



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 19, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dakota Community Bank, National Association
Charter Number: 24604

609 Main Street
Hebron, ND 58638

Office of the Comptroller of the Currency

MINNEAPOLIS Field Office
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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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The factors supporting this rating include:

- A substantial majority of loans are made in the bank’s assessment areas (AA).
- The distribution of loans to borrowers of different incomes, and businesses and farms of different sizes is satisfactory.
- The geographic distribution of loans in moderate-income tracts throughout the two AAs is satisfactory.
- The bank demonstrates responsiveness to the needs of the communities it serves.

Scope of Examination

We evaluated Dakota Community Bank N.A.’s (DCB) Community Reinvestment Act (CRA) performance. We based our examination on a review of the bank’s primary loan products. The evaluation period includes originations and purchases made during 2008 and 2009. The following table depicts the volume of loans made during this time period. The evaluation period for community development (CD) activity was November 15, 2006 through January 19, 2010.

| Table 1: DCB Loan Originations and Purchases in 2008 and 2009 | | |
|--|--------------------|---------------------|
| <i>Loan Type</i> | <i>Volume by #</i> | <i>Volume by \$</i> |
| Commercial Loans | 19.25% | 30.24% |
| Agricultural Loans | 33.58% | 34.44% |
| Home Mortgage Loans | 19.36% | 31.51% |
| Consumer Loans | 27.81% | 3.81% |

For purposes of this evaluation, the primary loan types are small loans to businesses and farms (loans with an origination value of \$1 million or less), and home mortgage loans. These three products represent over 72% by number and 96% by dollar volume of loans originated and purchased.

Our evaluation of small loans to businesses and farms is based on a sample of business and agricultural loans from each AA. Our samples included 20 loans from each AA for each loan type or 80 total loans.

Since DCB submits residential real estate information as required by HMDA, all these loans were included in our analysis. A data integrity review was conducted to ensure the accuracy of the reported information. Of the HMDA reportable loans, home

purchase is the bank's leading product at 55%, followed by home mortgage refinance at 38%. Home improvement loans represent 7% of HMDA reportable loans.

Description of Institution

DCB is chartered in Hebron, North Dakota. This bank is an intrastate bank with locations throughout western North Dakota and in the Bismarck Metropolitan Statistical Area (MSA). In addition to the main office in Hebron, branches are located in Bismarck, Mandan, Lincoln, New Leipzig, Glen Ullin, Dickinson, Taylor, and Bowman. DCB has a total of 43 automated teller machines (ATMs) throughout the two AAs. None of the ATMs are deposit-taking.

DCB's total assets as of December 31, 2009 were \$387 million. The bank is 100% owned by Dakota Community Bانشares, Inc. which is also headquartered in Hebron, North Dakota. Affiliates include S&P Partnership LLC, an investment firm and Dakota Reinsurance Limited, an insurance company.

The bank's primary lending focus is commercial and residential real estate in the Bismarck MSA AA and agriculture in the North Dakota Non-MSA AA. As of December 31, 2009, agricultural production and agricultural real estate loans account for 43% of total loans, commercial and commercial real estate loans represent 35%, residential real estate 16%, and individual consumer loans 6%. Net loans represent 79% of total assets and Tier One Capital for the bank is 8% or \$31.2 million.

There are no legal impediments that would restrict DCB's ability to meet the credit needs of its communities. The most recent CRA examination for this bank is dated November 15, 2006, when it was assigned an "Outstanding" rating.

Description of Assessment Areas

Bismarck MSA AA

The Bismarck MSA AA includes the cities of Bismarck and Mandan which are respectively located in Burleigh and Morton counties. DCB has six locations within the MSA - two in Bismarck, one in Mandan, one in Lincoln, one in Glen Ullin, and one in Hebron. The AA meets the requirements of the regulation.

Based on the 2000 census data, there are 21 census tracts (CT) in the MSA. None of the tracts are low-income, four are moderate-income, 15 are middle-income, and two are upper-income. The 2009 estimated median family income is \$66,800.

The MSA has a diverse economic base. The health care industry is the leading employer accounting for over 7,300 jobs. Federal, state, and local government employs the second largest number of individuals with 6,600 jobs, followed by area school districts and universities with 3,000 jobs. The area unemployment rate at December 31, 2009, was 4.4% compared to 4.3% statewide and 10.0% nationwide.

