



PUBLIC DISCLOSURE

May 9, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank in Sioux Falls
Charter Number: 3393

100 South Phillips Avenue
Sioux Falls, SD 57104

Office of the Comptroller of the Currency

Sioux Falls Field Office
4900 South Minnesota Avenue
Suite 300
Sioux Falls, SD 57108

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION.....	6
SCOPE OF THE EVALUATION.....	7
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	8
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	9
LENDING TEST	9
INVESTMENT TEST	14
SERVICE TEST	15
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of **The First National Bank in Sioux Falls** (FNB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	The First National Bank in Sioux Falls Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* *The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

The major factors that support this rating include:

- Lending activity reflects excellent responsiveness to assessment area (AA) credit needs.
- Management originates and purchases a high percentage of its loans within its AAs.
- The geographic distribution of loans reflects good penetration of geographies in the Sioux Falls Metropolitan Statistical Area (MSA) AA.
- The distribution of loans to borrowers of different income levels and businesses and farms of different sizes is adequate.
- FNB originated 12 qualifying community development (CD) loans totaling \$11.2 million during the evaluation period. This had a positive impact on Lending Test conclusions.
- The level of qualifying CD investments and donations is excellent. Management received credit for 31 CD investments totaling \$11.6 million and 194 donations totaling \$808 thousand during the evaluation period.
- The distribution of FNB’s service delivery systems to geographies and individuals of different income levels is excellent.
- The level of support for qualified CD organizations through community service hours is excellent.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the Metropolitan Area (MA)/AA.

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) have adopted the following additional language as part of the revitalize or stabilize definition of CD. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A CT 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 MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual 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 MA/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: Any MSA or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a MSA that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties, 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 CD.

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

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

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

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

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

Description of Institution

FNB is a \$1.1 billion financial institution headquartered in Sioux Falls, South Dakota. FNB is a wholly-owned subsidiary of Minnehaha Bancshares, Inc., a one-bank holding company located in Sioux Falls, South Dakota. As of December 31, 2015, Minnehaha Bancshares, Inc. had total assets of \$1.2 billion.

FNB is an intrastate bank with 17 offices located throughout Sioux Falls and the immediate surrounding area. FNB operates its main office and 11 branches in Sioux Falls. FNB also has two branches located in Brandon and one branch is located in each of the following towns: Baltic, Dell Rapids, Flandreau, and Harrisburg. FNB did not merge with, acquire, or open or close any branches during the evaluation period.

FNB operates 15 full-service automated teller machines (ATMs) in its AAs. Eleven of the ATMs are located in Sioux Falls and one is located in each of the following towns: Brandon, Dell Rapids, Harrisburg, and Hartford. Each of these ATMs accepts deposits and dispenses cash, as well as sells stamps. FNB also operates 22 cash dispensing ATMs in its AAs. Nineteen of the ATMs are located in Sioux Falls, one is located in Brandon, and two are located in Flandreau.

FNB's primary business focus is commercial lending to small and medium-sized businesses. However, the bank offers a full range of credit products within its AAs, including agricultural, commercial, consumer, and real estate loans. FNB also operates a large trust department and a proprietary ATM switch, known as the Advantage Network.

Net loans represented 65 percent of total assets as of December 31, 2015. By dollar volume, the loan portfolio was comprised of the following types of credit: 45 percent commercial and commercial real estate, 27 percent agricultural, 25 percent residential real estate, and 3 percent other. Tier one capital totaled \$146 million as of December 31, 2015.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. FNB received a "Satisfactory" rating at the prior CRA examination dated April 29, 2013.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2013 to December 31, 2015 for all loans, investments, and services. Market comparisons were based on 2015 peer data.

Data Integrity

We performed onsite verification of data available to the public in the HMDA and CRA loan applicant registers (LARs) filed in 2013, 2014, and 2015. We identified errors in the CT field on the 2013 HMDA and CRA LARs and the 2014 HMDA LAR. Management reviewed each of the impacted LARs and corrected any errors that were identified. Our analysis is based on the corrected LARs.

