



PUBLIC DISCLOSURE

January 27, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Home Federal Savings Bank
Charter Number: 702818

1016 Civic Center Drive
Rochester, MN 55901

Office of the Comptroller of the Currency

222 South 9th Street, Suite 800
Minneapolis, MN 55402

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 community development test is rated: Satisfactory

The major factors that support this rating include:

- The distribution of loans among businesses of different sizes and borrower income levels is excellent.
- The distribution of loans throughout different geographies is excellent.
- The bank's loan-to-deposit (LTD) ratio is more than reasonable.
- A majority of the bank's loans are inside its assessment areas (AAs).
- The bank exhibits adequate responsiveness to community development (CD) needs in the State of Minnesota and the State of Iowa through community development loans, qualified investments, and community development services.

Given adequate responsiveness to community development needs within its AAs, credit was received for the following Nationwide activity:

During the evaluation period, one employee provided 40 hours to one qualified CD organization that provides community services to low- and moderate-income individuals nationwide. This employee assisted with fundraising activities.

Loan-to-Deposit Ratio

The bank’s LTD ratio is more than reasonable given the bank’s size, financial condition, and credit needs of the AAs. The bank's LTD ratio averaged 92.22 percent over the twelve quarters included in this evaluation period. The LTD ratio ranged from a high of 95.02 percent in the first quarter of 2017 to a low of 88.81 percent in the first quarter of 2016. The following table shows HFSB's average LTD ratio compared to four similarly situated financial institutions.

Institution	Assets as of 6/30/19	Average LTD Ratio (%)
MidCountry Bank, Bloomington, MN	811,238	103.05
Home Federal Savings Bank, Rochester, MN	721,666	92.22
	592,837	90.72
WNB Financial, National Association, Winona, MN	413,914	73.01
Sterling State Bank, Austin, MN	350,356	73.00

Source: Call Report Data from January 1, 2016 through June 30, 2019.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment areas AAs. The bank originated and purchased 82 percent of its total loans by number and 63 percent by dollar volume inside the bank's AAs during the evaluation period. We analyzed all residential real estate loans, 120 business loans, and 40 consumer loans originated between January 1, 2016 and December 31, 2018. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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		
	#	%	#	%		#	%	#	%	
Residential Real Estate	1,961	83%	407	17%	2,368	291,435	68%	134,324	32%	425,759
Business	70	58%	50	42%	120	13,859	23%	45,593	77%	59,452
Consumer	36	90%	4	10%	40	439	91%	42	9%	481
Total	2,067	82%	461	18%	2,528	305,733	63%	179,960	37%	485,692

Description of Institution

Home Federal Savings Bank (HFSB) is a \$711 million institution as of December 31, 2018 and headquartered in Rochester, Minnesota (MN). HFSB operates two subsidiaries, Osterud Insurance Agency, Inc., which offers financial planning products and services, and HFSB Property Holdings, LLC, which is currently inactive, but has acted as an intermediary to hold and operate other real estate owned properties for the bank in the past. HFSB did not elect to have affiliate activity considered in this evaluation. HFSB is wholly-owned by HMN Financial, Inc. (HF), a one-bank holding company, also headquartered in Rochester, MN. As of June 30, 2019, HF had total assets of \$89 million. HFSB did not have merger or acquisition activity during the evaluation period.

HFSB is a multi-state institution with 14 full-service branches located in MN and Iowa (IA). HFSB's main office and three other branches are located in Rochester, MN. Additionally, HFSB has two branches in Kasson, MN; one branch located in each of the following cities in MN: Spring Valley, Owatonna, Albert Lea, Winona, Austin, Eagan, and La Crescent; and one branch located in Marshalltown, IA. There have been no branch openings or closures since the previous CRA examination. In addition to its branch locations, HFSB operates 17 cash dispensing ATMs, all of which are located within the bank's AAs. Two ATMs, located in Kasson and Owatonna, MN, are deposit taking. For CRA purposes, HFSB operates within the State of MN and State of IA. The MN rating area consists of four AAs, including the Rochester MSA AA, MN Non MSA AA, Minneapolis MSA AA, and the La Crosse MSA AA. The Minneapolis MSA and La Crosse MSA are Multi-state MSAs (MMSAs); however, HFSB's operations are limited to the Minnesota portion of each MMSA. The IA rating area consists entirely of the IA Non MSA AA.