The following table illustrates the demographics of the Bismarck MSA AA:

| Table 2: DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE BISMARCK MSA AA | |
|---|----------|
| <i>Population</i> | |
| Number of Families | 25,265 |
| Number of Households | 37,620 |
| % of Low-Income Families | 17.38% |
| % of Moderate-Income Families | 18.54% |
| % of Middle-Income Families | 27.27% |
| % of Upper-Income Families | 36.81% |
| <i>Geographies</i> | |
| Number of Census Tracts | 21 |
| % Low-Income Census Tracts | 0.00% |
| % Moderate-Income Census Tracts | 19.05% |
| % Middle-Income Census Tracts | 71.43% |
| % Upper-Income Census Tracts | 9.52% |
| <i>Median Family Income (MFI)</i> | |
| 2000 MFI for AA | \$49,944 |
| 2009 HUD-Adjusted MFI | \$66,800 |
| <i>Economic Indicators</i> | |
| 2009 Unemployment Rate | 3.60% |
| 2000 Median Housing Value | \$83,418 |
| % of Households Below Poverty Level | 9.56% |

** Table is based on 2000 census information with updated information when available.

Competition for financial services is moderate with 16 financial institutions holding nearly \$2.3 million in deposits. According to the Federal Deposit Insurance Corporation's (FDIC) June 30, 2009 deposit market share report, four institutions control nearly 60% of the deposit share. DCB is ranked sixth in the AA with 8.6% of the MSA deposit market share.

Community contacts were made with organizations in the MSA. These contacts indicated a need in the Bismarck and Mandan area for residential real estate and small business programs. The contacts stated there are opportunities for banks to participate in community development activities in the area.

North Dakota Non-MSA AA

The North Dakota Non-MSA AA consists of nine counties in rural, western North Dakota. These counties include Stark, Billings, Bowman, Hettinger, Grant, Adams, Slope, Dunn, and western Mercer. The AA also includes Harding County of northwestern South Dakota. The bank has five locations within the AA, two in Dickinson, one in Bowman, one in Taylor, and one in New Leipzig. There are no branches located in South Dakota. The AA meets the requirements of the regulation.

Based on the 2000 census data, there are 21 CT in the AA. None of the tracts are low-income, three are moderate-income, 17 are middle-income, and one is upper-income. The 2009 estimated median family income is \$53,773.

The AA is primarily dependent on agriculture. Other major employers include health care facilities, manufacturing, and retail trade. Unemployment rates by county ranged from 1.4% in Slope County to 7.1% in Mercer County as of December 31, 2009.

The following table illustrates the demographics of the North Dakota Non-MSA AA.

| Table 3: DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE NORTH DAKOTA NON-MSA AA | |
|---|----------|
| <i>Population</i> | |
| Number of Families | 11,281 |
| Number of Households | 16,812 |
| % of Low-Income Families | 20.37% |
| % of Moderate-Income Families | 18.84% |
| % of Middle-Income Families | 24.58% |
| % of Upper-Income Families | 36.21% |
| <i>Geographies</i> | |
| Number of Census Tracts | 21 |
| % Low-Income Census Tracts | 0.00% |
| % Moderate-Income Census Tracts | 14.29% |
| % Middle-Income Census Tracts | 80.95% |
| % Upper-Income Census Tracts | 4.76% |
| <i>Median Family Income (MFI)</i> | |
| 2000 MFI for AA | \$39,542 |
| 2009 HUD-Adjusted MFI | \$53,773 |
| <i>Economic Indicators</i> | |
| 2009 Unemployment Rate | 3.5% |
| 2000 Median Housing Value | \$54,104 |
| % of Households Below Poverty Level | 15.28% |

** Table is based on 2000 census information with updated information when available.

Competition for financial services is moderate with 19 financial institutions holding \$1.4 million in deposits. According to the FDIC's June 30, 2009 deposit market share report, DCB ranks third with 10.44% of the deposit share. The top two institutions hold 25.68% of the deposits in the AA.

A community contact was made with an organization in the AA. This contact indicated a need in the AA for residential real estate programs and community development services due to property damages caused by a tornado in mid-2009. They stated there are opportunities for bank's to participate in community development activities in the area.

Conclusions with Respect to Performance Tests

Lending Test

DCB's lending performance is rated Satisfactory. This assessment is based on the bank's loan-to-deposit (LTD) ratio, lending in the AAs, borrower distribution, and geographic distribution of loans.

Loan-to-Deposit Ratio

DCS's LTD ratio is more than reasonable given the bank's size, the AA needs, and comparison to other similarly situated financial institutions. Over the past 13 quarters since the last CRA examination, the bank's quarterly LTD ratio averaged 92.44% and ranged from 86.48% to 96.58%.

