



## **PUBLIC DISCLOSURE**

March 7, 2022

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

First National Bank in Philip  
Charter Number: 10637

103 East Oak Street  
Philip, SD 57567

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.

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## Overall CRA Rating

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

**The Lending Test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on the performance in the State of South Dakota. First National Bank (FNB or bank) has two assessment areas (AAs) in the State of South Dakota, Philip and Faith. AA weightings were determined through an analysis of the number of offices, market share, and deposit and loan volumes within each AA during the evaluation period.
- Performance under the Lending Test is outstanding. The distribution of farm loans to borrowers in geographies of different income levels reflects excellent distribution of AA demographics. The distribution of loans to farms of different income levels reflects reasonable distribution of AA demographics.

In addition to the activities considered at the AA level, we considered the following activities at the bank-wide level:

- The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and credit needs of the AAs.
- Management originated a substantial majority of loans, 83 percent by number, inside the bank's AAs during the evaluation period.
- FNB offers traditional loan and deposit products and services to all customers, including small businesses, small farms, and low- and moderate-income (LMI) individuals. These products include checking accounts with low average daily balance requirements, savings accounts with low opening deposit requirements, certificates of deposits, individual retirement accounts, and online banking.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD is more than reasonable.

FNB's average LTD ratio for the 16 quarters between January 1, 2018 and December 31, 2021, was 78 percent. The ratio ranged from a quarterly low of 60 percent to a quarterly high of 93 percent. Agriculture cyclicity coupled with COVID-19 impacts in 2020 and 2021 led to the variations experienced by FNB.

We compared FNB's LTD ratio to four similarly situated banks operating in the same AAs with total assets between \$59 million and \$1.5 billion. FNB's average LTD ratio exceeds the comparable bank's average LTD ratio of 57 percent. The comparable bank's LTD ratio ranged from an average quarterly low of 40 percent to an average quarterly high of 80 percent.

## Lending in Assessment Area

A substantial majority of the bank’s loans are inside its AAs.

Management originated and purchased 83 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Agriculture	33	83	7	18	40	6,308	78	1,817	22	8,125
Total	33	83	7	18	40	6,308	78	1,817	22	8,125

## Description of Institution

FNB is a single-state financial institution headquartered in Philip, South Dakota. As of December 31, 2021, FNB had \$360 million in total assets and \$42 million in tier one capital. FNB is wholly owned by Philip Bancorporation, Inc., a one-bank holding company, also located in Philip, South Dakota. Philip Bancorporation, Inc. had total assets of \$43 million as of December 31, 2021.

FNB operates in one rating area and two AAs. FNB’s rating area is the State of South Dakota. The AAs are the Philip AA and the Faith AA. The Philip AA is not part of a metropolitan statistical area (MSA) and consists of seven census tracts (CTs) across five counties. The Faith AA is part of the Rapid City MSA and consists of four CTs in Meade County. The AAs meet regulatory requirements and do not arbitrarily exclude LMI CTs.

FNB is a full-service community bank that offers traditional deposit and lending products and services. FNB operates from its main branch in Philip, South Dakota and has one branch in Faith, South Dakota. Management also operates two cash-dispensing automated teller machines (ATMs) in Philip and one in Faith. There were no mergers or acquisitions during the evaluation period. Management’s lending strategy focuses on agricultural loans. Product offerings are consistent across bank locations. As of December 31, 2021, the loan portfolio totaled \$192 million and represented 53 percent of total assets. Based on outstanding dollar volume, the portfolio breakdown was 46 percent agricultural, 41 percent real estate, 12 percent commercial, and 1 percent consumer. Management originated approximately 600 Paycheck Protection Program loans in 2020 and 2021 to support local borrower needs during the COVID-19 pandemic.

There are no known legal, financial, or other factors impeding the bank’s ability to meet the credit needs of its AAs. FNB received an Outstanding rating in its prior CRA Performance Evaluation dated January 7, 2019.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNB using the Small Bank CRA examination procedures, which are limited to the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The evaluation period is January 1, 2019 to December 31, 2021. To determine the bank's primary loan products, we analyzed both the number and dollar volume of loans originated and purchased during the evaluation period by loan product type. We completed this analysis for each AA based on the branch where the loans were originated. We determined agriculture loans are the primary product in FNB's AAs. Refer to Appendix A, Scope of Examination, for a list of primary products identified in each AA.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of the state ratings and, where applicable, multistate ratings.

Given FNB has operations in a single state, all weight was applied to the State of South Dakota rating.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

# State Rating

## State of South Dakota

**CRA rating for the State of South Dakota:** Outstanding

**The Lending Test is rated:** Outstanding

The major factors that support this rating include:

- The distribution of farm loans to borrowers in geographies of different income levels reflects excellent distribution of AA demographics.
- The distribution of loans to farms of different income levels reflects reasonable distribution of AA demographics.