HFSB is a full-service commercial bank offering a variety of loan and deposit products. The bank's primary focus is commercial and residential real estate lending, followed by consumer lending in the majority of the bank's AAs. The bank offers a variety of traditional banking products and services, such as checking and savings accounts, certificates of deposits, safe deposit boxes, and consumer and commercial lending products. Available consumer lending products include home mortgage loans (i.e. conventional, FHA, home equity, mobile home) and installment loans (i.e. new and used auto, land,

recreational vehicles, unsecured), and revolving lines of credit. Available commercial lending products include commercial real estate, term loans, working capital, and revolving lines of credit. Flexible lending programs include Minnesota Housing Finance Agency Mortgage Loans, Affordable Housing Program through FHLB Des Moines, Rural Development Guaranteed Rural Housing Program, Veterans Administration Loans, and Small Business Administration loan programs.

Net loans and leases represent 83 percent of total assets. The loan portfolio is comprised of 55 percent commercial loans, 39 percent home mortgage loans, four percent consumer loans, and two percent agricultural loans, based on dollar volume. Tier one capital was \$80 million or 11 percent of total assets at the end of the evaluation period.

There are no known financial, legal, or other factors that impede HFSB's ability to help meet the credit needs of its AAs. HFSB received a Satisfactory rating at the last CRA examination dated January 3, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2016 to December 31, 2018. We relied on HMDA data to assess residential real estate loans in the Rochester MSA AA, MN Non MSA AA, La Crosse MSA AA, and IA Non MSA AA. We reviewed a sample of business loans originated in the in the Rochester MSA AA, MN Non MSA AA, and Minneapolis MSA AA and a sample of consumer loans originated in the La Crosse MSA AA during the evaluation period. These products were selected based on an analysis of the bank's lending activity and the level of originations during the evaluation period. We also reviewed all CD loans, investments, donations, and services submitted by management as part of our examination.

Demographic data is used in part to determine the bank's lending performance. The U.S. Census Bureau released updated demographic data from the 2015 American Community Survey (ACS) effective January 1, 2017. We analyzed 2016 loans separately from 2017-2018 loans given the changes in the demographic data of the AAs. Loans originated or purchased in 2016 were compared to 2010 U.S. Census data, and loans originated or purchased in 2017 and 2018 were compared to ACS survey data.

Selection of Areas for Full-Scope Review

Full-scope reviews were completed for all AAs located within each state where the bank has an office. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA) 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, including the State of MN and the State of IA. When determining conclusions for HFSB, we weighted the bank's performance in the State of MN most heavily. The State of MN represents 93 percent of the bank's branches and deposit market share as of June 30, 2018, and 97 percent of total loans originated during the evaluation period.

Overall, home mortgage and business loans were weighted more heavily than consumer loans in the Lending Test analysis as they comprise the majority of loan originations during the evaluation period. Bank-wide, home mortgage loans represent 48 percent of loan originations by number and 42 percent by dollar volume; business loans represent 20 percent of loan originations by number and 54 percent by dollar volume; and consumer loans represent 30 percent of loan originations by number and three percent by dollar volume during the evaluation period. Farm loans were not included in our analysis given the limited volume.

When determining conclusions for the Lending Test, we weighed loan products to be reflective of HFSB's loan volume by product type during the evaluation period. We completed this analysis separately for each of the bank's AAs as lending volumes by product varied depending on the market area.

The state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state 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 Minnesota

CRA rating for the State of Minnesota: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The bank exhibits an excellent geographic distribution of loans in the State of MN. There were no gaps identified within the bank's lending activity to low- or moderate-income CTs.
- The bank exhibits an excellent distribution of loans to borrowers with different income levels and businesses of different sizes in the State of MN.
- The bank exhibits adequate responsiveness to community development needs in the State of MN through community development loans, qualified investments, and community development services.
- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Minnesota

Rochester MSA

The Rochester MSA AA consists of Olmstead, Dodge, and Fillmore Counties. HFSB operates seven full-service branches in the Rochester MSA. Branch locations in the Rochester MSA account for 50 percent of the bank's branch network. The bank's main location and three additional branches are located in Rochester, MN. Additionally, two branches are located in Kasson and one branch is located in Spring Valley. One of the bank's deposit taking ATMs is also located in the Rochester MSA, in Kasson. Nine non-deposit taking ATMs are located in the Rochester MSA, most of which are located within the bank's branches.