We reviewed all CD loans, investments, and services submitted by FNB management to ensure they met the regulatory definition of CD. We excluded from this evaluation some items submitted for consideration because they did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the Sioux Falls MSA AA and a limited-scope review of the Moody County AA. The Sioux Falls MSA AA represents 94 percent of the bank's branch locations, 93 percent of loan volume, and 92 percent of deposit volume. Refer to Appendix A for additional information.

Ratings

The bank's overall rating is based primarily on the area that received a full-scope review.

When determining conclusions for the Lending Test, we weighted loan products to be reflective of FNB's loan volume by product type during the evaluation period. We rated small loans to businesses most heavily in our analysis because they represented 53 percent of loan volume, by number and dollar, during the evaluation period. HMDA loans carried the next largest weight and represented 29 percent of loan volume by dollar and 26 percent of loan volume by number during the evaluation period. Among HMDA loan type categories, home purchase loans were the most significant and represented 48 percent of total HMDA loans by number. Small loans to farms carried the least weight in the Lending Test. Small loans to farms represented 21 percent of loan volume by number and 18 percent of loan volume by dollar during the evaluation period.

Other

We interviewed one community contact in conjunction with this examination. The contact was the director of a local organization that provides community services to one of FNB's AAs. The contact stated that small business loans are a primary credit need in the community.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. § 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

FNB's performance under the Lending Test is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Sioux Falls MSA AA is good.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Sioux Falls MSA AA is excellent. Management originated 802 home mortgage loans totaling \$167 million, 1,673 small loans to businesses totaling \$302 million, and 500 small loans to farms totaling \$77 million in the Sioux Falls MSA AA during the evaluation period.

Based on June 30, 2015, FDIC deposit market share data, there were 28 deposit-taking institutions with one or more banking offices in the Sioux Falls MSA AA. Based on the dollar volume of deposits, FNB ranked fifth with a total deposit market share of 0.18 percent.

To analyze FNB's lending activity, we compared the bank's deposit market share with its lending market share for home mortgage loans, small loans to businesses, and small loans to farms. In comparing the market share percentages, we took into consideration that deposit market share information includes only deposit-taking financial institutions that had one or more branches located in the AA while lending market share information includes all institutions that reported one or more home mortgage, small business, or small farm loan during 2014.

FNB's lending market share is excellent compared to its deposit market share in the Sioux Falls MSA AA. Peer small business loan data for 2014 indicates FNB ranked fourth among 52 lenders that reported small business loans with a market share of 11 percent based on number of loans and 29 percent based on dollar of loans. Peer small farm loan data for 2014 indicates FNB ranked first among 16 lenders that reported small farm loans with a market share of 36 percent based on number of loans and 44 percent based on dollar of loans.

Peer home mortgage loan data for 2014 indicates FNB ranked 13th among 139 lenders that reported home purchase loans with a market share of 2 percent based on number of loans and 3 percent based on dollar of loans. FNB ranked 16th among 130 lenders that reported home refinance loans with a market share of 2 percent based on number of loans and 3 percent based on dollar of loans. FNB ranked third among 41 lenders that reported home improvement loans with a market share of 8 percent based on number of loans and 10 percent based on dollar of loans.

Distribution of Loans by Income Level of the Geography

The overall distribution of loans by income level of the geography in the Sioux Falls MSA AA is good. We based our analysis on FNB's performance in moderate-income CTs because the Sioux Falls MSA AA does not include any low-income CTs.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans to CTs of different income levels is adequate.

Home Purchase Loans

The geographic distribution of home purchase loans in the Sioux Falls MSA AA is very poor. FNB originated 6 percent of its home purchase loans to moderate-income CTs. 2010 census data indicated 19 percent of owner-occupied housing units were located in moderate-income CTs. FNB's market share of home purchase loans in moderate-income CTs is 1 percent, which is significantly below its overall home purchase market share of 2 percent.

