowers of different income levels and to businesses and farms of different sizes
- Geographic distribution of loans
- Lending inside the bank's AAs
- Community development lending
- Use of innovative and/or flexible lending practices

To evaluate the bank's performance, examiners placed more weight on the criteria of borrower distribution and community development lending than on geographic distribution and lending inside the bank's AAs. Additionally, the bank's overall extensive use of innovative and/or flexible lending practices, lending activity, and responsiveness contributed to the Lending Test rating.

Examiners evaluated the bank's qualified investments and its retail and community development services under the Investment and Service Tests, respectively.

## LENDING TEST

The bank’s Lending Test rating is high satisfactory. Overall, the bank’s lending to low- and moderate-income borrowers and to small businesses and small farms is good. The geographic distribution and dispersion of loans is good. The bank makes a relatively high level of community development loans, and it makes extensive use of innovative and/or flexible lending practices. The bank’s lending activity shows good responsiveness to credit needs throughout its AAs, although the bank only made a small percentage of its consumer loans inside the AAs.

Examiners evaluated the overall lending activity and the comparison of lending inside and outside the AAs at the institution level. The discussion of lending activity and AA concentration follows. For a detailed discussion of other Lending Test criteria, see the individual AA sections of this evaluation.

### Lending Activity

The bank’s lending activity demonstrates good responsiveness to the credit needs of the AAs. The Summary of Lending Activity table shows the bank’s 2018 through 2021 HMDA- and CRA-reportable lending activity. The table shows the product volume by number and dollar amount.

Summary of Lending Activity				
<i>Loan Type</i>	<i>#</i>	<i>%</i>	<i>\$ (000)</i>	<i>%</i>
HMDA Home Purchase	2,652	46.8	591,947	48.9
HMDA Refinancing	2,623	46.3	534,880	44.2
HMDA Home Improvement	123	2.2	5,160	0.4
HMDA Multifamily	24	0.4	61,211	5.0
HMDA Other Purpose Closed-End	244	4.3	18,113	1.5
<b>Total HMDA-Related</b>	<b>5,666</b>	<b>57.7</b>	<b>1,211,311</b>	<b>77.0</b>
<b>Total Small Business</b>	<b>3,212</b>	<b>32.7</b>	<b>267,389</b>	<b>17.0</b>
<b>Total Small Farm</b>	<b>944</b>	<b>9.6</b>	<b>94,499</b>	<b>6.0</b>
<b>Total Loans</b>	<b>9,822</b>	<b>100.0</b>	<b>1,573,199</b>	<b>100.0</b>

Overall, the bank’s lending activities show good responsiveness to local credit needs in the AAs. The bank is a top five HMDA and small business/small farm lender in both the Sioux Falls MSA and Watertown AAs. The bank actively originates mortgage, business, and agricultural loans in its markets. The bank is also a very active consumer and credit card lender, although that activity tends to be outside its AAs. For detailed information regarding the bank’s lending activity, see the individual AA sections.

### AA Concentration

Overall, the bank extended a small percentage of its loans inside its AAs. This is mainly driven by consumer loans, which is the bank’s primary business line. The table below shows the bank’s consumer-related lending inside and outside the AAs during the sample period.

Consumer Lending Sample – July 1, 2021, to December 31, 2021								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Total Consumer Related</b>	84	26.9	\$1,237	24.9	228	73.1	\$3,722	75.1

The bank made a small percentage of its consumer loans by number (26.9%) and dollar amount (24.9%) inside of its AAs. The bank has a large indirect consumer-lending portfolio, which includes indirect lending relationships with dealerships located outside of the bank’s AAs. The bank’s credit card lending



footprint is also nationwide. Additionally, bank management and community contacts noted that there is significant competition in the bank’s AAs for consumer loans. Community contacts did not identify any unmet consumer credit needs in the AA during the evaluation period.

While the bank extended a small percentage of consumer loans inside its AAs, it originated a substantial majority of HMDA, small business, and small farm loans inside the AAs. The table below shows the universe of the bank’s HMDA, small business, and small farm lending during the evaluation period.

2018 - 2021 HMDA, Small Business, and Small Farm Lending Universe								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Total HMDA</b>	5,666	90.1	\$1,211,311	90.7	626	9.9	\$124,745	9.3
<b>Total Small Business</b>	3,212	91.6	\$267,389	87.1	293	8.4	\$39,666	12.9
<b>Total Small Farm</b>	944	86.4	\$94,499	87.8	149	13.6	\$13,164	12.2

The bank’s HMDA, small business, and small farm lending inside of its AAs demonstrates the bank’s willingness to meet the credit needs inside of its AAs for these loan types.

### Borrower and Geographic Distributions

Overall, the bank’s distribution of loans among low- and moderate-income borrowers and businesses and farms of different sizes is good. This is based on an excellent distribution of HMDA loans among low- and moderate-income borrowers, good distribution of consumer loans among low- and moderate-income borrowers, and good distribution of loans among businesses and farms of different sizes in the bank’s AAs.

Geographically, the bank’s performance in moderate-income census tracts is good.<sup>5</sup> Specifically, the bank’s HMDA, small business, and consumer lending performance in moderate-income census tracts is good, and its small farm lending performance in moderate-income tracts is adequate. The bank’s lending patterns do not reveal any unexplained gaps in any of the AAs.

### Innovative and Flexible Lending Practices

The bank makes extensive use of innovative and/or flexible lending programs. The following list highlights several of the programs the bank participated in during the evaluation period:

- *Paycheck Protection Program*: Between 2020 and 2021, the bank originated 2,359 PPP loans, which helped to meet the credit needs of small businesses and farms during a challenging time.
- *South Dakota Housing Development Authority*: SDHDA offers a variety of programs that assist low- and moderate-income borrowers in South Dakota. SDHDA offers low-interest-rate mortgages, closing cost and down payment assistance, and home improvement loans. Eligible borrowers must meet the income limits that SDHDA has established.
- *SDHDA Tax Credit for Homeowners*: SDHDA’s Tax Credit reduces the amount of federal income tax that eligible borrowers pay through the use of a mortgage credit certificate. The SDHDA Tax Credit can be used in conjunction with a fixed interest rate loan insured by the FHA, guaranteed by the VA or U.S. Department of Agriculture Rural Development, or conventional loans insured by approved private mortgage insurance companies or conventional uninsured loans. Eligible borrowers must meet income limits.

<sup>5</sup> The bank’s AAs do not include any low-income census tracts.

- *HomeStart Savings Program*: This program, sponsored through the FHLB of Des Moines, helps first-time homebuyers earning up to 80.0% of their area’s median family income purchase a home. These grants may be used for down payment and closing cost assistance for eligible homeowners.
- *GROW South Dakota*: GROW South Dakota provides homebuyers with down payment or closing cost assistance. Eligible borrowers must meet income limits.
- *FHA Home Loans*: The FHA home loan program provides flexible down payment and underwriting guidelines for eligible, lower-income borrowers.
- *VA Home Loans*: VA home loans help eligible borrowers purchase a home at a competitive interest rate, often without requiring a down payment or private mortgage insurance. Cash-out refinance loans allow eligible borrowers to cash out home equity to take care of concerns like paying off debt, funding school, or making home improvements.
- *Federal Agricultural Mortgage Corporation (Farmer Mac)*: The bank is an approved lender with Farmer Mac, which offers flexible solutions designed to increase access to capital and reduce the cost of credit for rural America. Farmer Mac works with agricultural lenders to offer competitive interest rates and flexible loan programs not offered directly through the bank.

**Community Development Lending**

The bank makes a relatively high level of community development loans. The bank originated 54 community development loans totaling \$61.2 million during the evaluation period that benefit its AAs or statewide South Dakota. By number of loans, the bank extended the majority (72.2%) of its community development loans in the Sioux Falls MSA AA. Bank management noted there is significant competition for community development loans in the bank’s AAs.

<b>Community Development Loans by AA</b>		
<i>AA</i>	<b>#</b>	<b>\$</b>
Sioux Falls MSA	39	38,338,974
Watertown	10	10,986,097
Statewide South Dakota	5	11,895,687
<b>Total</b>	<b>54</b>	<b>61,220,758</b>

The bank did not make any community development loans in its Wakonda AA. This is reasonable given the bank’s limited lending activity in this AA. During the evaluation period, lending activity in the Wakonda AA represented only 3.1% of the bank’s HMDA, small business, and small farm loan originations.

**INVESTMENT TEST**

The Investment Test rating is low satisfactory. During the evaluation period, the bank made one new security investment totaling \$250,000. This investment supported statewide economic development initiatives. The bank also continued to hold six prior-period investments totaling \$1.1 million, including one \$10,000 investment that benefited the Sioux Falls MSA AA. The bank does not have any qualified security or bond investments in the Watertown or Wakonda AAs. The bank rarely uses innovative or complex investments. The following table shows the list of qualified investment securities by AA.

<b>Qualified Investment Securities by AA</b>		
<i>AA</i>	<i>Securities</i>	
	#	\$
Sioux Falls MSA	1	10,000
Statewide or Regional South Dakota	6	1,332,222
<b>Total</b>	<b>7</b>	<b>1,342,222<sup>6</sup></b>

*Donations.* The bank made a significant level of qualified investments in the form of donations that directly benefited the bank’s AAs or larger statewide/regional areas that include the bank’s AAs. These donations totaled \$2.17 million, as shown in the table below.

<b>Qualified Investments in the Form of Donations Benefiting AAs</b>		
<i>Purpose</i>	#	\$
Affordable Housing	8	129,827
Community Services	142	1,959,626
Economic Development	8	20,875
Revitalize or Stabilize	4	60,400
<b>Total</b>	<b>162</b>	<b>2,170,728</b>

Donations primarily focus on community services to low- and moderate-income individuals, but also address other initiatives such as affordable housing. The charitable contributions show good responsiveness to community development needs. Additional details are in the analysis of the full-scope AAs.

Because the bank’s donations were responsive to the community development needs of its AAs, examiners also considered donations that benefited areas outside of the bank’s AAs. The bank made 43 donations totaling \$136,350 that benefited areas outside of the bank’s AAs. These donations primarily support community services to low- and moderate-income individuals.

**SERVICE TEST**

The bank’s Service Test rating is high satisfactory based on performance in the full-scope AAs. Delivery systems are readily accessible to low- or moderate-income individuals and geographies in the bank’s AAs. Branch closures have not adversely affected the accessibility of the bank’s delivery systems. Retail services do not vary in a way that inconveniences low- or moderate-income areas or individuals throughout the AAs. The bank provides a relatively high level of community development services.

**Retail Banking Services**

Delivery systems are readily accessible throughout its AAs, and services do not vary in a way that inconveniences low- or moderate-income areas or individuals. Tables illustrating the branches by tract location can be found in the full-scope AA sections.

The bank provides retail services through its main office and 15 branches, as well as drive-up facilities and ATMs. The bank’s main office and four branches are located in moderate-income census tracts (31.3%), nine branches are located in middle-income tracts (56.3%), and two branches are located in

<sup>6</sup> This figure includes investments/securities that matured, were sold, or paid during the evaluation period.

upper-income tracts (12.5%).<sup>7</sup> Since the previous evaluation, the bank closed a branch in Watertown, opened a branch in Madison, closed a branch in Sioux Falls, and relocated its main office in Sioux Falls. Lobby hours for most offices are 9:00 a.m. to 5:00 p.m., Monday through Friday. Several branches offer Saturday lobby hours and extended weekday and Saturday drive-up hours.

Refer to the AA Information table presented earlier in this section of the report or the relevant individual AA sections for additional information on branching structure changes.

**Community Development Services**

The bank provides a relatively high level of community development services throughout its AAs. Overall, 40 bank employees provided 82 services that benefited the bank’s Sioux Falls MSA and Watertown AAs. Bank employees also provided 35 services that benefited regional and statewide areas that include the bank’s AAs. Finally, bank employees provided seven services that benefited areas outside of the bank’s AAs.

Bank officers and employees primarily helped organizations that provide community services to low- and moderate-income individuals. Bank employees served in a variety of capacities, including board members, commission members, and trustees. The majority of the bank’s services benefited the Sioux Falls MSA AA; during the evaluation period, 31 employees provided 67 services to 14 organizations. The full-scope AA sections include more details about the bank’s Service Test performance.

<b>Community Development Services Benefiting AAs</b>	
<i>Purpose</i>	<i>#</i>
Affordable Housing	10
Community Services	53
Economic Development	18
Revitalize or Stabilize	1
<b>Total</b>	<b>82</b>
<b>Community Development Services with a Broader Regional or Statewide Benefit</b>	
<i>Purpose</i>	<i>#</i>
Affordable Housing	1
Community Services	34
<b>Total</b>	<b>35</b>

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

During the most recent Consumer Affairs examination, substantive violations of Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive practices, were found. The findings did not cause the CRA rating to be downgraded. The bank self-identified the issues and took voluntary action to correct any findings. The issues were limited to a particular division of the bank, and the bank has practices in place to prevent illegal credit practices.

<sup>7</sup> Percentages may not total 100.0 due to rounding.

## METROPOLITAN AREA FULL-SCOPE REVIEW

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SIOUX FALLS MSA, ASSESSMENT AREA

*Bank Information.* The bank operates its main office and eight full-service branches in the Sioux Falls MSA AA. The bank operates deposit-taking ATMs at its main office and seven of the branches in the AA. The bank also operates four cash-dispensing-only ATMs in the AA: one at a branch, two at health centers, and one at a PBC office. All offices and ATMs are located in Sioux Falls. In 2021, the bank closed a full-service branch in Sioux Falls and relocated its main office. Four offices are located in moderate-income census tracts, four are in middle-income tracts, and one is in an upper-income tract. See the Services Test section for more information.

According to the June 30, 2022, FDIC Deposit Market Share Report, the bank has \$2.8 million in deposits in the AA. The bank ranks fourth of 40 financial institutions operating in the area, with 0.4% of the market’s deposits. The bank’s deposits in this AA represent 88.5% of its total deposits.

*Assessment Area Information.* The Sioux Falls MSA AA consists of Lincoln, McCook, Minnehaha, and Turner counties. The bank has not changed its AA since the previous evaluation. The AA includes 17 moderate-, 28 middle-, and 12 upper-income tracts. Income classifications of the census tracts have not changed since the previous evaluation.