The following table compares DCB's LTD ratio with five other similarly situated financial institutions in west central North Dakota. The LTD ratios range from 78.49% to 99.82%. DCB ranks second among the comparable banks.

| Table 4: Loan-to-deposit Ratio | Assets as of | Average LTD Ratio |
|---------------------------------------|-------------------------|--------------------------|
| Institution | 9/30/09 (\$000s) | (%) |
| Security First Bank of North Dakota | 124,026 | 99.82% |
| <i>Dakota Community Bank NA</i> | <i>389,059</i> | <i>92.44%</i> |
| Starion Financial | 682,478 | 92.10% |
| The Dakota Western Bank | 168,014 | 80.62% |
| Kirkwood Bank and Trust Company | 143,826 | 79.08% |
| American Bank Center | 519,617 | 78.49% |

Source: Call Report data as of September 30, 2009.

Lending in Assessment Area

DCB originates a substantial majority of its loans in its AAs. The aggregate percentage of agriculture, home mortgage, and commercial loans originated within the AA total 94% by both number and dollar volume. The following table illustrates the lending activity during the evaluation period.

| Table 5: Lending in DCB's AAs | | | | | | | | | | |
|--------------------------------------|-----------------|-------|---------|------|-------|------------------|-------|---------|-------|---------|
| Loan Type | Number of Loans | | | | | Dollars of Loans | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Agricultural Loans | 37 | 92.50 | 3 | 7.50 | 40 | 1,950 | 83.98 | 372 | 16.02 | 2,322 |
| HMDA Loans | 1,716 | 94.03 | 109 | 5.97 | 1,825 | 228,144 | 93.78 | 15,133 | 6.22 | 243,277 |
| Commercial Loans | 38 | 95.00 | 2 | 5.00 | 40 | 3,216 | 95.43 | 154 | 4.57 | 3,370 |
| Totals | 1,791 | 94.02 | 114 | 5.98 | 1,905 | 233,310 | 93.71 | 15,659 | 6.29 | 248,969 |

Source: HMDA reportable loans and business and farm loan samples.

Lending to Borrowers of Different Incomes and to Farms and Businesses of Different Sizes

DCB's lending to farms and businesses of different sizes and borrowers of different incomes demonstrates reasonable penetration in the bank's AAs.

Bismarck MSA AA

Borrower Distribution of Farm Loans

The bank's lending to farms of different sizes meets the standard for satisfactory performance in the Bismarck MSA AA. Lending to farms with revenues of \$1 million or less is comparable by number to the demographics of the AA. The following table shows the bank's borrower distribution for farm loans.

| Table 6: Borrower Distribution of Loans to Farms in the Bismarck MSA AA | | | | |
|--|--------------|--------------|-------------------------|-------|
| Farm Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
| % of AA Farms | 98% | 1% | 1% | 100% |
| % of Bank Loans in AA by # | 95% | 5% | 0% | 100% |
| % of Bank Loans in AA by \$ | 72% | 28% | 0% | 100% |

Source: Farm loan sample; Dunn and Bradstreet data.

Borrower Distribution of Home Mortgage Loans

DCB's residential real estate lending in the Bismarck MSA AA exceeds the standard for satisfactory performance. Primary reliance is placed on home purchase and refinances as they represent 54% and 40%, respectively, of all HMDA reportable loans during the evaluation period.

Lending to moderate-income borrowers exceeds the demographic information. Lending to low-income borrowers is below the demographic information, but considered to be comparable given the higher degree of difficulty these borrower have in qualifying for home mortgage loans. In this AA, nearly 10% of all households live below the poverty level. The table below displays the borrower distribution of home mortgage loans as compared to the demographic data.

| Table 7: Borrower Distribution of Home Mortgage Loans in Bismarck MSA AA | | | | | | | | |
|---|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 17% | 11% | 19% | 32% | 27% | 33% | 37% | 23% |
| Home Improvement | 17% | 9% | 19% | 19% | 27% | 39% | 37% | 33% |
| Refinance | 17% | 6% | 19% | 24% | 27% | 34% | 37% | 36% |

Source: Data reported under HMDA; U.S. Census data.