Home Improvement Loans

The geographic distribution of home improvement loans in the Sioux Falls MSA AA is excellent. FNB originated 19 percent of its home improvement loans to moderate-income CTs. 2010 census data indicated 19 percent of owner-occupied housing units were located in moderate-income CTs. FNB's market share of home improvement loans in moderate-income CTs is 13 percent, which significantly exceeds its overall home improvement market share of 8 percent.

Home Refinance Loans

The geographic distribution of home refinance loans in the Sioux Falls MSA AA is adequate. FNB originated 12 percent of its home refinance loans to moderate-income CTs. 2010 census data indicated 19 percent of owner-occupied housing units were located in moderate-income CTs. FNB's market share of home refinance loans in moderate-income CTs is near 2 percent, which is below its overall home refinance market share of slightly above 2 percent.

Multifamily Loans

The geographic distribution of multifamily loans in the Sioux Falls MSA AA is very poor. FNB originated 22 percent of its multifamily loans to moderate-income CTs. 2010 census data indicated 51 percent of multifamily units were located in moderate-income CTs. FNB's market share of multifamily loans in moderate-income CTs is 0 percent, which is below its overall home refinance market share of 3 percent.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses in the Sioux Falls MSA AA is excellent. FNB originated 40 percent of its small loans to businesses in moderate-income CTs. 2010 census data indicated that 36 percent of small businesses are located in moderate-income CTs. FNB's market share for small loans to businesses in moderate-income CTs is 13 percent, which significantly exceeds its overall market share for small loans to businesses of 11 percent.

Small Loans to Farms

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of small loans to farms in the Sioux Falls MSA AA is very poor. FNB originated 1 percent of its small loans to farms in moderate-income CTs. 2010 census data indicated that 8 percent of small farms are located in moderate-income CTs. FNB's market share for small loans to farms in moderate-income CTs is 14 percent, which is significantly below its overall market share for small loans to farms of 36 percent.

Lending Gap Analysis

Data detailing FNB's lending activity over the evaluation period for home mortgage loans, small loans to businesses, and small loans to farms did not reveal any conspicuous gaps in the bank's lending activity. FNB originated at least one home mortgage, small loan to a business, or small loan to a farm in every CT in the Sioux Falls MSA AA during the evaluation period.

Inside/Outside Ratio

FNB originated or purchased a high percentage of its loans within the bank's AAs during the evaluation period. FNB originated or purchased 81 percent of loans by number and 77 percent of loans by dollar to borrowers located within the bank's AAs. This factored favorably in the overall conclusions regarding the geographic distribution of loans. The inside/outside ratio analysis was performed at the bank level instead of the AA level.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans to borrowers of different income levels in the Sioux Falls MSA AA is adequate.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to low- and moderate-income families in the Sioux Falls MSA AA is adequate. While FNB's performance with home purchase and home refinance loans is poor based on numbers, we considered that penetration of these categories is difficult because many low- and moderate-income borrowers have difficulty qualifying for home mortgage loans due to their limited income in our overall conclusion.

Home Purchase Loans

The distribution of home purchase loans to low- and moderate-income borrowers in the Sioux Falls MSA AA is adequate. FNB originated 5 percent of its home purchase loans to low-income families. 2010 census data indicated 18 percent of AA families are low-income. FNB's market share of home purchase loans to low-income families is 1 percent, which is significantly below its overall market share for home purchase loans of 3 percent.

FNB originated 11 percent of its home purchase loans to moderate-income families. 2010 census data indicated 18 percent of AA families are moderate-income. FNB's market share of home purchase loans to moderate-income families is 1 percent, which is significantly below its overall market share for home purchase loans of 3 percent.