The table below provides demographic information for the Sioux Falls MSA AA based on the 2021 FFIEC adjusted census data and 2021 D&B data.

Sioux Falls MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
<b>Low</b>	0	0.0	0	0.0	0	0.0	11,693	19.0
<b>Moderate</b>	17	29.8	14,446	23.4	2,242	15.5	11,180	18.1
<b>Middle</b>	28	49.1	32,691	53.1	1,899	5.8	15,043	24.4
<b>Upper</b>	12	21.1	14,484	23.5	219	1.5	23,705	38.5
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>57</b>	<b>100.0</b>	<b>61,621</b>	<b>100.0</b>	<b>4,360</b>	<b>7.1</b>	<b>61,621</b>	<b>100.0</b>

Sioux Falls MSA AA Demographics								
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	30,611	12,629	20.0	41.3	15,640	51.1	2,342	7.7
Middle	48,937	34,958	55.3	71.4	11,208	22.9	2,771	5.7
Upper	20,467	15,681	24.8	76.6	3,834	18.7	952	4.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>100,015</b>	<b>63,268</b>	<b>100.0</b>	<b>63.3</b>	<b>30,682</b>	<b>30.7</b>	<b>6,065</b>	<b>6.1</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	4,312	34.7	3,685	33.0	601	52.9	26	17.7
Middle	5,189	41.7	4,758	42.7	342	30.1	89	60.5
Upper	2,933	23.6	2,708	24.3	193	17.0	32	21.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>12,434</b>	<b>100.0</b>	<b>11,151</b>	<b>100.0</b>	<b>1,136</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>89.7</b>		<b>9.1</b>		<b>1.2</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	24	2.6	23	2.6	1	7.1	0	0.0
Middle	740	81.3	727	81.3	12	85.7	1	50.0
Upper	146	16.0	144	16.1	1	7.1	1	50.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>910</b>	<b>100.0</b>	<b>894</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.2</b>		<b>1.5</b>		<b>0.2</b>
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

*Income.* For purposes of classifying borrower income, this evaluation uses the FFIEC’s estimated median family income for the Sioux Falls MSA for the year of loan origination. The table below shows the estimated income for each year and the range for low-, moderate-, middle- and upper-income borrowers.

**Borrower Income Levels  
Sioux Falls MSA AA**

FFIEC Estimated Median Family Income		Low 0 - 49.99%		Moderate 50% - 79.99%		Middle 80% - 119.99%		Upper 120% - & above	
<b>2018</b>	<b>\$78,700</b>	0	- \$39,349	\$39,350	- \$62,959	\$62,960	- \$94,439	\$94,440	- & above
<b>2019 &amp; 2020</b>	<b>\$86,200</b>	0	- \$43,099	\$43,100	- \$68,959	\$68,960	- \$103,439	\$103,440	- & above
<b>2020</b>	<b>\$82,500</b>	0	- \$41,249	\$41,250	- \$65,999	\$66,000	- \$98,999	\$99,000	- & above

For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC adjusted census data median family income for the Sioux Falls MSA, which was \$72,948 for 2018 through 2021.

*Population.* According to 2021 FFIEC adjusted census data, the total population of the AA is 242,731. The table below describes the population growth of 6.3% in the AA based on the 2011–2015 U.S. Census Bureau American Community Survey. The growth rate in the AA is greater than the statewide growth rate of 3.6%. By age, the AA population is as follows: 53.4% are 25 to 64 years of age, 25.9% are 17 and younger, 11.9% are 65 and older, and 8.8% are 18 to 24 years of age.

<b>Sioux Falls MSA AA Population Change</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Sioux Falls MSA AA	228,261	242,731	6.3%
Lincoln County, SD	44,828	49,874	11.3%
McCook County, SD	5,618	5,613	-0.1%
Minnehaha County, SD	169,468	178,942	5.6%
Turner County, SD	8,347	8,302	-0.5%
South Dakota	814,180	843,190	3.6%
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011 - 2015 U.S. Census Bureau American Community Survey</i>			

*Housing Information.* According to bank management and a community contact, demand for single-family homes in the AA has been strong throughout the evaluation period, though interest rate increases in 2022 have caused home sales to slow and homes to stay on the market for a longer period. New construction homes are still being built, but at a slower rate. In recent years, there has been increased construction of new apartment complexes in the AA. According to the contact, affordable housing, both rental and homes for sale, is limited.

According to 2021 FFIEC adjusted census data, the AA has 100,015 housing units: 63.3% are owner-occupied, 30.7% are rental, and 6.1% are vacant. The median age of the housing stock is 39 years, which is comparable to the statewide median of 40 years. The median housing value for the AA is \$160,349 and the affordability ratio is 36.1, compared to \$140,500 and 36.3 for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater affordability. This ratio suggests housing affordability in the Sioux Falls MSA AA is comparable to that in other areas of the state.

The table below shows the housing cost burden faced by renters and homeowners in the Sioux Falls MSA AA. The HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Overall, the housing cost burden for homeowners and renters in the AA is generally comparable to the burden for those in statewide South Dakota. The burden for renters is significantly

higher than the burden for homeowners. Overall, homeowners fare better, but low-income homeowners have a significant burden.

Sioux Falls MSA AA Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Sioux Falls MSA AA	75.1%	26.0%	37.3%	60.4%	30.0%	13.8%
Lincoln County, SD	64.2%	49.3%	31.3%	64.3%	38.8%	13.6%
McCook County, SD	53.7%	5.9%	21.2%	52.3%	7.8%	9.0%
Minnehaha County, SD	77.2%	23.3%	38.7%	60.3%	29.3%	13.9%
Turner County, SD	56.8%	10.0%	33.2%	56.7%	18.8%	16.0%
South Dakota	66.9%	24.1%	34.8%	56.6%	27.7%	15.4%

*Cost Burden is housing cost that equals 30 percent or more of household income.*

*Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy*

*General Economic and Business Characteristics.* According to bank management and a community contact, the local economy is strong and diverse. Bank management noted that the impact of the COVID-19 pandemic on the bank’s operations was modest and that, in fact, the pandemic was a large driver of economic growth in the Sioux Falls MSA AA and the state, generally. Major sectors in the Sioux Falls MSA AA include healthcare, manufacturing, real estate, food processing, and financial services. The Sioux Falls area population continues to grow, and a community contact noted that ensuring that there is sufficient infrastructure and industry to support the growing population is a challenge. According to the community contact, unemployment in the Sioux Falls area is low. Finally, bank management and the contact commented that there is significant competition in the AA from other financial institutions, new and existing, for loan products.

As shown in the table below, the unemployment rate in the Sioux Falls MSA AA in 2021 was slightly lower than the statewide rate in 2021. During the evaluation period, unemployment in the AA ranged from 2.4% in 2018 to 4.0% in 2020; during the evaluation period, unemployment in the state of South Dakota was also lowest in 2018 (2.8%) and highest in 2020 (4.3%).

Sioux Falls MSA AA Unemployment Rates				
Area	2018	2019	2020	2021
Sioux Falls MSA AA	2.4%	2.4%	4.0%	2.8%
Lincoln County, SD	2.1%	2.2%	3.4%	2.4%
McCook County, SD	2.3%	2.5%	3.5%	2.8%
Minnehaha County, SD	2.4%	2.5%	4.3%	2.9%
Turner County, SD	2.5%	2.6%	3.7%	2.7%
South Dakota	2.8%	2.8%	4.3%	3.1%

*Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics*

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SIOUX FALLS MSA ASSESSMENT AREA**

The Lending Test performance in the Sioux Falls MSA AA is good. Lending levels show good responsiveness to AA credit needs. Overall, the distribution of loans among borrowers of different income levels and businesses of different sizes is good. The geographic distribution of loans is good. The bank



makes a relatively high level of community development loans and makes extensive use of flexible loan programs to help meet credit needs. Finally, the bank exhibits a good record of serving the credit needs in the AA. By product, examiners gave greatest weight to consumer loans, followed by HMDA loans.<sup>8</sup> Small business loans received the least weight. Examiners did not evaluate small farm lending in this AA due to low volume.

Overall, the Investment Test performance in the Sioux Falls MSA AA is adequate. Although the bank did not invest in any new qualified securities, it did make a significant level of donations in the AA, demonstrating good responsiveness to community development needs.

The Service Test performance in the Sioux Falls MSA AA is good. The bank's delivery systems are readily accessible to all portions of the AA and do not vary in a way that inconveniences any individuals or areas. Further, changes to branch locations have not adversely affected the accessibility of the bank's delivery systems. Finally, the bank provides a relatively high level of community development services in the AA.

## **LENDING TEST**

The bank's Lending Test performance in the Sioux Falls MSA AA is good.

### **Lending Activity**

The bank's lending activity reflects good responsiveness to AA credit needs. During the evaluation period, lending activity in this AA represented 72.6% by number and 79.5% by dollar amount of the bank's HMDA, small business, and small farm loan originations.

In 2020, the bank ranked second among 217 lenders reporting HMDA loan data in the AA, with 7.5% of the originations and purchases. For small businesses and small farm loans, the bank ranked second among 107 lenders reporting CRA data in the AA in 2020, with 13.2% of the originations and purchases. In 2021, the bank ranked second among 244 lenders reporting HMDA loan data, with 7.2% of originations and purchases. For small businesses and small farm loans, the bank ranked fourth among 99 lenders reporting CRA data, with 8.2% of originations and purchases.

Although most of the bank's consumer loans are originated outside of the AA, the bank is an active consumer lender in Sioux Falls. Most of the consumer loans sampled that are inside the AAs are in the Sioux Falls MSA AA.

### **Distribution by Borrower Income Level and by Size of Businesses**

Overall, the bank's distribution of loans among borrowers of different income levels and businesses of different sizes is good.

*Residential Real Estate.* The bank's HMDA lending to low- and moderate-income borrowers is excellent. The following tables show the bank's HMDA loan data by income level and product type for 2020 and 2021, as well as the data for aggregate lenders that reported HMDA loans in the AA, for comparison.

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<sup>8</sup> For HMDA loans, examiners did not evaluate the following loan categories: other purpose, other purpose lines of credit, and loans with purpose not applicable.

Distribution of 2020 and 2021 HMDA Loans By Borrower Income Level – Table 1 of 2													
Sioux Falls MSA AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
<b>Low</b>	114	17.1	12.4	15,286	10.2	7.8	96	13.6	8.1	14,743	8.0	4.6	19.0
<b>Moderate</b>	218	32.6	26.9	42,053	28.0	22.4	211	30.0	23.8	45,239	24.6	18.4	18.1
<b>Middle</b>	157	23.5	24.2	37,380	24.9	24.4	145	20.6	21.9	37,529	20.4	20.4	24.4
<b>Upper</b>	157	23.5	26.3	50,363	33.5	34.8	220	31.3	31.4	77,586	42.3	40.5	38.5
<b>Unknown</b>	22	3.3	10.2	5,076	3.4	10.7	32	4.5	14.8	8,495	4.6	16.1	0.0
<b>Total</b>	668	100.0	100.0	150,158	100.0	100.0	704	100.0	100.0	183,592	100.0	100.0	100.0
<b>Refinance Loans</b>													
<b>Low</b>	71	7.0	5.8	9,169	4.1	3.1	52	9.4	6.7	6,447	5.4	3.6	19.0
<b>Moderate</b>	195	19.2	16.6	31,888	14.2	11.8	135	24.4	18.2	22,362	18.8	13.1	18.1
<b>Middle</b>	268	26.4	22.7	52,925	23.5	19.6	115	20.8	20.5	23,110	19.4	17.9	24.4
<b>Upper</b>	330	32.5	38.8	97,376	43.3	47.4	190	34.3	34.1	52,331	43.9	44.0	38.5
<b>Unknown</b>	152	15.0	16.0	33,406	14.9	18.2	62	11.2	20.5	14,844	12.5	21.5	0.0
<b>Total</b>	1,016	100.0	100.0	224,764	100.0	100.0	554	100.0	100.0	119,094	100.0	100.0	100.0
<b>Home Improvement Loans</b>													
<b>Low</b>	1	4.3	4.5	16	1.7	2.6	0	0.0	5.5	0	0.0	2.4	19.0
<b>Moderate</b>	2	8.7	18.4	64	7.0	16.6	2	33.3	13.8	71	16.0	5.1	18.1
<b>Middle</b>	6	26.1	24.2	180	19.7	22.2	1	16.7	21.8	31	7.0	15.6	24.4
<b>Upper</b>	10	43.5	45.1	476	52.0	51.0	3	50.0	50.9	342	77.0	66.1	38.5
<b>Unknown</b>	4	17.4	7.8	180	19.7	7.6	0	0.0	8.0	0	0.0	10.8	0.0
<b>Total</b>	23	100.0	100.0	916	100.0	100.0	6	100.0	100.0	444	100.0	100.0	100.0
<b>Total Home Mortgage Loans</b>													
<b>Low</b>	189	10.8	7.8	24,802	6.5	4.6	149	11.3	7.2	21,245	6.9	4.0	19.0
<b>Moderate</b>	419	24.0	19.6	74,158	19.5	15.1	360	27.3	20.4	68,518	22.2	15.5	18.1
<b>Middle</b>	439	25.2	23.0	90,948	24.0	21.0	272	20.7	21.0	61,380	19.9	19.0	24.4
<b>Upper</b>	519	29.7	34.9	150,779	39.7	43.3	438	33.3	33.5	133,829	43.4	42.6	38.5
<b>Unknown</b>	179	10.3	14.7	38,694	10.2	16.1	98	7.4	17.9	23,587	7.6	18.9	0.0
<b>Total</b>	1,745	100.0	100.0	379,381	100.0	100.0	1,317	100.0	100.0	308,559	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>													

Distribution of 2020 and 2021 HMDA Loans By Borrower Income Level – Table 2 of 2													
Sioux Falls MSA AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	5.3	0	0.0	4.2	0	0.0	6.8	0	0.0	6.1	19.0
Moderate	0	0.0	13.7	0	0.0	11.6	0	0.0	10.3	0	0.0	6.0	18.1
Middle	0	0.0	19.1	0	0.0	14.7	0	0.0	16.4	0	0.0	13.1	24.4
Upper	0	0.0	57.3	0	0.0	65.9	0	0.0	61.0	0	0.0	67.9	38.5
Unknown	0	0.0	4.6	0	0.0	3.5	0	0.0	5.5	0	0.0	6.8	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	3	7.9	11.1	331	9.3	7.4	1	1.9	5.3	55	1.0	3.1	19.0
Moderate	4	10.5	12.9	153	4.3	6.0	12	22.6	22.6	846	15.6	14.9	18.1
Middle	8	21.1	22.2	463	13.1	17.3	11	20.8	17.4	710	13.1	10.2	24.4
Upper	22	57.9	50.3	2,564	72.4	65.5	25	47.2	49.5	3,570	65.8	68.1	38.5
Unknown	1	2.6	3.5	32	0.9	3.8	4	7.5	5.3	248	4.6	3.8	0.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	<b>3,543</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>100.0</b>	<b>5,429</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.5	0	0.0	0.4	0	0.0	0.0	0	0.0	0.0	19.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	18.1
Middle	0	0.0	0.5	0	0.0	0.5	0	0.0	2.4	0	0.0	2.0	24.4
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	1.2	0	0.0	1.7	38.5
Unknown	0	0.0	99.0	0	0.0	99.1	0	0.0	96.4	0	0.0	96.3	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Overall, the bank’s HMDA lending to low- and moderate-income borrowers exceeds aggregate lenders’ performance, except for home improvement loans. While the bank’s lending to low-income borrowers in both years is below demographics, lending to moderate-income borrowers exceeds demographics for both years. According to 2021 FFIEC adjusted census data, 19.0% of the families in the AA are low income and 18.1% are moderate income. For both years, the bank’s home purchase lending to low- and moderate-income borrowers is noteworthy, given the limited availability of affordable homes in the AA. The bank’s performance surpassed aggregate lenders’ performance and significantly exceeded demographics for purchases to moderate-income borrowers.