Borrower Distribution of Business Loans

The bank’s lending to businesses of different sizes meets the standard for satisfactory performance in the Bismarck MSA AA. Lending to businesses with revenues of \$1 million or less is comparable by number to the demographics of the AA. The following table shows the distribution for business loans.

| Table 8: Borrower Distribution of Loans to Businesses in Bismarck MSA AA | | | | |
|---|--------------|--------------|---------------------|-------|
| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total |
| % of AA Businesses | 76% | 4% | 20% | 100% |
| % of Bank Loans in AA by # | 75% | 25% | 0% | 100% |
| % of Bank Loans in AA by \$ | 60% | 40% | 0% | 100% |

Source: Business loan sample; Dunn and Bradstreet data.

North Dakota Non-MSA AA

Borrower Distribution of Farm Loans

The bank’s lending to farms of different sizes meets the standard for satisfactory performance in the North Dakota Non-MSA AA. Demographic information indicates all farms in the AA have revenues of \$1 million or less. The following table shows the bank’s borrower distribution for farm loans.

| Table 9: Borrower Distribution of Loans to Farms in the North Dakota Non-MSA AA | | | | |
|--|--------------|--------------|---------------------|-------|
| Farm Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total |
| % of AA Farms | 100% | 0% | 0% | 100% |
| % of Bank Loans in AA by # | 100% | 0% | 0% | 100% |
| % of Bank Loans in AA by \$ | 100% | 0% | 0% | 100% |

Source: Business loan sample; Dunn and Bradstreet data.

Borrower Distribution of Home Mortgage Loans

DCB’s home mortgage lending in the North Dakota Non-MSA AA meets the standard for satisfactory performance. Primary reliance is placed on home purchase and refinances as they represent 56% and 35%, respectively, of all HMDA reportable loans during the evaluation period.

Lending to low- and moderate-income borrowers is below the demographic information for all mortgage loan types with the exception of home purchase loans to moderate-income borrowers which exceeds the information. This is considered to be comparable, however, given the higher degree of difficulty these borrower have in qualifying for home mortgage loans. In addition, over 15% of all households in this AA live below the poverty level. The table on the following page displays the borrower distribution of home mortgage loans as compared to the demographic data.

Table 10: Borrower Distribution of Home Mortgage Loans in the North Dakota Non-MSA AA

| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
|-----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase | 20% | 5% | 19% | 25% | 25% | 29% | 36% | 41% |
| Home Improvement | 20% | 7% | 19% | 7% | 25% | 26% | 59% | 33% |
| Refinance | 20% | 6% | 19% | 14% | 25% | 25% | 55% | 36% |

Source: Data reported under HMDA; U.S. Census data.

Borrower Distribution of Business Loans

The bank’s lending to businesses of different sizes meets the standard for satisfactory performance in the North Dakota Non-MSA AA. Lending to businesses with revenues of \$1 million or less is higher by number, but lower by dollar volume to the demographics of the AA. The following table shows the distribution for business loans.

Table 11: Borrower Distribution of Loans to Businesses in the North Dakota Non-MSA AA

| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total |
|------------------------------|--------------|--------------|---------------------|-------|
| % of AA Businesses | 70% | 3% | 27% | 100% |
| % of Bank Loans in AA by # | 95% | 5% | 0% | 100% |
| % of Bank Loans in AA by \$ | 57% | 43% | 0% | 100% |

Source: Business loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of DCB’s loans reflects reasonable dispersion throughout the moderate-income areas. Performance in both of the individual AAs is reasonable.

Neither of the AAs have any low-income CTs.
Bismarck MSA AA

Geographic Distribution of Farms Loans

The geographic distribution of farm loans in the Bismarck MSA AA meets the standard for satisfactory performance. Performance in the moderate-income tracts is slightly below the demographics for this area. The table on the following page depicts the lending practices of the bank during the evaluation period.

| Table 12: Geographic Distribution of Loans to Farms in Bismarck MSA AA | | | | | | | | |
|---|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans |
| Farms | N/A | N/A | 34% | 20% | 60% | 65% | 6% | 15% |

Source: Farm loan sample

Geographic Distribution of Home Mortgage Loans

DCB’s overall geographic distribution of home mortgage loans in the Bismarck MSA AA meets the standard for satisfactory performance. Home purchase and refinance loans are slightly below and home improvement loans exceed the demographic information. Refer to the table below for details of the bank’s performance.

| Table 13: Geographic Distribution of Home Mortgage Loans in Bismarck MSA AA | | | | | | | | |
|--|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Purchase | N/A | N/A | 20% | 18% | 69% | 73% | 11% | 9% |
| Home Improvement | N/A | N/A | 20% | 31% | 69% | 61% | 11% | 8% |
| Refinance | N/A | N/A | 20% | 14% | 69% | 69% | 11% | 17% |