Home Improvement Loans

The distribution of home improvement loans to low- and moderate-income borrowers in the Sioux Falls MSA AA is good. FNB originated 7 percent of its home improvement loans to low-income families. 2010 census data indicated 18 percent of AA families are low-income. FNB's market share of home improvement loans to low-income families is 13 percent, which significantly exceeds its overall market share for home improvement loans of 8 percent.

FNB originated 15 percent of its home improvement loans to moderate-income families. 2010 census data indicated 18 percent of AA families are moderate-income. FNB's market share of home purchase loans to moderate-income families is 6 percent, which is below its overall market share for home improvement loans of 8 percent.

Home Refinance Loans

The distribution of home refinance loans to low- and moderate-income borrowers in the Sioux Falls MSA AA is adequate. FNB originated 4 percent of its home refinance loans to low-income families, while 2010 census data indicated 18 percent of AA families are low-income. FNB's market share of home refinance loans to low-income families is 0.4 percent, which is significantly below its overall market share for home refinance loans of 2 percent.

FNB originated 16 percent of its home refinance loans to moderate-income families. 2010 census data indicated 18 percent of AA families are moderate-income. FNB's market share of home refinance loans to moderate-income families is 1 percent, which is significantly below its overall market share for home refinance loans of 2 percent.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of small loans to businesses with revenues of \$1 million or less in the Sioux Falls MSA AA is adequate. FNB originated 61 percent of its small loans to businesses with revenues of \$1 million or less. 2010 census data indicated that 77 percent of businesses in the AA have annual revenues of \$1 million or less. FNB's market share for small loans to businesses with revenues of \$1 million or less is 13 percent, which significantly exceeds its overall market share for small loans to businesses of 11 percent.

Small Loans to Farms

Refer to Table 12 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The distribution of small loans to farms with revenues of \$1 million or less in the Sioux Falls MSA AA is adequate. FNB originated 82 percent of its small loans to farms with revenues of \$1 million or less. 2010 census data indicated that 99 percent of farms in the AA have annual revenues of \$1 million or less. FNB's market share for small loans to farms with revenues of \$1 million or less is 41 percent, which significantly exceeds its overall market share for small loans to farms of 36 percent.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The volume of CD lending is excellent. CD lending had a positive impact on Lending Test conclusions. FNB originated 12 qualifying CD loans totaling \$11.2 million in the Sioux Falls MSA AA during the evaluation period. This represents 7.66 percent of tier one capital as of December 31, 2015. CD loans were responsive to a variety of community needs. Eight of the CD loans supported economic development activities, two provided funding for affordable housing, one supported revitalization activities in a moderate-income CT, and one provided funding to an agency that provides community services to low- and moderate-income individuals.

Product Innovation and Flexibility

FNB makes use of flexible lending programs in a safe and sound manner to address the credit needs of low- and moderate-income individuals and small businesses and farms. Participation in these programs had a positive impact on Lending Test conclusions.

Flexible home mortgage lending programs include the South Dakota Housing Development Authority, the South Dakota Housing Development Authority Mortgage Assistance Program, and the Flandreau Santee Sioux Tribe Home Improvement Program. Flexible loan programs

for small businesses and farms include the Inspiration Pool, several types of Small Business Association loans, and Farm Service Agency guarantees.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, FNB's performance under the Lending Test in the Moody County AA is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

FNB's performance under the Investment Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Sioux Falls MSA AA is excellent. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

FNB's dollar volume of qualifying investments and donations demonstrates excellent response to community needs and opportunities. Donations and investments, both prior period and current, in the Sioux Falls MSA AA totaled \$6.4 million during the evaluation period. This represents 4.40 percent of tier one capital as of December 31, 2015.

Management purchased six bonds totaling \$5.2 million that benefited the Sioux Falls MSA AA during the evaluation period. The bonds helped revitalize and stabilize moderate-income CTs in the AA by providing permanent job creation. Management also received CD consideration for six bonds totaling \$405 thousand purchased in prior evaluation periods and still outstanding. The bonds supported affordable housing and economic development projects.