A community contact noted that demand for entry-level homes in the Sioux Falls MSA AA has been, and remains, high. Entry-level homes in the AA are priced between \$200,000 and \$240,000 and the current median sales price of homes in the AA is approximately \$265,000. Given this information, it is likely challenging for low- and moderate-income individuals to afford to purchase a home in the AA.

The bank continues to offer and make extensive use of a variety of affordable housing loan programs to help low- and moderate-income borrowers purchase homes in this AA. These loan programs have flexible credit features, including low or no down payments and closing cost assistance.

Examiners also evaluated the bank’s 2018 and 2019 HMDA lending activity and determined that the bank’s lending performance is generally consistent with its 2020 and 2021 performance.

*Consumer.* The bank’s consumer lending to low- and moderate-income borrowers is good. The table below shows the percentage of consumer loans originated to borrowers of different income levels.

Distribution of Consumer Loans By Borrower Income Level Sioux Falls MSA AA					
Borrower Income Level	#	##%	\$(000)	\$%	Households by Household Income %
<b>Low</b>	4	7.3	30	3.2	22.0
<b>Moderate</b>	17	30.9	235	24.8	18.1
<b>Middle</b>	13	23.6	439	46.3	18.9
<b>Upper</b>	8	14.5	191	20.1	41.0
<b>Unknown</b>	13	23.6	53	5.6	0.0
<b>Total</b>	55	100.0	948	100.0	100.0
Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

In 2021, the bank originated 7.3% and 30.9% of its consumer loans by number to low- and moderate-income borrowers, respectively. According to 2021 FFIEC census data, 22% of households in the AA are low income and 18.1% of households in the AA are moderate income. Though the bank’s performance is below demographics for loans to low-income borrowers, its performance among moderate-income borrowers significantly exceeds demographics. The bank’s combined lending to low- and moderate-income borrowers (38.2%) is generally consistent with demographics (40.1%). The bank’s consumer lending to borrowers of different income levels in the AA is good, relative to demographic data.

*Small Business.* The distribution of small business loans among businesses of different sizes is good. The following table shows the small business loan data by revenue and loan size for 2020 and 2021.

Distribution of 2020 and 2021 Small Business Loans By Revenue Size of Businesses Sioux Falls MSA AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
<b>By Revenue</b>													
<b>\$1 Million or Less</b>	124	11.2	43.3	11,635	15.1	33.6	144	18.8	53.5	14,262	23.6	41.8	89.7
<b>Over \$1 Million</b>	80	7.2		20,610	26.8		84	11.0		20,762	34.4		9.1
<b>Revenue Unknown</b>	900	81.5		44,768	58.1		537	70.2		25,398	42.0		1.2
<b>Total</b>	1,104	100.0		77,013	100.0		765	100.0		60,422	100.0		100.0

Distribution of 2020 and 2021 Small Business Loans By Revenue Size of Businesses Sioux Falls MSA AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
By Loan Size													
\$100,000 or Less	940	85.1	80.8	21,830	28.3	22.8	644	84.2	85.6	15,842	26.2	23.6	
\$100,001 - \$250,000	90	8.2	10.0	14,327	18.6	19.2	53	6.9	7.1	8,637	14.3	17.6	
\$250,001 - \$1 Million	74	6.7	9.2	40,856	53.1	58.1	68	8.9	7.4	35,943	59.5	58.8	
<b>Total</b>	<b>1,104</b>	<b>100.0</b>	<b>100.0</b>	<b>77,013</b>	<b>100.0</b>	<b>100.0</b>	<b>765</b>	<b>100.0</b>	<b>100.0</b>	<b>60,422</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	105	84.7		3,518	30.2		120	83.3		4,839	33.9		
\$100,001 - \$250,000	8	6.5		1,542	13.3		9	6.3		1,552	10.9		
\$250,001 - \$1 Million	11	8.9		6,575	56.5		15	10.4		7,871	55.2		
<b>Total</b>	<b>124</b>	<b>100.0</b>		<b>11,635</b>	<b>100.0</b>		<b>144</b>	<b>100.0</b>		<b>14,262</b>	<b>100.0</b>		
<i>Source: 2021 FFIEC Census Data</i>													
<i>2021 Dun &amp; Bradstreet Data</i>													
<i>2011-2015 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													

In 2020 and 2021, the bank’s lending to businesses with gross annual revenues of \$1 million or less (defined as small businesses) was significantly below demographics and aggregate lending levels. However, most of the bank’s small business loans (76.9%) had unknown revenues. This was due, in large part, to the bank’s participation in the PPP loan program, which allowed lenders to approve and originate loans without documenting the revenue of applicants. Between 2020 and 2021, the bank originated 1,506 PPP loans in the Sioux Falls MSA AA. Of these loans, 69.7% were for amounts of \$25,000 or less. These loan amounts suggest that many of the bank’s PPP loans were made to small businesses.

The bank’s 2018 and 2019 small business data also supports the conclusion that the bank’s lending data was impacted by PPP lending. In 2018 and 2019, the bank originated 51.4% of its small business loans to small businesses. While the bank’s 2020 and 2021 lending is below aggregate lenders, its 2018 and 2019 lending was consistent with aggregate lenders.

Overall, the bank’s lending to small businesses is good. The bank’s participation in the PPP loan program as well as its small dollar lending are particularly responsive to the credit needs of small businesses.

### Geographic Distribution

Overall, the geographic distribution and dispersion of the bank’s HMDA, small business, and consumer loans in the Sioux Falls MSA AA is good and does not reveal any unexplained gaps in lending. The AA does not include any low-income census tracts.

*Residential Real Estate.* The geographic distribution of the bank’s HMDA loans is good. The tables below show the distribution of the bank’s 2020 and 2021 HMDA loans by census tract income level.

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography – Table 1 of 2													
Sioux Falls MSA AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	142	21.3	16.4	23,074	15.4	11.2	149	21.2	17.3	27,972	15.2	11.7	20.0
Middle	308	46.1	50.9	68,621	45.7	49.1	345	49.0	51.4	85,984	46.8	49.7	55.3
Upper	218	32.6	32.6	58,463	38.9	39.7	210	29.8	31.3	69,636	37.9	38.6	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	668	100.0	100.0	150,158	100.0	100.0	704	100.0	100.0	183,592	100.0	100.0	100.0
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	101	9.9	8.9	12,350	5.5	5.4	85	15.3	12.9	11,563	9.7	8.1	20.0
Middle	518	51.0	51.1	101,860	45.3	46.3	285	51.4	53.7	58,549	49.2	50.3	55.3
Upper	397	39.1	39.9	110,554	49.2	48.3	184	33.2	33.4	48,982	41.1	41.6	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	1,016	100.0	100.0	224,764	100.0	100.0	554	100.0	100.0	119,094	100.0	100.0	100.0
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	7	30.4	10.7	249	27.2	6.0	1	16.7	12.7	40	9.0	7.1	20.0
Middle	10	43.5	56.1	405	44.2	54.8	4	66.7	52.0	373	84.0	43.2	55.3
Upper	6	26.1	33.2	262	28.6	39.2	1	16.7	35.3	31	7.0	49.7	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	23	100.0	100.0	916	100.0	100.0	6	100.0	100.0	444	100.0	100.0	100.0
<b>Multifamily Loans</b>													<b>Multi-family Units %</b>
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	33.6	0	0.0	17.4	1	20.0	45.1	180	0.4	21.6	52.9
Middle	3	60.0	49.3	1,741	24.8	24.5	2	40.0	30.6	26,354	62.1	28.8	33.3
Upper	2	40.0	17.1	5,281	75.2	58.1	2	40.0	24.3	15,883	37.4	49.6	13.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	5	100.0	100.0	7,022	100.0	100.0	5	100.0	100.0	42,417	100.0	100.0	100.0

Total Home Mortgage Loans												Owner Occupied Units %	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	256	14.6	11.6	35,996	9.3	8.0	247	18.7	15.0	40,256	11.5	11.0	20.0
Middle	854	48.8	51.1	173,580	44.9	45.7	659	49.8	52.4	172,929	49.3	47.7	55.3
Upper	640	36.6	37.4	176,827	45.8	46.3	416	31.5	32.6	137,791	39.3	41.3	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>1,750</b>	<b>100.0</b>	<b>100.0</b>	<b>386,403</b>	<b>100.0</b>	<b>100.0</b>	<b>1,322</b>	<b>100.0</b>	<b>100.0</b>	<b>350,976</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2011-2015 U.S. Census Bureau: American Community Survey

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography – Table 2 of 2													
Sioux Falls MSA AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	7.6	0	0.0	6.0	0	0.0	4.8	0	0.0	2.4	20.0
Middle	0	0.0	45.0	0	0.0	36.8	0	0.0	45.2	0	0.0	42.9	55.3
Upper	0	0.0	47.3	0	0.0	57.1	0	0.0	50.0	0	0.0	54.7	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	15.8	12.9	323	9.1	6.9	11	20.8	14.7	501	9.2	5.4	20.0
Middle	15	39.5	46.8	953	26.9	34.9	23	43.4	44.7	1,669	30.7	37.0	55.3
Upper	17	44.7	40.4	2,267	64.0	58.2	19	35.8	40.5	3,259	60.0	57.6	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	<b>3,543</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>100.0</b>	<b>5,429</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	27.3	0	0.0	16.7	0	0.0	26.5	0	0.0	20.2	20.0
Middle	0	0.0	51.5	0	0.0	53.9	0	0.0	56.6	0	0.0	59.7	55.3
Upper	0	0.0	21.2	0	0.0	29.4	0	0.0	16.9	0	0.0	20.1	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Overall, the bank’s lending in the moderate-income tracts in 2020 and 2021 is above aggregate lenders, but below owner-occupied demographics (which is only 20.0%). According to demographic data, 23.4% of AA families reside in the moderate-income tracts; the bank’s lending also falls below this demographic. The demographic data also indicates that 51.1% of housing units in the moderate-income tracts are rentals, which could limit the bank’s opportunity to make HMDA loans in these tracts. The bank made HMDA loans in all tracts in the AA in 2020 and 2021. Bank management noted that there is competition in the AA for HMDA loans.

*Consumer.* The geographic distribution of consumer loans is good. The table below shows the distribution of the bank’s consumer loans by census tract income level.

<b>Distribution of Consumer Loans By Income Level of Geography</b>					
<b>Sioux Falls MSA AA</b>					
<b>Geographic Income Level</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>Households %</b>
<b>Low</b>	0	0.0	0	0.0	0.0
<b>Moderate</b>	20	36.4	154	16.3	30.1
<b>Middle</b>	27	49.1	547	57.7	49.1
<b>Upper</b>	8	14.5	247	26.0	20.8
<b>Total</b>	55	100.0	948	100.0	100.0
<i>Source: 2021 FFIEC Census Data</i>					
<i>2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

The bank’s consumer lending in moderate-income census tracts exceeds demographics, which indicate that 30.1% of the households in the AA reside in moderate-income census tracts. The bank did not make consumer loans in nine of the moderate-income tracts in the AA. This is reasonable because several of these tracts are in, or very nearby, the downtown area of Sioux Falls, which includes many financial institutions; loan competition here is high. The bank meets the credit needs of consumer loan borrowers in moderate-income tracts in its Sioux Falls MSA AA.

*Small Business.* The geographic distribution of small business loans is good. The table below shows the distribution of the bank’s 2020 and 2021 small business loans by census tract income level.



Distribution of 2020 and 2021 Small Business Lending By Income Level of Geography Sioux Falls MSA AA													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2020						2021						
	Bank		Agg	Bank			Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%		%
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	304	27.5	31.8	31,941	41.5	41.6	189	24.7	29.6	17,775	29.4	37.6	34.7
Middle	456	41.3	38.4	23,772	30.9	31.5	332	43.4	40.8	25,327	41.9	34.5	41.7
Upper	344	31.2	29.2	21,300	27.7	26.6	244	31.9	29.0	17,320	28.7	27.8	23.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.7	0	0.0	0.3	0	0.0	0.6	0	0.0	0.1	
<b>Total</b>	1,104	100.0	100.0	77,013	100.0	100.0	765	100.0	100.0	60,422	100.0	100.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

The bank’s small business lending in moderate-income census tracts for both years is below aggregate lending and demographics. Bank management and a community contact indicated that there is significant competition for small business loans in the AA. The bank originated small business loans in all of the tracts in the AA in 2020 and 2021.

### Community Development Lending

The bank made a relatively high level of community development loans in the Sioux Falls MSA AA. During the evaluation period, the bank originated 39 community development loans totaling approximately \$38.3 million. The loans benefiting affordable housing initiatives are noteworthy, given the housing needs in the AA. By number and dollar amount, most community development loans in the AA helped revitalize or stabilize low- or moderate-income geographies. All of these loans were PPP loans, which helped borrowers retain permanent low- or moderate-income jobs or keep their businesses open and pay wages in low- or moderate-income areas.