## Description of Institution's Operations in South Dakota

FNB operates in two AAs in South Dakota: Philip AA and Faith AA. Product and service offerings are consistent across the AAs.

### Philip AA

The Philip AA includes Dewey County, Haakon County, Jackson County, Perkins County, and Ziebach County. FNB's AA includes all CTs in these counties. FNB operates one branch and two ATMs in this AA. The branch is located in Philip, South Dakota.

The AA accounted for 83 percent of the bank's deposits by dollar volume as of June 30, 2021, and 92 percent of the bank's loans originated by dollar volume during the evaluation period. The primary lending product in the Philip AA is agriculture loans.

The Philip AA includes seven CTs. Three of the CTs are moderate-income and four are middle-income. Seventeen thousand people, or 7 thousand households, lived in the AA in 2015.

The Philip AA includes 2 thousand businesses. Seventy-seven percent of the businesses are non-farm businesses and 71 percent employ fewer than five people.

The economy in the Philip AA fluctuated during the evaluation period. According to the Bureau of Labor Statistics (BLS), the average unemployment rate for the five counties included in the AA decreased from 5 percent in January 2019 to 3 percent in December 2021. The highest local unemployment rate during the evaluation period was 17 percent in Dewey County in July 2019 and the lowest unemployment rate was 1 percent in Haakon County in July 2020. Major areas of employment for this AA include the service industry and agriculture, forestry, and fishing industries.

Competition in the Philip AA is moderate and includes national, regional, and local community banks. As of June 30, 2021, there were eight institutions with 11 banking offices located in the Philip AA. FNB reported \$239 million in deposits in the Philip AA as of June 30, 2021, which ranked second in deposit market share with a market share of 21 percent.

We referenced two community contacts in the Philip AA. The contacts work for organizations that support agricultural lending and economic growth. The contacts identified the agriculture industry as the primary economic driver in the area. The contacts stated that economic conditions in the area are stable. The contacts did not identify any specific unmet credit needs in the AA. One contact identified affordable housing as a community need.

#### Faith AA

The Faith AA includes Meade County, which is included in the Rapid City MSA. FNB's AA includes Meade County with the exception of CT 204. Management excludes CT 204 from the bank's AA due to the distance from the bank's branches and opportunities in the CT. FNB operates one branch and one ATM in this AA. The branch is located in Faith, South Dakota.

The AA accounted for 17 percent of the bank's deposits by dollar volume as of June 30, 2021, and 8 percent of the bank's loans originated by dollar volume during the evaluation period. The primary lending product in the Faith AA is agriculture loans.

The Faith AA includes four CTs. All the CTs are middle-income. Twenty thousand people, or 8 thousand households, lived in the AA in 2015

The Faith AA includes two thousand businesses. Ninety percent of the businesses are non-farm businesses and 69 percent employ fewer than five people.

The economy in the Faith AA fluctuated during the evaluation period. According to the BLS, the unemployment rate for Meade County decreased from 4 percent in January 2019 to 2 percent in December 2021. The highest unemployment rate during the evaluation period was 12 percent in April 2020 and the lowest unemployment rate was 2 percent in September, November, and December of 2021. Major areas of employment for this AA include the service industry, construction industry, and agriculture, forestry, and fishing industries.

Competition in the Faith AA is moderate and includes national and regional banks. As of June 30, 2021, there were five institutions with five banking offices located in the Faith AA. FNB reported \$49 million in deposits in the Philip AA as of June 30, 2021, which ranked third in deposit market share with a market share of 13 percent.



# Philip AA

**Table A – Demographic Information of the AA**

**AA: Philip AA**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs)	7	0.0	42.9	57.1	0.0	0.0
Population by Geography	16,713	0.0	44.3	55.7	0.0	0.0
Housing Units by Geography	7,034	0.0	34.6	65.4	0.0	0.0
Owner-Occupied Units by Geography	3,633	0.0	27.7	72.3	0.0	0.0
Occupied Rental Units by Geography	2,010	0.0	52.2	47.8	0.0	0.0
Vacant Units by Geography	1,391	0.0	27.0	73.0	0.0	0.0
Businesses by Geography	1,219	0.0	19.3	80.7	0.0	0.0
Farms by Geography	372	0.0	11.0	89.0	0.0	0.0
Family Distribution by Income Level	3,903	31.4	19.7	20.7	28.2	0.0
Household Distribution by Income Level	5,643	29.6	17.5	18.5	34.4	0.0
Median Family Income Non-MSAs - SD		\$60,845	Median Housing Value			\$66,274
			Median Gross Rent			\$487
			Families Below Poverty Level			20.6%

Source: 2015 ACS Census and 2021 D&B data

Due to rounding, totals may not equal 100.0

(\*) The NA category consists of geographies that have not been assigned an income classification.