Management made 180 donations totaling \$794 thousand to 38 qualified CD organizations in the Sioux Falls MSA AA during the evaluation period. FNB's donations supported a variety of organizations meeting various community needs. Of particular note were \$273 thousand in donations to an organization providing support to several qualified community service organizations, \$45 thousand in donations to an organization providing services to children and adults with disabilities, \$45 thousand in donations to an organization providing affordable housing, and \$33 thousand in donations to an organization providing meals to low- and moderate-income families.

In addition to the investments and donations noted above, FNB supported CD activities in the statewide area that included the Sioux Falls MSA AA during the evaluation period. Donations and investments, both prior period and current, in the statewide area that included the Sioux Falls MSA AA totaled \$3.1 million. This represents 2.09 percent of tier one capital as of December 31, 2015.

Management purchased two bonds totaling \$3 million that supported affordable housing for low- and moderate-income families in South Dakota, which included the Sioux Falls MSA AA, during the evaluation period. Management also received credit for one bond totaling \$45

thousand purchased in a prior evaluation period and still outstanding. The bond supported affordable housing.

Management made 12 donations totaling \$9 thousand to one qualified CD organization that supports economic development activities in South Dakota, which included the Sioux Falls MSA AA, during the evaluation period.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, FNB's performance under the Investment Test in the Moody County AA is weaker than the bank's overall performance due to the limited CD opportunities in the rural AA. FNB's performance in the Moody County AA did not impact the overall Investment Test rating of "Outstanding". Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

FNB's performance under the Service Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Sioux Falls MSA AA is excellent.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's service delivery systems are readily accessible to all CT geographies and individuals of different income levels throughout the Sioux Falls MSA AA. Six of FNB's 16 branches, including the bank's main branch, are located in moderate-income CTs in the Sioux Falls MSA AA. This represents 38 percent of bank branches and compares favorably to the percent of population living in moderate-income areas. According to 2010 census information, 26 percent of the AA's population lives in moderate-income CTs. FNB did not open or close any branches during the evaluation period.

There were no material differences in the hours of operation or services offered at branches across geographies of different income levels in the Sioux Falls MSA AA. Lobby and drive-up hours are similar between all full service branches. Five branches, including two in moderate-income CTs, offer drive-up hours on Saturdays. Three branches, including two in moderate-income CTs, also offer limited drive-up hours on holidays. FNB offers low-cost checking and savings accounts at all branches. Initial contact for all loan products, including consumer, home mortgage, commercial, and agricultural, can be made at any branch. Consumer lenders are located at all branches, with the exception of the branches located in assisted living and retirement communities; however, they will travel to those branches upon request. Commercial, agricultural, and home mortgage applications are forwarded to the applicable lenders located at various branches throughout the Sioux Falls MSA AA.

FNB's ATM network serves as a good alternative for delivery retail banking services to low- and moderate-income individuals and geographies. FNB operated 35 ATMs in the Sioux Falls

MSA AA as of December 31, 2015. Fifteen of the ATMs are full service and 20 of the ATMs are cash dispensing. Eight of the full service ATMs, or 53 percent, are located in moderate-income CTs. Ten of the cash dispensing ATMs, or 45 percent, are also located in moderate-income CTs. Both of these compare favorably to the percent of the population living in moderate-income areas. In addition to the ATM network, FNB offers telephone, online, and mobile banking.

Community Development Services

FNB provided an excellent level of CD services by participating in a variety of organizations that provide community services to low- and moderate-income individuals, promote economic development, provide affordable housing, and revitalize and stabilize low- and moderate-income geographies. Seventy-five members of management lent their expertise to 23 qualified CD organizations benefiting the Sioux Falls MSA AA during the evaluation period. Additionally, three members of management provided service hours to three organizations that supported qualified CD activities in the State of South Dakota, which included the Sioux Falls MSA AA.