Qualified Community Development Loans in the Sioux Falls MSA AA		
Purpose	#	\$
Affordable Housing	9	7,679,065
Community Services	2	3,449,277
Economic Development	11	957,742
Revitalize or Stabilize	17	26,252,890
<b>Total</b>	<b>39</b>	<b>38,338,974</b>

### INVESTMENT TEST

Overall, the bank made an adequate level of qualified community development investments and grants. The bank continues to hold one prior-period investment totaling \$10,000 that benefits the Sioux Falls MSA AA. This investment helps support affordable housing.

The bank made a significant level of qualified investments in the form of donations in the AA. During the evaluation period, the bank donated \$1.7 million, primarily to organizations that provide community services to low- and moderate-income individuals. Of note are several large donations supporting food shelves and homeless shelters, as well as donations to a local United Way chapter that helps fund other organizations serving low- and moderate-income people in the AA.

<b>Qualified Investment Donations in the Sioux Falls MSA AA</b>		
<i>Purpose</i>	<b>#</b>	<b>\$</b>
Affordable Housing	5	128,327
Community Services	97	1,606,259
Revitalize or Stabilize	2	10,000
<b>Total</b>	<b>104</b>	<b>1,744,586</b>

**SERVICE TEST**

The bank’s delivery systems are readily accessible to residents and businesses throughout the AA, and retail services do not vary in a way that inconveniences individuals or areas. The bank provided a relatively high level of community development services.

**Retail Services**

Delivery systems in the AA are readily accessible to the bank’s geographies and to individuals of different income levels. The bank operates its main office and eight full-service branches in the Sioux Falls MSA AA: eight in Minnehaha County and one in Lincoln County (and all within the city of Sioux Falls). The main office and three branches are located in moderate-income census tracts, four are in middle-income tracts, and one is in an upper-income tract. Eight offices have drive-up facilities and deposit-taking ATMs, and the ninth office has a cash-dispensing-only ATM. Most offices offer extended weekday and/or Saturday hours. The bank operates three additional stand-alone cash-dispensing-only ATMs in Sioux Falls (two at health centers and one at a PBC location).

Since the previous evaluation, the bank closed a branch that was in a moderate-income census tract in Sioux Falls. This closure did not adversely affect the accessibility of services; its location was less than two miles from the main office and two other branches. In addition, the bank relocated a stand-alone cash-dispensing-only ATM from one health center to another approximately one mile away but within the same moderate-income census tract. Finally, the bank relocated its main office from its previous location in an upper-income census tract to a moderate-income tract, on the same street, approximately four miles north. This change improved the accessibility of services in a moderate-income geography.

The bank’s services do not vary in a way that inconveniences certain individuals or areas.

The table below shows the geographic distribution of branches in this AA.

**Geographic Distribution of Branches  
Sioux Falls MSA AA**

Tract Income Levels	BRANCHES							DEMOGRAPHICS				
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses	
	#	%	#	#	#	#	#	#	%	%	%	
Low	<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%	
	LS	0		0	0							
Moderate	<b>Total</b>	<b>4</b>	<b>44.4%</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>3</b>				
	DTO	0		0	0	0		17	29.8%	30.1%	32.5%	
	LS	0		0	0							
Middle	<b>Total</b>	<b>4</b>	<b>44.4%</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>				
	DTO	0		0	0	0		28	49.1%	49.1%	44.4%	
	LS	0		0	0							
Upper	<b>Total</b>	<b>1</b>	<b>11.1%</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>				
	DTO	0		0	0	0		12	21.1%	20.8%	23.1%	
	LS	0		0	0							
<b>Totals</b>	<b>Total</b>	<b>9</b>	<b>100.0%</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>7</b>				
	DTO	0		0	0	0		57	100.0%	100.0%	100.0%	
	LS	0		0	0							

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

\*Closed branches are only included in the "Closed" columns and are not included in any other totals

LPOs not included in totals.

**Community Development Services**

The bank provided a relatively high level of community development services in the AA. During the evaluation period, 31 bank employees provided 67 community development services to 14 organizations. These organizations provide services to low- and moderate-income individuals, support affordable housing and economic development, and revitalize or stabilize moderate-income census tracts. Bank employees provided financial expertise by serving as board members and in other roles, including board president and committee members.

<b>Qualified Services in the Sioux Falls MSA AA</b>	
<i>Purpose</i>	<b>#</b>
Affordable Housing	10
Community Service	43
Revitalize and Stabilize	1
Economic Development	13
<b>Total</b>	<b>67</b>

## NONMETROPOLITAN AREA FULL-SCOPE REVIEW

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WATERTOWN, ASSESSMENT AREA

*Bank Information.* The bank operates five full-service offices and one limited-service office in the Watertown AA. One branch is located in a moderate-income census tract and five are in middle-income tracts. Three full-service branches offer drive-up services and extended weekday and/or Saturday hours, and two of these three have a deposit-taking ATM. The bank operates an additional cash-dispensing-only ATM in Watertown, South Dakota. Since the previous evaluation, the bank opened a full-service branch in Madison, South Dakota. Additionally, in 2019, the bank closed its 1414 9th Avenue Southeast branch, located in Watertown.

According to the June 30, 2022, FDIC Deposit Market Share Report, the bank has \$332.6 million in deposits in the AA. The bank ranks fifth of 21 financial institutions operating in the area, with 6.8% of the market’s deposits. The bank’s deposits in this AA represent 10.5% of its total deposits.

*Assessment Area Information.* The Watertown AA consists of Brookings, Codington, Deuel, Hamlin, Kingsbury, Lake, and Moody counties. The bank has not changed its AA since the previous evaluation. During the evaluation period, the FFIEC classified the census tracts in Deuel, Hamlin, and Moody counties as underserved and the census tracts in Kingsbury County as distressed and underserved. Codington County includes a portion of the Lake Traverse Indian Reservation.

The table below provides demographic information for the Watertown AA based on the 2021 FFIEC adjusted census data and 2021 D&B data. The number of census tracts in the AA has not changed since the previous evaluation. However, one census tract in Codington County was reclassified in 2019 from middle income to upper income.

2021 Watertown AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
<b>Low</b>	0	0.0	0	0.0	0	0.0	3,866	16.3
<b>Moderate</b>	2	8.3	2,035	8.6	262	12.9	4,066	17.1
<b>Middle</b>	16	66.7	15,827	66.7	1,107	7.0	5,441	22.9
<b>Upper</b>	6	25.0	5,877	24.8	228	3.9	10,366	43.7
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>24</b>	<b>100.0</b>	<b>23,739</b>	<b>100.0</b>	<b>1,597</b>	<b>6.7</b>	<b>23,739</b>	<b>100.0</b>

2021 Watertown AA Demographics								
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,409	2,006	7.7	37.1	2,713	50.2	690	12.8
Middle	27,688	16,946	65.4	61.2	8,212	29.7	2,530	9.1
Upper	9,348	6,960	26.9	74.5	1,228	13.1	1,160	12.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>42,445</b>	<b>25,912</b>	<b>100.0</b>	<b>61.0</b>	<b>12,153</b>	<b>28.6</b>	<b>4,380</b>	<b>10.3</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	881	18.7	803	19.3	69	17.1	9	7.1
Middle	2,886	61.4	2,528	60.6	276	68.3	82	65.1
Upper	932	19.8	838	20.1	59	14.6	35	27.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>4,699</b>	<b>100.0</b>	<b>4,169</b>	<b>100.0</b>	<b>404</b>	<b>100.0</b>	<b>126</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.7</b>		<b>8.6</b>		<b>2.7</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	0.6	4	0.5	1	3.7	0	0.0
Middle	599	67.8	579	67.6	19	70.4	1	100.0
Upper	280	31.7	273	31.9	7	25.9	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>884</b>	<b>100.0</b>	<b>856</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>96.8</b>		<b>3.1</b>		<b>0.1</b>
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

*Income.* For purposes of classifying borrower income, this evaluation uses the FFIEC’s estimated median family income for the nonmetropolitan areas of South Dakota for the year of loan origination, as shown in the table below.

**Borrower Income Levels  
Non-MSA South Dakota**

FFIEC Estimated Median Family Income		Low 0 - 49.99%		Moderate 50% - 79.99%		Middle 80% - 119.99%		Upper 120% - & above	
<b>2018</b>	<b>\$66,600</b>	0 - \$33,299	\$33,300 - \$53,279	\$53,280 - \$79,919	\$79,920 - & above				
<b>2019</b>	<b>\$66,500</b>	0 - \$33,249	\$33,250 - \$53,199	\$53,200 - \$79,799	\$79,800 - & above				
<b>2020</b>	<b>\$68,900</b>	0 - \$34,449	\$34,450 - \$55,119	\$55,120 - \$82,679	\$82,680 - & above				
<b>2021</b>	<b>\$70,600</b>	0 - \$35,299	\$35,300 - \$56,479	\$56,480 - \$84,719	\$84,720 - & above				

For purposes of classifying census tracts by income level, this evaluation uses FFIEC’s adjusted census data median family income for the nonmetropolitan areas of South Dakota, which was \$60,961 for 2018, and \$60,845 for 2019 through 2021.

*Population.* According to 2015 census data, the population of the AA is 94,751. The table below describes the population growth of 2.7% in the AA based on the 2011–2015 U.S. Census Bureau American Community Survey. The growth rate in the AA is less than the statewide growth rate of 3.6%. By age, the AA population is as follows: 47.1% of the population is 25 to 64 years of age, 22.5% is 17 and younger, 15.7% is 18 to 24 years of age, and 14.7% is 65 and older.

<b>Watertown AA Population Change</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Watertown AA	92,293	94,751	2.7%
Brookings County, SD	31,965	33,046	3.4%
Codington County, SD	27,227	27,750	1.9%
Deuel County, SD	4,364	4,341	-0.5%
Hamlin County, SD	5,903	5,982	1.3%
Kingsbury County, SD	5,148	5,107	-0.8%
Lake County, SD	11,200	12,086	7.9%
Moody County, SD	6,486	6,439	-0.7%
NonMSA South Dakota	445,138	453,151	1.8%
South Dakota	814,180	843,190	3.6%

*Source: 2010 U.S. Census Bureau Decennial Census  
2011– 2015 U.S. Census Bureau American Community Survey*

*Housing Information.* According to a community contact, housing availability has been a concern in the AA. The demand for affordable housing outpaces supply. A community contact noted that Lake Area Technical College students take up much of the affordable rental housing in the area, leaving very limited housing available to non-student low- and moderate-income individuals and families. There are several new construction rental housing projects, and rents are very high. A community contact indicated that during the evaluation period, the housing market in the AA was very competitive but has since slowed. In addition, homes priced under \$200,000 sell quickly and there are limited homes available under \$250,000.

According to 2021 FFIEC adjusted census data, the AA has 42,445 housing units: 61.0% are owner-occupied, 28.6% are rental, and 10.3% are vacant. The median age of the housing stock is 48 years, which is higher than the statewide median of 40 years. The median housing value for the AA is \$140,232 and the affordability ratio is 36.3%, compared to \$140,500 and 36.6% for the state, respectively. The

affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater flexibility. This AA ratio suggests that housing in the Watertown AA is similarly affordable to other areas of the state.

The table below shows the housing cost burden faced by renters and homeowners in the Watertown AA. Overall, the housing cost burden for homeowners and renters in the AA is generally comparable to the burden for those in the non-MSA areas of the state. The burden for renters is higher than the burden for homeowners. Homeowners generally fare better, but low-income homeowners have a significant burden.

Watertown AA Housing Cost Burden						
Area	Cost Burden— Renters			Cost Burden— Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Watertown AA	74.9%	17.5%	36.9%	56.3%	24.5%	13.4%
Brookings County, SD	81.6%	25.7%	43.7%	57.3%	23.9%	11.3%
Codington County, SD	77.0%	16.8%	37.1%	58.7%	27.0%	15.2%
Deuel County, SD	35.8%	3.3%	10.4%	70.8%	17.0%	16.6%
Hamlin County, SD	55.7%	8.9%	16.0%	47.1%	13.8%	9.4%
Kingsbury County, SD	51.9%	4.2%	25.7%	57.8%	17.9%	12.5%
Lake County, SD	69.0%	14.6%	38.5%	45.0%	30.0%	12.6%
Moody County, SD	50.7%	2.5%	17.4%	59.7%	27.6%	18.3%
NonMSA South Dakota	63.2%	15.8%	32.6%	53.7%	23.6%	15.3%
South Dakota	66.9%	24.1%	34.8%	56.6%	27.7%	15.4%

*Cost Burden is housing cost that equals 30 percent or more of household income.*

*Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy*

*General Economic and Business Information.* According to community contacts, the strength of the local economy is good. Major sectors in the area include healthcare, manufacturing, secondary education, and agriculture. The Watertown area continues to attract new businesses and residents, which has a positive impact on the economy. Unemployment in the AA is low; a community contact estimated that the current unemployment rate is less than two percent. There is, however, growing concern among businesses and residents in the area regarding increasing interest rates and a possible recession. As aforementioned, bank management noted that the COVID-19 pandemic had a modest impact on economic conditions in the AA and the state, generally; bank management stated that the pandemic was a key driver of economic growth in the state.

Regarding the agricultural economy, a community contact noted that conditions are generally good. Crop, land, and livestock prices are higher than in previous years and continue to increase. There is concern in the community about inflation and increasing prices. The community contact noted that pandemic stimulus dollars positively impacted the farming community.

As shown in the table below, the unemployment rate in the AA in 2021 was 3.1%, which is the same as the rate in the state of South Dakota for the same year. During the evaluation period, the unemployment rate for the AA ranged from 2.8% in 2018 to 4.2% in 2020; the unemployment rate in South Dakota reflects a similar trend and ranged from 2.8% in 2018 to 4.3% in 2020.