Source: Data reported under HMDA; U.S. Census data

Geographic Distribution of Business Loans

The geographic distribution of business loans in the Bismarck MSA AA exceeds the standard for satisfactory performance. Performance in the moderate-income tracts is above the demographics for this area. The following table displays the lending practices of the bank during the evaluation period.

| Table 14: Geographic Distribution of Loans to Businesses in Bismarck MSA AA | | | | | | | | |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans |
| Business | N/A | N/A | 21% | 25% | 69% | 60% | 10% | 15% |

Source: Business loan sample

North Dakota Non-MSA AA

Geographic Distribution of Farms Loans

The geographic distribution of farm loans in the ND Non-MSA AA exceeds the standard for satisfactory performance. Performance in the moderate-income tracts is significantly higher than the demographics for this area. The following table depicts the lending practices of the bank during the evaluation period.

| Table 15: Geographic Distribution of Loans to Farms in North Dakota Non-MSA AA | | | | | | | | |
|---|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans | % of AA Farms | % of # of Loans |
| Farms | N/A | N/A | 8% | 30% | 91% | 70% | 1% | 0% |

Source: Farm loan sample

Geographic Distribution of Home Mortgage Loans

DCB’s overall geographic distribution of home mortgage loans in the North Dakota Non-MSA AA meets the standard for satisfactory performance. Although home purchase and refinance loans are below the demographics for this area, less than one thousand owner-occupied homes are located in one of the three moderate-income tracts. Home improvement loans exceed the demographic information. Refer to the table below for details of the bank’s performance.

| Table 16: Geographic Distribution of Residential RE Loans in North Dakota Non-MSA AA | | | | | | | | |
|---|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Purchase | N/A | N/A | 7% | 2% | 87% | 82% | 6% | 16% |
| Home Improvement | N/A | N/A | 7% | 10% | 87% | 81% | 6% | 9% |
| Refinance | N/A | N/A | 7% | 4% | 87% | 83% | 6% | 13% |

Source: Data reported under HMDA; U.S. Census data

Geographic Distribution of Business Loans

The geographic distribution of business loans in the North Dakota Non-MSA AA meets the standard for satisfactory performance. Performance in the moderate-income tracts is equal to the demographics for this area. The following table displays the lending practices of the bank during the evaluation period.

| Table 17: Geographic Distribution of Loans to Businesses in North Dakota No- MSA AA | | | | | | | | |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans | % of AA Business | % of # of Loans |
| Business | N/A | N/A | 5% | 5% | 90% | 89% | 6% | 5% |

Source: Business loan sample

Responses to Complaints

The bank has not received any CRA related complaints during this evaluation period.

Community Development Test

The bank’s performance under the community development test demonstrates satisfactory responsiveness to the needs of the communities it serves.

Number and Amount of Community Development Loans

DCB's performance in extending CD loans is satisfactory. The bank originated 12 loans totaling \$2,853M or 1.44% of the Bismarck MSA AA's allocated Tier One Capital. Eleven of these loans were for affordable housing and one was community service related for a title one school.

Performance in extending CD loans in the North Dakota Non-MSA AA is satisfactory given the opportunities available. The bank originated 2 loans totaling \$430M or 0.34% of this AA's allocated Tier One Capital. Both loans were for small business development purposes.

Number and Amount of Qualified Investments

The bank’s level of qualified investments is less than satisfactory. During the evaluation period, the bank made ten donations to organizations that provide community services or promote economic development in the Bismarck MSA AA. However, these donations totaled only \$5.7M. Three of these donations, totaling \$2M, were used to help revitalize or stabilize the community.

The level of qualified investments in the North Dakota Non-MSA AA is also less than satisfactory. During the evaluation period, the bank made just 3 donations totaling \$3.7M to organizations that provide community services.

Extent to Which the Bank Provides Community Development Services

The bank's participation in community services in the Bismarck MSA AA is excellent. Eighty-three employees participated in five organizations that provide services to low- and moderate-income individuals.

DCB's participation in community services is satisfactory in the North Dakota Non-MSA AA. Eleven employees participated in five organizations that provide services to low- and moderate-income individuals or promote economic development.

Responsiveness to Community Development Needs

DCB is responsive to the needs of the communities it serves in both AA's as identified through community contacts. Nine of the CTs in the North Dakota Non-MSA AA are categorized as distressed and/or underserved. The bank has three branches located in these distressed and/or underserved census tracts. In addition, three branch offices in the Bismarck MSA AA are located in moderate-income tracts.

Fair Lending or Other Illegal Credit Practices Review

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