Of the services provided, 18 supported organizations providing community services to low- and moderate-income individuals, four supported organizations providing economic development assistance, three support affordable housing organizations, and one supported an organization striving to revitalize or stabilize moderate-income geographies.

Many members of management provided service hours to a specific organization for several of the years in the evaluation period and multiple bank representatives assumed leadership roles within organizations. The following are examples of some of the CD services provided to the Sioux Falls MSA AA during the evaluation period:

- President and Chief Executive Officer Baker demonstrated the bank's commitment to supporting the community by providing service hours to six qualified organizations during the evaluation period. President Baker served as a leader in the inaugural fundraising drive to open the Bishop Dudley Hospitality House and was instrumental in the creation of a CD Corporation for the Transitional Living Corporation.
- A mortgage loan servicing representative at FNB serves on the Board of Directors and Marketing Committee for an affordable housing agency. In 2015, the employee translated the organization's website into Spanish.
- FNB's marketing manager serves as a member of the Marketing Committee for Downtown Sioux Falls and assists with promotions, design, and public relations for the organization working to revitalize moderate-income CTs in the AA.
- Three members of FNB's audit department, including the Audit Manager, supported the United Way during the evaluation by auditing 2015 campaign contributions.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, FNB's performance under the Service Test in the Moody County AA is weaker than the bank's overall performance due to the limited CD opportunities in the rural AA. FNB's performance in the Moody County AA did not impact the overall Service Test rating of "Outstanding". Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-MAs that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 1/1/13 to 12/31/15 Investment and Service Tests and CD Loans: 1/1/13 to 12/31/15	
Financial Institution	Products Reviewed	
The First National Bank in Sioux Falls (FNB) Sioux Falls, South Dakota	Home mortgage loans, Small loans to businesses and farms, Community Development loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Sioux Falls MSA AA	Full-Scope	Includes Minnehaha and Lincoln counties in South Dakota
Moody County AA	Limited-Scope	Includes Moody County in South Dakota

Appendix B: Market Profiles for Full-Scope Areas

Sioux Falls MSA AA

Demographic Information for Full-Scope Area: Sioux Falls MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	53	0.00	26.42	50.94	22.64	0.00
Population by Geography	214,296	0.00	26.06	50.94	23.00	0.00
Owner-Occupied Housing by Geography	55,160	0.00	19.40	54.78	25.82	0.00
Businesses by Geography	17,234	0.00	35.61	42.97	21.42	0.00
Farms by Geography	1,270	0.00	7.64	70.31	22.05	0.00
Family Distribution by Income Level	54,233	17.76	17.81	26.15	38.28	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	19,288	0.00	38.95	48.26	12.79	0.00
Median Family Income	= \$66,496					
HUD Adjusted Median Family Income for 2015	= \$71,000					
Households Below the Poverty Level	= 8.77%					
				Median Housing Value	= \$150,614	
				Unemployment Rate	= 2.10%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census and 2015 HUD updated MFI.

The Sioux Falls MSA consists of Lincoln, McCook, Minnehaha, and Turner counties in Eastern South Dakota. FNB does not consider McCook or Turner counties as part of its AA because it does not have a branch or ATM located in those counties. The information in the above table is limited to FNB's AA of Minnehaha and Lincoln counties.

The Sioux Falls MSA AA includes FNB's main office, 15 branches, and 35 ATMs. As of June 30, 2015, 92 percent of the bank's deposits were attributed to this AA. Over the evaluation period, FNB originated 93 percent of its reported loans in the Sioux Falls MSA AA.

FNB's deposits in the Sioux Falls MSA AA totaled \$799 million as of June 30, 2015. Based on FDIC market share data as of that date, FNB was the fifth largest deposit-taking financial institution in the AA among 28 area institutions with a market share of 0.18 percent. Two large banks with a national presence control a substantial majority of the deposit market share in the AA.