Watertown AA Unemployment Rates				
Area	2018	2019	2020	2021
Watertown AA	2.8%	2.9%	4.2%	3.1%
Brookings County, SD	2.6%	2.8%	4.1%	3.2%
Codington County, SD	2.8%	2.7%	4.6%	3.1%
Deuel County, SD	4.1%	4.2%	5.0%	4.2%
Hamlin County, SD	2.9%	2.8%	3.2%	2.4%
Kingsbury County, SD	2.6%	2.6%	3.5%	2.9%
Lake County, SD	3.1%	3.0%	3.6%	3.0%
Moody County, SD	2.8%	3.1%	4.9%	2.8%
NonMSA South Dakota	3.0%	3.0%	4.4%	3.3%
South Dakota	2.8%	2.8%	4.3%	3.1%

*Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics*

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WATERTOWN ASSESSMENT AREA**

The bank’s Lending Test performance in the Watertown AA is good. Lending levels show good responsiveness to AA credit needs. Overall, the distribution of loans reflects good dispersion among borrowers of different income levels and businesses and farms of different sizes. Overall, the geographic distribution of loans is good. The bank makes a relatively high level of community development loans. The bank uses flexible loan programs for low- and moderate-income borrowers. By product, examiners gave greatest weight to HMDA loans, followed by small farm and small business loans. Examiners did not evaluate consumer lending in this AA due to low volume.

Overall, the Investment Test performance in the Watertown AA is adequate. Although the bank did not invest in any new qualified securities, it did make a significant level of donations in the AA. The bank demonstrated adequate responsiveness to community development needs.

Finally, the Services Test performance in the Watertown AA is adequate. The bank’s delivery systems are readily accessible to all portions of the AA and do not vary in a way that inconveniences any individuals or areas. The bank provides an adequate level of community development services in the AA.

**LENDING TEST**

The bank’s Lending Test performance in the Watertown AA is good.

**Lending Activity**

The bank’s lending activity reflects good responsiveness to AA credit needs. During the evaluation period, lending activity in this AA represented 24.3% by number and 18.6% by dollar amount of the bank’s total lending.

In 2020, the bank ranked third among 160 lenders reporting HMDA loan data, with 8.5% of the originations and purchases in the AA. For small business and small farm loans, the bank ranked third among 61 lenders reporting CRA data in 2020, with 10.7% of the originations and purchases in the AA. In 2021, the bank ranked second among 150 lenders reporting HMDA loan data, with 7.8% of the



originations and purchases in the AA. In 2021, the bank ranked third among 69 lenders reporting CRA small business and small farm loan data, with 11.1% of the originations and purchases in the AA.

**Distribution by Borrower Income Level and by Size of Businesses and Farms**

Overall, the bank’s distribution of loans reflects good dispersion among borrowers of different income levels and businesses and farms of different sizes.

*Residential Real Estate.* The bank’s HMDA lending to low- and moderate-income borrowers is good. The following tables show the bank’s HMDA loan data by income level and product type for 2020 and 2021, as well as the data for aggregate lenders that reported HMDA loans in the AA, for comparison.

<b>Distribution of 2020 and 2021 HMDA Loans By Borrower Income Level - Table 1 of 2</b>													
<b>Watertown AA</b>													
<b>Borrower Income Level</b>	<b>Bank And Aggregate Loans By Year</b>												<b>Families by Family Income %</b>
	<b>2020</b>						<b>2021</b>						
	<b>Bank</b>		<b>Agg</b>		<b>Bank</b>		<b>Agg</b>		<b>Bank</b>		<b>Agg</b>		
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	
<b>Home Purchase Loans</b>													
<b>Low</b>	11	10.3	7.1	1,172	5.8	3.8	15	11.4	5.7	2,075	8.2	3.2	16.3
<b>Moderate</b>	38	35.5	22.2	5,862	29.1	16.5	27	20.5	22.3	3,803	15.0	16.4	17.1
<b>Middle</b>	18	16.8	23.1	3,499	17.4	22.0	39	29.5	21.5	7,790	30.8	20.0	22.9
<b>Upper</b>	34	31.8	38.0	8,967	44.5	47.8	45	34.1	36.1	11,015	43.6	46.3	43.7
<b>Unknown</b>	6	5.6	9.5	656	3.3	9.9	6	4.5	14.4	602	2.4	14.1	0.0
<b>Total</b>	107	100.0	100.0	20,156	100.0	100.0	132	100.0	100.0	25,285	100.0	100.0	100.0
<b>Refinance Loans</b>													
<b>Low</b>	4	1.5	2.7	404	0.8	1.3	6	3.4	3.9	689	2.0	2.0	16.3
<b>Moderate</b>	44	16.6	11.9	6,200	11.8	7.8	44	24.6	16.3	6,482	18.4	10.9	17.1
<b>Middle</b>	59	22.3	19.2	9,557	18.1	15.8	39	21.8	20.9	7,334	20.9	17.4	22.9
<b>Upper</b>	138	52.1	51.3	32,487	61.7	59.2	74	41.3	42.4	17,184	48.9	51.5	43.7
<b>Unknown</b>	20	7.5	14.9	4,020	7.6	15.8	16	8.9	16.6	3,453	9.8	18.2	0.0
<b>Total</b>	265	100.0	100.0	52,668	100.0	100.0	179	100.0	100.0	35,142	100.0	100.0	100.0
<b>Home Improvement Loans</b>													
<b>Low</b>	2	20.0	7.4	28	9.7	3.4	0	0.0	6.1	0	0.0	2.3	16.3
<b>Moderate</b>	0	0.0	14.8	0	0.0	8.2	0	0.0	7.8	0	0.0	6.6	17.1
<b>Middle</b>	2	20.0	12.3	36	12.5	9.6	0	0.0	20.9	0	0.0	15.8	22.9
<b>Upper</b>	6	60.0	58.0	224	77.8	70.5	1	100.0	54.8	53	100.0	69.7	43.7
<b>Unknown</b>	0	0.0	7.4	0	0.0	8.2	0	0.0	10.4	0	0.0	5.7	0.0
<b>Total</b>	10	100.0	100.0	288	100.0	100.0	1	100.0	100.0	53	100.0	100.0	100.0
<b>Total Home Mortgage Loans</b>													
<b>Low</b>	18	4.5	4.2	1,679	2.3	2.1	21	6.5	4.7	2,764	4.5	2.6	16.3
<b>Moderate</b>	82	20.6	15.0	12,062	16.3	10.4	71	21.9	18.3	10,285	16.6	13.3	17.1
<b>Middle</b>	87	21.9	20.2	13,333	18.0	17.5	82	25.3	20.9	15,706	25.3	18.6	22.9
<b>Upper</b>	184	46.2	46.6	42,187	57.0	54.6	128	39.5	40.5	29,213	47.1	49.3	43.7
<b>Unknown</b>	27	6.8	14.1	4,720	6.4	15.4	22	6.8	15.6	4,055	6.5	16.2	0.0
<b>Total</b>	398	100.0	100.0	73,981	100.0	100.0	324	100.0	100.0	62,023	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>													

Distribution of 2020 and 2021 HMDA Loans By Borrower Income Level - Table 2 of 2													
Watertown AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	3.7	0	0.0	1.9	0	0.0	0.0	0	0.0	0.0	16.3
Moderate	0	0.0	11.1	0	0.0	3.3	0	0.0	11.1	0	0.0	10.3	17.1
Middle	0	0.0	18.5	0	0.0	6.3	0	0.0	5.6	0	0.0	10.5	22.9
Upper	0	0.0	55.6	0	0.0	74.9	0	0.0	79.6	0	0.0	76.0	43.7
Unknown	0	0.0	11.1	0	0.0	13.6	0	0.0	3.7	0	0.0	3.2	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	1	6.3	6.8	75	8.6	4.1	0	0.0	15.2	0	0.0	6.6	16.3
Moderate	0	0.0	6.8	0	0.0	4.5	0	0.0	6.5	0	0.0	7.2	17.1
Middle	8	50.0	32.2	241	27.7	16.1	4	33.3	26.1	582	37.7	29.2	22.9
Upper	6	37.5	50.8	509	58.6	67.9	8	66.7	52.2	961	62.3	57.0	43.7
Unknown	1	6.3	3.4	44	5.1	7.4	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>869</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>1,543</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	16.3
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	17.1
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	22.9
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	43.7
Unknown	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Overall, the bank's HMDA lending to low- and moderate-income borrowers exceeds aggregate lenders' performance. However, the bank's refinance loans to low-income borrowers in both years and its purchase loans to moderate-income borrowers in 2021 are slightly below aggregate performance. While the bank's lending to low-income borrowers in both years is below demographics, lending to moderate-income borrowers exceeds demographics for both years. According to 2021 FFIEC adjusted census data, 16.3% of the families in the AA are low income and 17.1% are moderate income. In both years, most of the bank's loans extended to low-income borrowers were for home purchases, and most of the loans extended to moderate-income borrowers were for refinances. A community contact stated that affordable housing in the AA is limited and that demand for it outpaces supply. Thus, the bank's HMDA lending in 2020 and 2021, specifically home purchase loans made to low-income borrowers, met a credit need in the AA. Additionally, given the limited availability of homes to purchase, the bank's refinancing loans to low- and moderate-income borrowers is noteworthy.

The bank continues to offer and make use of a variety of affordable housing loan programs to help low- and moderate-income borrowers purchase homes in this AA. These loan programs have flexible credit features, including low or no down payments and closing cost assistance.

Examiners also evaluated the bank’s 2018 and 2019 HMDA lending activity and determined that the bank’s lending performance is generally consistent with its 2020 and 2021 performance.

*Small Business.* The distribution of small business loans among businesses of different sizes is good. The following table shows the small business loan data by revenue and loan size for 2020 and 2021.

Distribution of 2020 and 2021 Small Business Loans By Revenue Size of Businesses													
Watertown AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
<b>\$1 Million or Less</b>	61	21.3	36.4	4,048	19.5	30.4	64	23.8	52.5	4,478	34.4	42.3	88.7
<b>Over \$1 Million</b>	17	5.9		3,499	16.9		24	8.9		3,507	26.9		8.6
<b>Revenue Unknown</b>	209	72.8		13,169	63.6		181	67.3		5,038	38.7		2.7
<b>Total</b>	287	100.0		20,716	100.0		269	100.0		13,023	100.0		100.0
By Loan Size													
<b>\$100,000 or Less</b>	242	84.3	83.8	6,245	30.1	29.3	239	88.8	87.8	5,913	45.4	30.9	
<b>\$100,001 - \$250,000</b>	22	7.7	9.1	3,602	17.4	20.0	18	6.7	6.4	2,917	22.4	18.6	
<b>\$250,001 - \$1 Million</b>	23	8.0	7.1	10,869	52.5	50.6	12	4.5	5.8	4,193	32.2	50.5	
<b>Total</b>	287	100.0	100.0	20,716	100.0	100.0	269	100.0	100.0	13,023	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
<b>\$100,000 or Less</b>	52	85.2		2,099	51.9		53	82.8		2,076	46.4		
<b>\$100,001 - \$250,000</b>	7	11.5		1,222	30.2		8	12.5		1,278	28.5		
<b>\$250,001 - \$1 Million</b>	2	3.3		727	18.0		3	4.7		1,124	25.1		
<b>Total</b>	61	100.0		4,048	100.0		64	100.0		4,478	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

In 2020 and 2021, the bank's lending to businesses with gross annual revenues of \$1 million or less (defined as small businesses) was significantly below demographics and aggregate lending levels. However, most of the bank's small business loans (70.1%) were made to borrowers with unknown revenues. This was largely due to the bank’s participation in the PPP loan program, which allowed lenders to approve and originate loans without documenting the revenue of applicants. A majority of loans made to small businesses were for \$100,000 or less, which indicates the bank’s willingness to meet the credit needs of small businesses.

Between 2020 and 2021, the bank originated 570 PPP loans in the Watertown AA. Of these loans, 79.8% were for amounts of \$25,000 or less. Thus, the bank’s involvement in the PPP loan program was particularly responsive to the credit needs of small businesses during a challenging time.

The bank’s 2018 and 2019 small business data also supports the conclusion that the bank’s lending data was impacted by PPP lending. In 2018 and 2019, the bank originated 75.3% and 58.3% of its small business loans to small businesses. While the bank’s 2020 and 2021 lending was below aggregate lenders, its 2018 and 2019 lending exceeded aggregate lenders; aggregate lenders originated 55.8% and 50.7% of small business loans to small businesses in 2020 and 2021, respectively.

Overall, the bank’s lending to small businesses is good. The bank’s small dollar lending and its participation in the PPP loan program are particularly responsive to the credit needs of small businesses.

*Small Farm.* The distribution of small farm loans among farms of different sizes is good. The following table shows the small farm loan data by revenue and loan size for 2020 and 2021.

<b>Distribution of 2020 and 2021 Small Farm Loans By Revenue Size of Farms</b>													
<b>Watertown AA</b>													
	<b>Bank And Aggregate Loans By Year</b>												<b>Total Farms %</b>
	<b>2020</b>						<b>2021</b>						
	<b>Bank</b>		<b>Agg</b>		<b>Bank</b>		<b>Agg</b>		<b>Bank</b>		<b>Agg</b>		
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	
<b>By Revenue</b>													
<b>\$1 Million or Less</b>	79	56.4	55.1	11,891	73.3	67.2	82	28.9	64.4	10,421	52.9	72.0	96.8
<b>Over \$1 Million</b>	19	13.6		3,745	23.1		28	9.9		6,362	32.3		3.1
<b>Revenue Unknown</b>	42	30.0		585	3.6		174	61.3		2,930	14.9		0.1
<b>Total</b>	140	100.0		16,221	100.0		284	100.0		19,713	100.0		100.0
<b>By Loan Size</b>													
<b>\$100,000 or Less</b>	87	62.1	70.0	3,000	18.5	20.6	228	80.3	80.2	5,755	29.2	27.3	
<b>\$100,001 - \$250,000</b>	32	22.9	17.5	5,472	33.7	31.5	37	13.0	11.3	6,843	34.7	28.0	
<b>\$250,001 - \$500,000</b>	21	15.0	12.5	7,749	47.8	47.9	19	6.7	8.5	7,115	36.1	44.7	
<b>Total</b>	140	100.0	100.0	16,221	100.0	100.0	284	100.0	100.0	19,713	100.0	100.0	

Distribution of 2020 and 2021 Small Farm Loans By Revenue Size of Farms												
Watertown AA												
	Bank And Aggregate Loans By Year											Total Farms %
	2020						2021					
	Bank		Agg		Bank		Agg		Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	
By Loan Size and Revenues \$1 Million or Less												
\$100,000 or Less	41	51.9		2,163	18.2		48	58.5		2,380	22.8	
\$100,001 - \$250,000	21	26.6		3,540	29.8		22	26.8		3,980	38.2	
\$250,001 - \$500,000	17	21.5		6,188	52.0		12	14.6		4,061	39.0	
<b>Total</b>	79	100.0		11,891	100.0		82	100.0		10,421	100.0	
<i>Source: 2021 FFIEC Census Data</i> <i>2021 Dun &amp; Bradstreet Data</i> <i>2011-2015 U.S. Census Bureau: American Community Survey</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>												

In 2020, the bank's small farm lending was consistent with aggregate lenders, and in 2021, it was below aggregate lenders. For both years, the bank's lending fell below demographics. The bank's small farm lending performance was impacted by PPP lending, particularly in 2021. In 2021, 61.3% of the bank's small farm loans had unknown revenues; it is likely that many of these loans were PPP loans. In addition, 50.9% of the small farm loans in the AA were for \$25,000 or less, which indicates the bank's willingness to meet credit needs of small farms.