## Faith AA

Table A – Demographic Information of the AA						
AA: Faith AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	4	0.0	0.0	100.0	0.0	0.0
Population by Geography	19,668	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	8,047	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,928	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,560	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	559	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,980	0.0	0.0	100.0	0.0	0.0
Farms by Geography	226	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,870	17.0	20.5	25.2	37.3	0.0
Household Distribution by Income Level	7,488	14.8	15.1	24.1	46.0	0.0
Median Family Income MSA - 39660 Rapid City, SD MSA		\$63,471	Median Housing Value			\$162,841
			Median Gross Rent			\$942
			Families Below Poverty Level			6.3%
<i>Source: 2015 ACS Census and 2021 D&amp;B data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in South Dakota

FNB operates two AAs in South Dakota. We completed a full-scope review of the Philip AA. We completed a limited-scope review of the Faith AA. The State of South Dakota rating is based primarily on the results of the Philip AA. We determined the weight for each AA through an analysis of the number of offices, market share, and deposit and loan volumes in each AA during the evaluation period.

## LENDING TEST

The bank's performance under the Lending Test in State of South Dakota is rated Outstanding.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Philip AA is reasonable.

## Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State.

### ***Small Loans to Farms***

Refer to Table S in the state of South Dakota section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The distribution of farm loans to borrowers in geographies of different income levels in the Philip AA is excellent. There are no low-income CTs and three moderate-income CTs in the Philip AA. Management originated 15 percent of loans by number to farms located in moderate-income CTs. Aggregate data indicates 7 percent of farm loans were made to farms located in moderate-income CTs during the evaluation period. 2021 D&B data indicates 11 percent of farms in the AA were located in moderate-income CTs during the evaluation period.

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

The bank exhibits a reasonable distribution of loans to farms of different sizes, given the product lines offered by the bank.

### ***Small Loans to Farms***

Refer to Table T in the state of South Dakota section of appendix D 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 loans to farms of different income levels in the Philip AA is reasonable. Management originated 90 percent of loans to farms with gross annual revenues (GAR) of \$1 million or less in the AA during the evaluation period. Aggregate data indicates 84 percent of farm loans were made to farms with GAR of \$1 million or less during the evaluation period. 2021 D&B data indicates 99 percent of farms reported GAR of \$1 million or less in the AA during the evaluation period.

### **Responses to Complaints**

Management did not receive any complaints related to FNB's CRA performance in South Dakota during the evaluation period

### **Conclusions for Area Receiving a Limited Scope Review**

Based on a limited-scope review, the bank's performance under the Lending Test in the Faith AA is stronger than the bank's overall performance under the Lending Test in the full scope area. Borrower distribution of loans to farms of different income levels is stronger than performance in the Philip AA. A geographic distribution analysis was not conducted for the Faith AA because there are no LMI CTs in the AA.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	1/1/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Farm loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of South Dakota</b>		
Philip AA (South Dakota Non-MSA)	Full-scope	Includes Dewey County, Haakon County, Jackson County, Perkins County, and Ziebach County. Primary product is agriculture loans.
Faith AA (Rapid City MSA)	Limited-scope	Includes Meade County with the exception of CT 204. Primary product is agriculture loans.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS: FIRST NATIONAL BANK IN PHILIP	
Overall Bank:	Lending Test Rating:
First National Bank in Philip	Outstanding
State:	
South Dakota	Outstanding

## Appendix C: Definitions and Common Abbreviations

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

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

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. CTs ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have GAR of \$1 million or less; or activities that revitalize or stabilize LMI geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with

the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

**Geography:** A 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A CT with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The 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 or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

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

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

**Rating Area:** A rated area is a state or multi-state 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state MSA.

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

**Small Loan(s) to Farm(s):** 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 are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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



## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate 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 assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

## State of South Dakota

**Table S: AA Distribution of Loans to Farms by Income Category of the Geography 2019-2021**

AA:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Philip AA	20	4,230	100.0	439	0.0	0.0	0.0	11.0	15.0	6.8	89.0	85.0	93.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>4,230</b>	<b>100.0</b>	<b>558</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.9</b>	<b>15.0</b>	<b>5.4</b>	<b>93.1</b>	<b>85.0</b>	<b>94.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

**Table T: AA Distribution of Loans to Farms by Gross Annual Revenues 2019-2021**

AA:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Faith AA	20	2,186	34.1	119	100.0	100.0	79.0	0.0	0.0	0.0	0.0
Philip AA	20	4,230	65.9	439	98.9	90.0	84.1	0.5	10.0	0.5	0.0
<b>Total</b>	<b>40</b>	<b>6,416</b>	<b>100.0</b>	<b>558</b>	<b>99.3</b>	<b>95.0</b>	<b>83.0</b>	<b>0.3</b>	<b>5.0</b>	<b>0.3</b>	<b>0.0</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0