FNB's primary business focus is commercial lending to small and medium-sized businesses. However, the bank offers a full range of credit products within its AAs, including agricultural, commercial, consumer, and real estate loans. FNB also operates a large trust department and a proprietary ATM switch, known as the Advantage Network.

Competition in the Sioux Falls MSA AA is strong. As of June 30, 2015, there were 28 deposit-taking financial institutions with 126 banking offices located in the Sioux Falls MSA AA. Major competitors include large national banks such as Citibank, N.A. and Wells Fargo Bank, N.A. and regional banks such as First Premier Bank, Great Western Bank, and TCF National Bank.

Economic conditions in Sioux Falls were good during the evaluation period, especially when compared to the national economic picture. According to the Bureau of Labor Statistics, as of April 2016, the unemployment rate in the Sioux Falls MSA was 2.10 percent. This compares favorably to the State wide unemployment rate of 2.50 percent and the national unemployment rate of 4.70 percent. Additionally, the City of Sioux Falls issued a record level of building permits in each of the years during the evaluation period. Major employers in Sioux Falls include two hospitals, a meat processing plant, and two large banks.

We reviewed one recent community contact in conjunction with this examination. The contact is the executive director of a local affordable housing agency. The contact noted Sioux Falls has been growing and economic conditions are positive. The contact stated affordable housing and financial education were CD opportunities available in the Sioux Falls MSA AA and that banks do a good job of participating in CD activities when approached by community organizations.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no CT is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. CD loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: SOUTH DAKOTA						Evaluation Period: January 1, 2013 to December 31, 2015				
Assessment Area:	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Sioux Falls MSA AA	90.54	802	167,229	1,673	302,126	500	76,845	12	11,185	2,987	557,385	91.48
Limited Review:												
Moody County AA	9.46	53	4,131	75	9,489	183	27,256	0	0	311	40,876	8.52

^{*} Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

^{**} The evaluation period for Community Development Loans is from January 1, 2013 to December 31, 2015.

^{***} Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: SOUTH DAKOTA						Evaluation Period: January 1, 2013 to December 31, 2015						
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Sioux Falls MSA AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	91.48
Limited Review:														
Moody County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	8.52

* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2013 to December 31, 2015.

*** Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: SOUTH DAKOTA		Evaluation Period: January 1, 2013 to December 31, 2015	
Assessment Area (2015):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Sioux Falls MSA AA	0	0	0	0	0
Limited Review:					
Moody County AA	0	0	0	0	0

* The evaluation period for Optional Product Line(s) is from January 01, 2013 to December 31, 2015.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	398	96.37	0.00	0.00	19.40	5.53	54.78	51.51	25.82	42.96	2.13	0.00	1.03	1.96	3.03
Limited Review:															
Moody County AA	15	3.63	0.00	0.00	0.00	0.00	41.19	93.33	58.81	6.67	7.14	0.00	0.00	16.67	0.00

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Home improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	91	79.13	0.00	0.00	19.40	18.68	54.78	56.04	25.82	25.27	8.10	0.00	12.96	6.98	8.33
Limited Review:															
Moody County AA	24	20.87	0.00	0.00	0.00	0.00	41.19	75.00	58.81	25.00	68.18	0.00	0.00	73.33	57.14

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: SOUTH DAKOTA						Evaluation Period: January 1, 2013 to December 31, 2015						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	304	96.20	0.00	0.00	19.40	12.17	54.78	48.68	25.82	39.14	2.18	0.00	1.83	1.75	3.19
Limited Review:															
Moody County AA	12	3.80	0.00	0.00	0.00	0.00	41.19	66.67	58.81	33.33	8.51	0.00	0.00	18.75	3.23

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% MF Units***	% Bank Loans****	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	9	81.82	0.00	0.00	51.03	22.22	35.99	77.78	12.97	0.00	3.03	0.00	0.00	6.45	0.00
Limited Review:															
Moody County AA	2	18.18	0.00	0.00	0.00	0.00	85.45	100.00	14.55	0.00	100.00	0.00	0.00	100.0	0.00