The bank's 2018 and 2019 small farm data supports the conclusion that the bank's lending data was impacted by PPP lending. In 2018 and 2019, the bank originated 88% and 84.6% of its small farm loans to small farms, respectively. While the bank's 2020 lending data is consistent with aggregate lenders and its 2021 lending data is below aggregate lenders, the bank's 2018 and 2019 lending exceeded aggregate lenders. Aggregate lenders originated 65.4% and 67.6% of loans to small farms in 2018 and 2019, respectively.

Overall, the bank's lending to small farms is good. The bank's participation in the PPP loan program and its small dollar lending are responsive to the credit needs of small farms.

### Geographic Distribution

Overall, the geographic distribution and dispersion of the bank's HMDA, small business, and small farm loans in the Watertown AA is good and does not reveal any unexplained gaps in lending. The AA does not include any low-income census tracts. The two moderate-income tracts are in Codington County (in the city of Watertown) and Brookings County (including part of the city of Brookings).

*Residential Real Estate.* The geographic distribution of the bank's HMDA loans is good. The table below displays the distribution of the bank's 2020 and 2021 HMDA loans by census tract income level.

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography - Table 1 of 2 Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	19	17.8	9.7	2,378	11.8	6.5	19	14.4	9.5	2,439	9.6	6.7	7.7
Middle	55	51.4	57.5	9,639	47.8	56.8	90	68.2	61.6	18,317	72.4	60.1	65.4
Upper	33	30.8	32.8	8,139	40.4	36.6	23	17.4	28.9	4,529	17.9	33.2	26.9
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>107</b>	<b>100.0</b>	<b>100.0</b>	<b>20,156</b>	<b>100.0</b>	<b>100.0</b>	<b>132</b>	<b>100.0</b>	<b>100.0</b>	<b>25,285</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	18	6.8	4.8	1,823	3.5	3.0	11	6.1	5.4	1,452	4.1	3.1	7.7
Middle	156	58.9	61.4	31,249	59.3	60.3	108	60.3	60.5	19,964	56.8	59.3	65.4
Upper	91	34.3	33.8	19,596	37.2	36.8	60	33.5	34.1	13,726	39.1	37.6	26.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>265</b>	<b>100.0</b>	<b>100.0</b>	<b>52,668</b>	<b>100.0</b>	<b>100.0</b>	<b>179</b>	<b>100.0</b>	<b>100.0</b>	<b>35,142</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	10.0	3.7	12	4.2	1.0	0	0.0	4.3	0	0.0	2.3	7.7
Middle	5	50.0	67.9	174	60.4	70.0	1	100.0	52.2	53	100.0	47.3	65.4
Upper	4	40.0	27.2	102	35.4	24.8	0	0.0	43.5	0	0.0	50.4	26.9
Unknown	0	0.0	1.2	0	0.0	4.2	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>10</b>	<b>100.0</b>	<b>100.0</b>	<b>288</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	26.8	0	0.0	42.3	1	33.3	23.8	825	42.9	28.9	23.3
Middle	2	100.0	56.1	1,126	100.0	52.4	2	66.7	64.3	1,096	57.1	45.4	69.2
Upper	0	0.0	17.1	0	0.0	5.3	0	0.0	11.9	0	0.0	25.7	7.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>1,126</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>1,921</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography - Table 1 of 2 Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>Total Home Mortgage Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	40	10.0	6.7	4,235	5.6	5.7	33	10.1	7.5	4,894	7.7	6.4	7.7
Middle	227	56.8	60.0	42,819	57.0	58.3	209	63.9	60.8	40,533	63.4	58.7	65.4
Upper	133	33.3	33.2	28,053	37.4	36.0	85	26.0	31.7	18,517	29.0	34.9	26.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>400</b>	<b>100.0</b>	<b>100.0</b>	<b>75,107</b>	<b>100.0</b>	<b>100.0</b>	<b>327</b>	<b>100.0</b>	<b>100.0</b>	<b>63,944</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>2011-2015 U.S. Census Bureau: American Community Survey</i> <i>2011-2015 U.S. Census Bureau: American Community Survey</i> Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography - Table 2 of 2 Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>Other Purpose LOC</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.7	0	0.0	0.6	0	0.0	3.7	0	0.0	1.7	7.7
Middle	0	0.0	51.9	0	0.0	38.1	0	0.0	63.0	0	0.0	69.1	65.4
Upper	0	0.0	44.4	0	0.0	61.3	0	0.0	33.3	0	0.0	29.2	26.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	12.5	15.3	22	2.5	7.0	2	16.7	8.7	178	11.5	3.7	7.7
Middle	9	56.3	52.5	631	72.6	53.6	8	66.7	69.6	1,103	71.5	64.8	65.4
Upper	5	31.3	32.2	216	24.9	39.4	2	16.7	21.7	262	17.0	31.5	26.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>869</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>1,543</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Distribution of 2020 and 2021 HMDA Loans By Income Level of Geography - Table 2 of 2													
Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Purpose Not Applicable													
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0.0	14.1	0	0.0	5.1	0	0.0	42.9	0	0.0	42.0	7.7
<b>Middle</b>	0	0.0	56.3	0	0.0	27.4	0	0.0	52.4	0	0.0	49.3	65.4
<b>Upper</b>	0	0.0	29.7	0	0.0	67.5	0	0.0	4.8	0	0.0	8.7	26.9
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
<i>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>													

Overall, the bank's lending in the moderate-income tracts in 2020 and 2021 was above aggregate lenders and owner-occupied demographics (which was only 7.7%). According to demographic data, only 8.6% of AA families reside in the moderate-income tracts; the bank's lending also exceeds this demographic. Demographic data also indicates that 50.2% of housing units in the moderate-income tracts are rentals, which could limit the bank's opportunity to originate HMDA loans in these tracts. Despite the context, the bank's home purchase lending in the moderate-income tracts exceeded aggregate performance more significantly than the overall HMDA lending margins.

In 2020, the bank did not make any HMDA loans in the Brookings County moderate-income tract and one of the middle-income tracts (in Kingsbury County). According to bank management, this moderate-income tract has low population and is heavily banked. In addition, a regional airport is in this tract, the owner-occupancy rate here is only 32.5%, and the tract is rural outside the Brookings city limits. These factors could impact the bank's ability to make HMDA loans in this tract. In 2021, the bank made HMDA loans in all of its moderate-income census tracts, but it did not make any HMDA loans in two of its middle-income tracts (one each in Brookings and Kingsbury counties). There were no unexplained gaps in lending.

*Small Business.* The geographic distribution of small business loans is good. The table below shows the distribution of the bank's 2020 and 2021 small business loans by census tract income level.



Distribution of 2020 and 2021 Small Business Loans By Income Level of Geography													
Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2020						2021						
	Bank		Agg	Bank			Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%		%
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	40	13.9	17.3	5,717	27.6	17.3	25	9.3	14.9	1,551	11.9	15.8	18.7
Middle	197	68.6	58.8	13,411	64.7	58.9	189	70.3	58.8	9,677	74.3	59.0	61.4
Upper	50	17.4	22.5	1,588	7.7	22.3	55	20.4	25.2	1,795	13.8	25.0	19.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.4	0	0.0	1.5	0	0.0	1.1	0	0.0	0.1	
<b>Total</b>	<b>287</b>	<b>100.0</b>	<b>100.0</b>	<b>20,716</b>	<b>100.0</b>	<b>100.0</b>	<b>269</b>	<b>100.0</b>	<b>100.0</b>	<b>13,023</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

The bank originated small business loans in both moderate-income census tracts in 2020 and 2021. The bank's small business lending by number of loans in the moderate-income tracts was below demographics and aggregate lenders' performance. However, by loan dollars, the bank's lending in the moderate-income tracts exceeded aggregate lenders in 2020. For both years, the bank did not make any small business loans in one middle-income tract in Kingsbury County and one upper-income tract in Brookings County. There were no unexplained gaps in lending.

*Small Farm.* The geographic distribution of small farm loans is adequate. The table below shows the distribution of the bank's small farm loans by census tract income level as well as aggregate lending data for 2020 and 2021.

Distribution of 2020 and 2021 Small Farm Loans By Income Level of Geography													
Watertown AA													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Farms %	
	2020						2021						
	Bank		Agg	Bank			Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%		%
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.7	0	0.0	0.3	0	0.0	0.6	0	0.0	0.4	0.6
Middle	125	89.3	65.9	14,383	88.7	65.5	240	84.5	64.8	17,614	89.4	67.0	67.8
Upper	15	10.7	33.4	1,838	11.3	34.2	44	15.5	34.6	2,099	10.6	32.6	31.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>140</b>	<b>100.0</b>	<b>100.0</b>	<b>16,221</b>	<b>100.0</b>	<b>100.0</b>	<b>284</b>	<b>100.0</b>	<b>100.0</b>	<b>19,713</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

The bank did not originate any small farm loans in the moderate-income census tracts in 2020 and 2021. This is explainable based on demographic data, which indicates that just 0.6% of the AA’s small farms are located in the bank’s moderate-income census tracts. In addition, the moderate-income tracts are located in the cities of Watertown and Brookings, which provide very limited opportunity for the bank to originate small farm loans. The bank’s performance is generally consistent with the aggregate lenders’ performance. The bank made the majority of its small farm loans in the middle-income census tracts in its AA, which is reasonable given that 67.8% of the AA’s small farms are located in these tracts.

**Community Development Lending**

The bank made a relatively high level of community development loans in the Watertown AA. During the evaluation period, the bank originated 10 community development loans totaling approximately \$11.0 million. Of particular note is a community development line of credit for approximately \$4.5 million that promotes economic development by funding the construction of a warehouse in a moderate-income census tract in Watertown; upon completion, the project will add 25 full-time jobs in the area. Additionally, two of the loans were PPP loans totaling approximately \$1.7 million; these loans helped the borrowers keep their businesses open and pay wages in moderate-income census tracts during the pandemic.

<b>Community Development Lending in the Watertown AA</b>		
<i>First PREMIER Bank</i>	#	\$
Economic Development	3	5,671,570
Affordable Housing	1	235,000
Revitalize or Stabilize	6	5,079,528
<b>Total</b>	<b>10</b>	<b>10,986,098</b>

**INVESTMENT TEST**

Overall, the bank made an adequate level of qualified CD investments and grants. The bank did not make any new qualified investments in the form of bonds or securities during the evaluation period (nor did it continue to hold prior-period bonds/securities in its portfolio) in the Watertown AA. Bank management noted limited investment opportunity and competition from other financial institutions in this AA.

During the evaluation period, the bank made a significant level of donations. As noted in the table, the bank donated \$275,425. These donations primarily support organizations that provide community services to low- and moderate-income individuals. Of note are substantial donations to help disaster relief efforts after severe weather (\$50,000) and to support health services for low- and moderate-income people (\$50,000). Finally, the bank made several large donations to local United Way chapters that provide funding for other organizations serving low- and moderate-income families in the AA.

<b>Qualified Investment Donations in the Watertown AA</b>		
<i>First PREMIER Bank</i>	#	\$
Affordable Housing	3	1,500
Community Service	23	223,525
Revitalize and Stabilize	2	50,400
<b>Total</b>	<b>28</b>	<b>275,425</b>

**SERVICE TEST**

The bank’s delivery systems are readily accessible to residents, businesses, and farms throughout the AA, and retail services do not vary in a way that inconveniences particular individuals or areas. The bank provided an adequate level of community development services.

**Retail Services**

Delivery systems in the AA are readily accessible to the bank’s geographies and to individuals of different income levels. The bank operates five full-service branches and one limited-service branch in the Watertown AA: three in Codington County (two in Watertown and one in Kranzburg), two in Hamlin County (in Castlewood and Lake Norden), and one in Lake County (in Madison). Five branches are located in middle-income census tracts and one is in a moderate-income tract. Three branches have drive-up facilities, five offer extended weekday and/or Saturday hours, and two have deposit-taking ATMs. The bank operates an additional cash-dispensing-only ATM in Watertown (at a PBC location).

Since the previous evaluation, the bank opened a new branch in Madison, in a middle-income census tract. In addition, the bank closed a branch in a middle-income tract in Watertown and consolidated its services with another branch approximately 1.5 miles away (in another middle-income tract). This closure/consolidation did not adversely affect the accessibility of services. The bank’s services do not vary in a way that inconveniences individuals or areas.

The following table shows the geographic distribution of branches in the AA.

**Geographic Distribution of Branches  
Watertown AA**

Tract Income Levels	BRANCHES							DEMOGRAPHICS				
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses	
	#	%	#	#	#	#	#	#	%	%	%	
Low	<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%	
	LS	0		0	0							
Moderate	<b>Total</b>	<b>1</b>	<b>16.7%</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>				
	DTO	0		0	0	0		2	8.3%	12.4%	15.9%	
	LS	0		0	0							
Middle	<b>Total</b>	<b>5</b>	<b>83.3%</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>0</b>				
	DTO	0		0	0	0		16	66.7%	66.1%	62.4%	
	LS	1		0	0							
Upper	<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
	DTO	0		0	0	0		6	25.0%	21.5%	21.7%	
	LS	0		0	0							
<b>Totals</b>	<b>Total</b>	<b>6</b>	<b>100.0%</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>1</b>				
	DTO	0		0	0	0		24	100.0%	100.0%	100.0%	
	LS	1		0	0							

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

\*Closed branches are only included in the "Closed" columns and are not included in any other totals

LPOs not included in totals.