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% Bank Loans***	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	1,673	95.71	0.00	0.00	35.61	40.11	42.97	43.51	21.42	16.38	11.01	0.00	12.80	11.75	8.44
Limited Review:															
Moody County AA	75	4.29	0.00	0.00	0.00	0.00	54.16	69.33	45.84	30.67	30.10	0.00	0.00	50.00	16.36

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: SOUTH DAKOTA						Evaluation Period: January 1, 2013 to December 31, 2015						
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% Bank Loans****	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	500	73.21	0.00	0.00	7.64	1.00	70.31	77.00	22.05	22.00	35.58	0.00	14.29	33.07	47.92
Limited Review:															
Moody County AA	183	26.79	0.00	0.00	0.00	0.00	17.43	15.85	82.57	84.15	37.74	0.00	0.00	43.48	36.76

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families	% Bank Loans****	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	398	96.37	17.76	4.80	17.81	11.02	26.15	21.47	38.28	62.71	2.50	1.25	1.24	1.99	4.48
Limited Review:															
Moody County AA	15	3.63	10.16	15.38	17.54	0.00	25.94	15.38	46.36	69.23	7.41	0.00	0.00	0.00	13.33

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: SOUTH DAKOTA						Evaluation Period: January 1, 2013 to December 31, 2015						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families	% Bank Loans****	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	91	79.13	17.76	7.41	17.81	14.81	26.15	24.69	38.28	53.09	8.00	13.33	5.61	5.26	9.80
Limited Review:															
Moody County AA	24	20.87	10.16	13.04	17.54	21.74	25.94	26.09	46.36	39.13	66.67	75.00	50.00	71.43	66.67

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: SOUTH DAKOTA								Evaluation Period: January 1, 2013 to December 31, 2015					
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families	% Bank Loans****	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sioux Falls MSA AA	304	96.20	17.76	4.17	17.81	15.53	26.15	20.45	38.28	59.85	2.35	0.42	1.37	1.81	3.82
Limited Review:															
Moody County AA	12	3.80	10.16	9.09	17.54	9.09	25.94	27.27	46.36	54.55	11.76	50.00	0.00	0.00	23.08

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: SOUTH DAKOTA			Evaluation Period: January 1, 2013 TO December 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or Less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% Bank Loans ^{****}	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less
Full Review:									
Sioux Falls MSA AA	1,673	95.71	77.10	60.73	57.68	19.96	22.36	11.01	13.10
Limited Scope:									
Moody County AA	75	4.29	77.91	68.00	66.67	18.67	14.67	30.10	40.00

^{*} Based on 2014 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.57% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: SOUTH DAKOTA			Evaluation Period: January 1, 2013 TO December 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or Less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less
Full Review:									
Sioux Falls MSA AA	500	73.21	98.58	82.00	53.20	27.00	19.80	35.58	40.83
Limited Scope:									
Moody County AA	183	26.79	99.08	82.51	51.37	30.05	18.58	37.74	51.55

* Based on 2014 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.57% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: SOUTH DAKOTA				Evaluation Period: January 1, 2013 to December 31, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Sioux Falls MSA AA	6	405	186	6,013	192	6,418	51.62	0	0
Limited Review:									
Moody County AA	7	930	9	2,026	16	2,956	23.77	0	0
Statewide with Benefit to Sioux Falls MSA AA	1	45	14	3,010	15	3,055	24.57	0	0
Out of Area	0	0	2	5	2	5	0.04	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: SOUTH DAKOTA Evaluation Period: January 1, 2013 to December 31, 2015																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Sioux Falls MSA AA	91.48	16	94.12	0.00	37.50	43.75	18.75	0	0	0	0	0	0	0.00	26.06	50.94	23.00
Limited Review:																	
Moody County AA	8.52	1	5.88	0.00	0.00	100.0	0.00	0	0	0	0	0	0	0.00	0.00	48.92	51.08