### Community Development Services

The bank provided an adequate level of community development services in the AA. During the evaluation period, seven bank employees provided 15 community development services to six organizations. These organizations provide services to low- and moderate-income individuals and promote economic development. Bank employees provided financial expertise by serving as board members and in other roles, including treasurer and bookkeeper.

<b>Community Development Services in the Watertown AA</b>	
<i>Purpose</i>	<b>#</b>
Community Services	10
Economic Development	5
<b>Total</b>	<b>15</b>

## NONMETROPOLITAN AREA LIMITED REVIEW

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WAKONDA ASSESSMENT AREA

Examiners conducted a limited-scope review of the bank’s CRA performance in the Wakonda AA. Examiners determined that the bank’s lending performance in this AA is generally consistent with the full-scope nonmetropolitan AA. However, the investment and service performance is below the performance in the full-scope nonmetropolitan AA, primarily due to the lack of community development investments and services. This conclusion does not change the conclusion for the nonmetropolitan portion of the state. Examiners analyzed the bank’s small farm, small business, and HMDA lending but did not evaluate consumer lending as it was not a material business line in the AA.

The Wakonda AA consists of all of Clay and Yankton counties; it is located south of and contiguous with the Sioux Falls MSA AA. The bank has not changed the AA since the previous evaluation. It consists of seven middle-income census tracts and one upper-income tract. At the previous evaluation, the two middle-income census tracts in Clay County were classified as distressed, due to poverty; they are no longer distressed, as of 2020. The bank operates one full-service branch in the AA; it is in the town of Wakonda, South Dakota, in the upper-income census tract. The bank offers extended lobby hours on Fridays and does not operate any ATMs in the AA. According to FFIEC adjusted census data, the population of the AA is 36,647.

The following table provides information regarding the demographic characteristics of the AA based on 2021 FFIEC adjusted census data.

<b>Assessment Area Demographics – Wakonda AA</b>				
<i>Income Category</i>	<i>Tract Distribution</i>		<i>Percentage of Families by Tract</i>	<i>Percentage of Families by Income Level</i>
	#	%		
Low Income	0	0.0	0.0	21.6
Moderate Income	0	0.0	0.0	15.9
Middle Income	7	87.5	89.8	20.8
Upper Income	1	12.5	10.2	41.8
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The following table shows the bank’s lending activity in the AA in 2020 and 2021.

<b>Lending Activity in the Wakonda AA</b>		
<i>Loan Type</i>	<i>2020</i>	<i>2021</i>
HMDA	28	19
Small Business	23	31
Small Farm	31	70
<b>Total</b>	<b>82</b>	<b>120</b>

During the evaluation period, lending activity in the Wakonda AA represented 3.1% by number and 1.9% by dollar amount of the bank’s HMDA, small business, and small farm loan originations. According to the June 30, 2022, FDIC Deposit Market Share Report, the bank ranks eighth of 11 financial institutions with FDIC-insured deposits in the AA, with 2.05% of the deposit market share.

In 2020, the bank ranked 11th of 110 lenders reporting HMDA loans in the AA, and it ranked 15th of 106 lenders in 2021 (capturing less than 2.0% of reported loans). In 2020, the bank ranked fifth of 47 lenders reporting small business and small farm loans in the AA, and it ranked third of 43 lenders in 2021 (capturing 5.4% of reported loans).

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WAKONDA AA**

The facts and data examiners reviewed, including performance and demographic information, are in the Appendix D accompanying this report. In addition, the Institution section of the report shows the bank’s community development lending in each AA. The Institution section of the report also shows qualified investments in the form of securities and donations, and community development services, for each AA. Conclusions regarding performance of the limited scope AA, which did not affect the overall state rating, are shown in the table below.

<b>Performance in the Limited-Scope Review AA</b>			
<i>AA</i>	<i>Lending Test</i>	<i>Investment Test</i>	<i>Service Test</i>
Wakonda	Consistent	Below	Below

**CRA APPENDIX A**

**Scope of Evaluation**

<b>SCOPE OF EVALUATION FOR LENDING ACTIVITY</b> January 1, 2018, through December 31, 2021	
<i>FINANCIAL INSTITUTION</i>	<i>PRODUCTS REVIEWED</i>
First PREMIER Bank	HMDA loans Consumer loans Small business loans Small farm loans
<b>AFFILIATES</b>	
<i>AFFILIATES</i>	<i>PRODUCTS REVIEWED</i>
Not applicable	Not applicable
<b>SCOPE OF EVALUATION FOR COMMUNITY DEVELOPMENT ACTIVITY</b>	
May 13, 2019, through September 12, 2022 (services and investments)	
May 13, 2019, through December 31, 2021 (loans)	

<b>LIST OF AAs AND TYPE OF EVALUATION</b>			
<i>AA</i>	<i>TYPE OF EVALUATION</i>	<i>BRANCHES VISITED<sup>9</sup></i>	<i>OTHER INFORMATION</i>
Sioux Falls MSA, South Dakota	Full scope	None	None
Watertown, South Dakota	Full scope	None	None
Wakonda, South Dakota	Limited scope	None	None

Note: “Branches visited” indicates where technical compliance with the CRA (signs, public file, etc.) was confirmed. For this evaluation, the confirmation of technical compliance was conducted remotely. The evaluation of the institution’s CRA performance takes into consideration activity from all branch locations, as described in the Scope of Evaluation section of the report.

<sup>9</sup> There is a statutory requirement that the written evaluation of a multi-state institution’s performance must list the individual branches examined in each state.

## APPENDIX B

### Glossary of Common CRA Terms

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan statistical area/AA.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; or (5) Neighborhood Stabilization Program (NSP)-eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and census tracts.

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

**Distressed nonmetropolitan middle-income census tract:** A middle-income, nonmetropolitan census tract will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% or more over the 5-year period preceding the most recent census.

**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 nonrelatives 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 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., 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (i.e., approved, denied, or withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

**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 is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments).

**Low income:** Individual income that is less than 50 percent of the area median income or a median family income that is less than 50 percent, in the case of a geography.

**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 metropolitan statistical area/AA.

**Metropolitan statistical area (MSA):** An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA 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 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.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

**Rated area:** A rated area is a state or multistate MSA. 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 multistate MSA, the institution will receive a rating for the multistate metropolitan area.

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

**Small loan to farm:** 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 classified as loans to finance agricultural production and other loans to farmers.

**Underserved middle-income census tract:** A middle-income, nonmetropolitan census tract will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper income:** Individual income that is more than 120 percent of the area median income or a median family income that is more than 120 percent, in the case of geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 28.12.)

CRA APPENDIX C

Demographic and Lending and Tables for Limited-Scope Review

2021 Wakonda AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,789	21.6
Moderate	0	0.0	0	0.0	0	0.0	1,322	15.9
Middle	7	87.5	7,457	89.8	834	11.2	1,723	20.8
Upper	1	12.5	843	10.2	19	2.3	3,466	41.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>8</b>	<b>100.0</b>	<b>8,300</b>	<b>100.0</b>	<b>853</b>	<b>10.3</b>	<b>8,300</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	14,046	7,722	88.3	55.0	5,318	37.9	1,006	7.2
Upper	1,449	1,028	11.7	70.9	166	11.5	255	17.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>15,495</b>	<b>8,750</b>	<b>100.0</b>	<b>56.5</b>	<b>5,484</b>	<b>35.4</b>	<b>1,261</b>	<b>8.1</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,494	92.7	1,350	93.0	121	93.8	23	76.7
Upper	117	7.3	102	7.0	8	6.2	7	23.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,611</b>	<b>100.0</b>	<b>1,452</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.1</b>		<b>8.0</b>		<b>1.9</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	149	66.8	147	66.5	2	100.0	0	0.0
Upper	74	33.2	74	33.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>223</b>	<b>100.0</b>	<b>221</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>99.1</b>		<b>0.9</b>		<b>0.0</b>
<p>Source: 2021 FFIEC Census Data                  2021 Dun &amp; Bradstreet Data                  2011-2015 U.S. Census Bureau: American Community Survey                  Note: Percentages may not total 100.0 percent due to rounding.</p>								

Income and Revenue Distribution Tables

Distribution of 2018 and 2019 Home Mortgage Lending By Borrower Income Level Wakonda AA – Table 1 of 2													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
<b>Home Purchase Loans</b>													
Low	0	0.0	5.7	0	0.0	3.3	1	20.0	6.2	121	14.1	3.3	21.6
Moderate	0	0.0	18.6	0	0.0	13.7	1	20.0	22.5	131	15.2	17.8	15.9
Middle	0	0.0	22.0	0	0.0	19.9	2	40.0	24.4	368	42.7	22.8	20.8
Upper	5	100.0	41.4	797	100.0	52.2	1	20.0	37.1	241	28.0	46.9	41.8
Unknown	0	0.0	12.3	0	0.0	10.9	0	0.0	9.8	0	0.0	9.2	0.0
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>797</b>	<b>100.0</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>861</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	1	25.0	7.9	115	50.2	4.6	0	0.0	3.0	0	0.0	1.2	21.6
Moderate	1	25.0	20.0	30	13.1	11.8	2	22.2	14.2	181	12.8	9.2	15.9
Middle	2	50.0	23.7	84	36.7	21.4	1	11.1	22.8	111	7.8	19.5	20.8
Upper	0	0.0	38.1	0	0.0	52.8	4	44.4	42.2	907	64.1	51.2	41.8
Unknown	0	0.0	10.2	0	0.0	9.4	2	22.2	17.8	216	15.3	18.9	0.0
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>229</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,415</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	4.2	0	0.0	1.3	21.6
Moderate	0	0.0	3.7	0	0.0	0.6	0	0.0	16.7	0	0.0	11.9	15.9
Middle	0	0.0	7.4	0	0.0	7.5	0	0.0	16.7	0	0.0	19.0	20.8
Upper	0	0.0	70.4	0	0.0	81.4	0	0.0	58.3	0	0.0	65.7	41.8
Unknown	0	0.0	18.5	0	0.0	10.6	0	0.0	4.2	0	0.0	2.1	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	1	10.0	6.3	115	11.0	3.6	1	5.6	4.8	121	5.0	2.5	21.6
Moderate	1	10.0	18.5	30	2.9	13.0	3	16.7	19.2	312	12.9	14.6	15.9
Middle	3	30.0	21.7	108	10.3	20.0	5	27.8	23.4	568	23.5	21.5	20.8
Upper	5	50.0	41.8	797	75.9	53.0	7	38.9	39.8	1,198	49.6	48.7	41.8
Unknown	0	0.0	11.8	0	0.0	10.4	2	11.1	12.8	216	8.9	12.8	0.0
<b>Total</b>	<b>10</b>	<b>100.0</b>	<b>100.0</b>	<b>1,050</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,415</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2019 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2018 and 2019 Home Mortgage Lending By Borrower Income Level													
Wakonda AA – Table 2 of 2													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	14.3	0	0.0	7.6	0	0.0	0.0	0	0.0	0.0	21.6
Moderate	0	0.0	28.6	0	0.0	23.0	0	0.0	11.8	0	0.0	4.5	15.9
Middle	0	0.0	14.3	0	0.0	9.8	0	0.0	17.6	0	0.0	19.6	20.8
Upper	0	0.0	42.9	0	0.0	59.6	0	0.0	70.6	0	0.0	75.9	41.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	0	0.0	7.7	0	0.0	1.5	0	0.0	0.0	0	0.0	0.0	21.6
Moderate	0	0.0	15.4	0	0.0	6.8	0	0.0	15.4	0	0.0	15.2	15.9
Middle	1	100.0	15.4	24	100.0	11.8	2	50.0	23.1	89	64.0	13.0	20.8
Upper	0	0.0	61.5	0	0.0	79.9	2	50.0	46.2	50	36.0	40.5	41.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	15.4	0	0.0	31.3	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	21.6
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	15.9
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	20.8
Upper	0	0.0	33.3	0	0.0	35.4	0	0.0	0.0	0	0.0	0.0	41.8
Unknown	0	0.0	66.7	0	0.0	64.6	0	0.0	100.0	0	0.0	100.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2019 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

**Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level  
Wakonda AA – Table 1 of 2**

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	1	8.3	8.7	88	4.8	4.6	1	9.1	4.9	172	6.9	3.1	21.6
Moderate	4	33.3	21.7	631	34.3	17.4	5	45.5	24.6	985	39.3	18.7	15.9
Middle	6	50.0	30.4	1,025	55.8	31.2	1	9.1	21.7	250	10.0	20.1	20.8
Upper	1	8.3	30.0	94	5.1	38.5	4	36.4	34.4	1,100	43.9	42.6	41.8
Unknown	0	0.0	9.2	0	0.0	8.4	0	0.0	14.4	0	0.0	15.4	0.0
<b>Total</b>	<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>1,838</b>	<b>100.0</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>2,507</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	1.9	0	0.0	0.9	0	0.0	5.3	0	0.0	3.1	21.6
Moderate	4	25.0	12.5	448	18.5	8.3	1	14.3	14.8	51	3.0	10.1	15.9
Middle	1	6.3	21.1	70	2.9	17.2	0	0.0	20.4	0	0.0	17.3	20.8
Upper	9	56.3	51.5	1,594	65.9	59.2	6	85.7	44.6	1,666	97.0	52.9	41.8
Unknown	2	12.5	13.0	306	12.7	14.4	0	0.0	14.8	0	0.0	16.6	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,418</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>1,717</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	21.6
Moderate	0	0.0	25.0	0	0.0	13.1	0	0.0	5.9	0	0.0	1.8	15.9
Middle	0	0.0	12.5	0	0.0	7.5	0	0.0	23.5	0	0.0	15.1	20.8
Upper	0	0.0	37.5	0	0.0	38.3	0	0.0	47.1	0	0.0	58.9	41.8
Unknown	0	0.0	25.0	0	0.0	41.0	0	0.0	23.5	0	0.0	24.2	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	1	3.6	4.6	88	2.1	2.3	1	5.3	5.1	172	4.0	3.1	21.6
Moderate	8	28.6	16.2	1,079	25.4	11.8	6	31.6	19.5	1,036	24.2	14.6	15.9
Middle	7	25.0	24.4	1,095	25.7	22.4	1	5.3	20.6	250	5.8	18.5	20.8
Upper	10	35.7	42.5	1,688	39.7	50.8	11	57.9	39.8	2,828	66.0	47.7	41.8
Unknown	2	7.1	12.5	306	7.2	12.7	0	0.0	14.9	0	0.0	16.1	0.0
<b>Total</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>4,256</b>	<b>100.0</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>4,286</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Wakonda AA – Table 2 of 2													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
<b>Other Purpose LOC</b>													
<b>Low</b>	0	0.0	9.1	0	0.0	2.6	0	0.0	6.7	0	0.0	4.6	21.6
<b>Moderate</b>	0	0.0	9.1	0	0.0	19.4	0	0.0	13.3	0	0.0	11.4	15.9
<b>Middle</b>	0	0.0	27.3	0	0.0	38.3	0	0.0	13.3	0	0.0	14.7	20.8
<b>Upper</b>	0	0.0	45.5	0	0.0	37.2	0	0.0	53.3	0	0.0	62.7	41.8
<b>Unknown</b>	0	0.0	9.1	0	0.0	2.6	0	0.0	13.3	0	0.0	6.6	0.0
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
<b>Other Purpose Closed/Exempt</b>													
<b>Low</b>	0	0.0	7.7	0	0.0	5.8	0	0.0	10.0	0	0.0	2.9	21.6
<b>Moderate</b>	0	0.0	23.1	0	0.0	8.8	0	0.0	35.0	0	0.0	28.8	15.9
<b>Middle</b>	0	0.0	15.4	0	0.0	16.5	0	0.0	0.0	0	0.0	0.0	20.8
<b>Upper</b>	0	0.0	53.8	0	0.0	68.9	1	100.0	50.0	62	100.0	65.9	41.8
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	5.0	0	0.0	2.4	0.0
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	62	100.0	100.0	100.0
<b>Purpose Not Applicable</b>													
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	21.6
<b>Moderate</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	15.9
<b>Middle</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	20.8
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	41.8
<b>Unknown</b>	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0.0
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2021 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2018 and 2019 Small Business Lending By Revenue Size of Businesses													
Wakonda AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
By Revenue													
\$1 Million or Less	4	50.0	55.7	180	16.1	54.8	4	50.0	56.5	93	12.8	48.4	89.5
Over \$1 Million	3	37.5		913	81.7		2	25.0		605	83.1		8.7
Revenue Unknown	1	12.5		25	2.2		2	25.0		30	4.1		1.9
<b>Total</b>	<b>8</b>	<b>100.0</b>		<b>1,118</b>	<b>100.0</b>		<b>8</b>	<b>100.0</b>		<b>728</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	4	50.0	85.4	95	8.5	29.2	6	75.0	85.4	123	16.9	28.3	
\$100,001 - \$250,000	2	25.0	7.4	288	25.8	16.8	1	12.5	7.7	135	18.5	18.6	
\$250,001 - \$1 Million	2	25.0	7.2	735	65.7	54.1	1	12.5	6.9	470	64.6	53.2	
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>1,118</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>728</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	3	75.0		70	38.9		4	100.0		93	100.0		
\$100,001 - \$250,000	1	25.0		110	61.1		0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		0	0.0		0	0.0		
<b>Total</b>	<b>4</b>	<b>100.0</b>		<b>180</b>	<b>100.0</b>		<b>4</b>	<b>100.0</b>		<b>93</b>	<b>100.0</b>		
<i>Source: 2019 FFIEC Census Data 2019 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													



Distribution of 2020 and 2021 Small Business Lending By Revenue Size of Businesses													
Wakonda AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	6	26.1	56.4	124	8.7	42.2	6	19.4	64.6	418	51.0	48.1	90.1
Over \$1 Million	3	13.0		833	58.4		0	0.0		0	0.0		8.0
Revenue Unknown	14	60.9		469	32.9		25	80.6		401	49.0		1.9
Total	23	100.0		1,426	100.0		31	100.0		819	100.0		100.0
By Loan Size													
\$100,000 or Less	20	87.0	83.2	527	37.0	30.4	30	96.8	89.1	626	76.4	33.5	
\$100,001 - \$250,000	1	4.3	9.6	166	11.6	22.5	1	3.2	5.6	193	23.6	16.7	
\$250,001 - \$1 Million	2	8.7	7.1	733	51.4	47.2	0	0.0	5.3	0	0.0	49.8	
Total	23	100.0	100.0	1,426	100.0	100.0	31	100.0	100.0	819	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	6	100.0		124	100.0		5	83.3		225	53.8		
\$100,001 - \$250,000	0	0.0		0	0.0		1	16.7		193	46.2		
\$250,001 - \$1 Million	0	0.0		0	0.0		0	0.0		0	0.0		
Total	6	100.0		124	100.0		6	100.0		418	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2018 and 2019 Small Farm Lending By Revenue Size of Farms													
Wakonda AA													
	Bank And Aggregate Loans By Year												Total Farms %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	21	77.8	76.1	2,609	84.5	80.9	25	89.3	75.9	3,027	96.3	83.3	99.2
Over \$1 Million	1	3.7		465	15.1		2	7.1		110	3.5		0.8
Revenue Unknown	5	18.5		13	0.4		1	3.6		6	0.2		0.0
<b>Total</b>	<b>27</b>	<b>100.0</b>		<b>3,087</b>	<b>100.0</b>		<b>28</b>	<b>100.0</b>		<b>3,143</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	16	59.3	64.5	522	16.9	20.8	17	60.7	62.3	694	22.1	17.9	
\$100,001 - \$250,000	8	29.6	24.2	1,490	48.3	39.7	9	32.1	24.5	1,620	51.5	37.8	
\$250,001 - \$500,000	3	11.1	11.3	1,075	34.8	39.5	2	7.1	13.2	829	26.4	44.4	
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	<b>3,087</b>	<b>100.0</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>3,143</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	11	52.4		509	19.5		14	56.0		578	19.1		
\$100,001 - \$250,000	8	38.1		1,490	57.1		9	36.0		1,620	53.5		
\$250,001 - \$500,000	2	9.5		610	23.4		2	8.0		829	27.4		
<b>Total</b>	<b>21</b>	<b>100.0</b>		<b>2,609</b>	<b>100.0</b>		<b>25</b>	<b>100.0</b>		<b>3,027</b>	<b>100.0</b>		
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2020 and 2021 Small Farm Lending By Revenue Size of Farms													
Wakonda AA													
	Bank And Aggregate Loans By Year												Total Farms %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	#	#%	#%	\$(000)	%	\$%	
By Revenue													
\$1 Million or Less	18	58.1	71.3	2,422	89.7	83.0	24	34.3	71.1	3,156	74.1	86.1	99.1
Over \$1 Million	1	3.2		60	2.2		1	1.4		150	3.5		0.9
Revenue Unknown	12	38.7		218	8.1		45	64.3		951	22.3		0.0
<b>Total</b>	<b>31</b>	<b>100.0</b>		<b>2,700</b>	<b>100.0</b>		<b>70</b>	<b>100.0</b>		<b>4,257</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	21	67.7	68.5	626	23.2	21.4	57	81.4	69.5	1,398	32.8	19.3	
\$100,001 - \$250,000	8	25.8	21.7	1,412	52.3	39.5	10	14.3	18.8	1,900	44.6	34.2	
\$250,001 - \$500,000	2	6.5	9.9	662	24.5	39.1	3	4.3	11.7	959	22.5	46.5	
<b>Total</b>	<b>31</b>	<b>100.0</b>	<b>100.0</b>	<b>2,700</b>	<b>100.0</b>	<b>100.0</b>	<b>70</b>	<b>100.0</b>	<b>100.0</b>	<b>4,257</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	8	44.4		348	14.4		12	50.0		-447	14.2		
\$100,001 - \$250,000	8	44.4		1,412	58.3		9	37.5		1,750	55.4		
\$250,001 - \$500,000	2	11.1		662	27.3		3	12.5		959	30.4		
<b>Total</b>	<b>18</b>	<b>100.0</b>		<b>2,422</b>	<b>100.0</b>		<b>24</b>	<b>100.0</b>		<b>3,156</b>	<b>100.0</b>		
<p>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</p>													

Geographic Distribution Tables

Distribution of 2018 and 2019 Home Mortgage Lending By Income Level of Geography  
Wakonda AA – Table 1 of 2

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	5	100.0	93.2	797	100.0	91.1	3	60.0	93.1	531	61.7	92.5	88.3
Upper	0	0.0	6.8	0	0.0	8.9	2	40.0	6.9	330	38.3	7.5	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>797</b>	<b>100.0</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>861</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	83.7	0	0.0	80.8	5	55.6	91.4	1,103	78.0	89.9	88.3
Upper	4	100.0	16.3	229	100.0	19.2	4	44.4	8.6	312	22.0	10.1	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>229</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,415</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	0	0.0	91.7	0	0.0	93.9	88.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	8.3	0	0.0	6.1	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>													<b>Multi-family Units %</b>
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	98.9
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	1.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>

Total Home Mortgage Loans												Owner Occupied Units %	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	5	50.0	90.5	797	75.9	89.2	12	66.7	92.5	1,773	73.4	92.2	88.3
Upper	5	50.0	9.5	253	24.1	10.8	6	33.3	7.5	642	26.6	7.8	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>10</b>	<b>100.0</b>	<b>100.0</b>	<b>1,050</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,415</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2019 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2018 and 2019 Home Mortgage Lending By Income Level of Geography Wakonda AA – Table 2 of 2													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	92.9	0	0.0	97.4	0	0.0	82.4	0	0.0	71.0	88.3
Upper	0	0.0	7.1	0	0.0	2.6	0	0.0	17.6	0	0.0	29.0	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	69.2	0	0.0	74.0	4	100.0	92.3	139	100.0	87.7	88.3
Upper	1	100.0	30.8	24	100.0	26.0	0	0.0	7.7	0	0.0	12.3	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	66.7	0	0.0	65.3	0	0.0	100.0	0	0.0	100.0	88.3
Upper	0	0.0	33.3	0	0.0	34.7	0	0.0	0.0	0	0.0	0.0	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2019 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography  
Wakonda AA – Table 1 of 2**

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	12	100.0	93.2	1,838	100.0	93.3	11	100.0	93.9	2,507	100.0	92.8	88.3
Upper	0	0.0	6.6	0	0.0	6.5	0	0.0	6.1	0	0.0	7.2	11.7
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>1,838</b>	<b>100.0</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>2,507</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	11	68.8	89.1	1,660	68.7	87.9	3	42.9	89.3	798	46.5	87.6	88.3
Upper	5	31.3	10.8	758	31.3	12.0	4	57.1	10.7	919	53.5	12.4	11.7
Unknown	0	0.0	0.1	0	0.0	0.2	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,418</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>1,717</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	81.3	0	0.0	67.2	0	0.0	82.4	0	0.0	79.3	88.3
Upper	0	0.0	12.5	0	0.0	19.9	0	0.0	17.6	0	0.0	20.7	11.7
Unknown	0	0.0	6.3	0	0.0	12.9	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>												<b>Multi-family Units %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	93.8	0	0.0	99.8	0	0.0	100.0	0	0.0	100.0	98.9
Upper	0	0.0	6.3	0	0.0	0.2	0	0.0	0.0	0	0.0	0.0	1.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>

Total Home Mortgage Loans												Owner Occupied Units %	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	23	82.1	90.8	3,498	82.2	91.2	14	73.7	91.4	3,305	77.1	90.6	88.3
Upper	5	17.9	9.0	758	17.8	8.6	5	26.3	8.6	981	22.9	9.4	11.7
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>4,256</b>	<b>100.0</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>4,286</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2011-2015 U.S. Census Bureau: American Community Survey

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography  
Wakonda AA – Table 2 of 2**

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
<b>Other Purpose LOC</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	0	0.0	86.7	0	0.0	85.3	88.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	13.3	0	0.0	14.7	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Other Purpose Closed/Exempt</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	84.6	0	0.0	91.5	0	0.0	80.0	0	0.0	76.0	88.3
Upper	0	0.0	15.4	0	0.0	8.5	1	100.0	20.0	62	100.0	24.0	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Purpose Not Applicable</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	88.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2018 and 2019 Small Business Lending By Income Level of Geography Wakonda AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	2	25.0	86.3	443	39.6	91.6	1	12.5	86.5	14	1.9	89.2	92.4
Upper	6	75.0	10.1	675	60.4	7.7	7	87.5	10.2	714	98.1	10.1	7.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	3.6	0	0.0	0.7	0	0.0	3.3	0	0.0	0.7	
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>1,118</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>728</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2020 and 2021 Small Business Lending By Income Level of Geography Wakonda AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	11	47.8	90.2	761	53.4	90.5	10	32.3	86.5	426	52.0	90.0	92.7
Upper	12	52.2	8.9	665	46.6	9.1	21	67.7	12.8	393	48.0	9.9	7.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.9	0	0.0	0.4	0	0.0	0.7	0	0.0	0.1	
<b>Total</b>	<b>23</b>	<b>100.0</b>	<b>100.0</b>	<b>1,426</b>	<b>100.0</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>100.0</b>	<b>819</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.



Distribution of 2018 and 2019 Small Farm Lending By Income Level of Geography Wakonda AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000 )	%	%	#	#%	#%	\$(000)	%	%	
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Middle</b>	3	11.1	61.4	405	13.1	59.1	3	10.7	62.6	831	26.4	65.0	66.7
<b>Upper</b>	24	88.9	38.2	2,682	86.9	40.8	25	89.3	37.0	2,312	73.6	34.9	33.3
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.3	0	0.0	0.1	0	0.0	0.4	0	0.0	0.1	
<b>Total</b>	27	100.0	100.0	3,087	100.0	100.0	28	100.0	100.0	3,143	100.0	100.0	100.0

Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2020 and 2021 Small Farm Lending By Income Level of Geography Wakonda AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Middle</b>	6	19.4	66.2	617	22.9	68.7	10	14.3	58.6	711	16.7	66.3	66.8
<b>Upper</b>	25	80.6	33.4	2,083	77.1	31.3	60	85.7	41.4	3,546	83.3	33.7	33.2
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.3	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	31	100.0	100.0	2,700	100.0	100.0	70	100.0	100.0	4,257	100.0	100.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.