The June 30, 2018 FDIC Deposit Market Share Report indicated that HFSB had \$375 million or 58 percent of its deposits in the Rochester MSA AA. HFSB ranks 5th of 30 deposit-taking institutions in the AA with deposit market share of eight percent. The leaders of the market are Think Mutual Bank and Wells Fargo Bank NA with a combined market share of 44 percent.

HFSB's primary business focus in the Rochester MSA AA is home mortgage loans, followed by business loans. Home mortgage loans comprised 48 percent by number and 44 percent by dollar volume of all loans originated within the Rochester MSA AA. Business loans comprised 19 percent by number and 52 percent by dollar volume of all loans originated within the Rochester MSA AA.

We reviewed two recently completed community contacts in the Rochester MSA AA as part of this examination. The first organization assists existing and potential businesses, specifically by securing necessary funding. The second contact is an organization that provides small business assistance and participates in community support programs and community planning and development. Rochester and

surroundings areas benefit from a growing economy, largely due to the medical sector. Technology and manufacturing sectors are also expanding. Manufacturing expansions are occurring in areas surrounding Rochester, creating additional jobs and leading to revitalization within these communities. This is reflected by low unemployment, averaging 2.8 percent within the Rochester MSA AA. However, within Rochester rapid expansion also places pressure on small businesses located in downtown Rochester and is causing a shortage in available housing, including affordable housing due to a limited supply of subdivision areas. Due to availability and home prices, an increasing number of people live in surrounding areas and commute to Rochester for work. Both contacts identified home mortgage and business lending as primary credit needs within the AA and stated that current credit needs are being met by the many competitive local financial institutions.

The following tables provide information on the demographic composition of the Rochester MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Rochester MN MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	0.0	18.2	61.4	20.5	0.0
Population by Geography	185,201	0.0	15.6	59.1	25.4	0.0
Housing Units by Geography	77,218	0.0	16.8	60.2	23.0	0.0
Owner-Occupied Units by Geography	56,089	0.0	13.9	60.0	26.1	0.0
Occupied Rental Units by Geography	15,824	0.0	24.7	62.3	13.0	0.0
Vacant Units by Geography	5,305	0.0	23.9	56.9	19.2	0.0
Businesses by Geography	11,216	0.0	14.8	60.0	25.2	0.0
Farms by Geography	1,208	0.0	22.5	57.8	19.7	0.0
Family Distribution by Income Level	48,578	16.7	18.5	24.3	40.4	0.0
Household Distribution by Income Level	71,913	21.3	17.2	20.1	41.4	0.0
Median Family Income MSA - 40340 Rochester, MN MSA		\$74,450	Median Housing Value			\$177,816
			Median Gross Rent			\$727
			Families Below Poverty Level			5.4%
<i>Source: 2010 U.S. Census and 2016 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Rochester MN MSA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	0.0	25.0	47.7	27.3	0.0
Population by Geography	189,869	0.0	23.2	44.5	32.3	0.0
Housing Units by Geography	79,261	0.0	24.9	45.0	30.0	0.0
Owner-Occupied Units by Geography	55,639	0.0	19.1	45.6	35.2	0.0
Occupied Rental Units by Geography	18,347	0.0	40.0	42.8	17.2	0.0

Vacant Units by Geography	5,275	0.0	33.8	46.1	20.2	0.0
Businesses by Geography	11,674	0.0	23.4	46.8	29.8	0.0
Farms by Geography	1,069	0.0	23.2	56.2	20.6	0.0
Family Distribution by Income Level	49,783	18.4	18.2	23.8	39.6	0.0
Household Distribution by Income Level	73,986	22.9	15.9	18.9	42.3	0.0
Median Family Income MSA - 40340 Rochester, MN MSA		\$81,036	Median Housing Value			\$179,399
			Median Gross Rent			\$828
			Families Below Poverty Level			5.4%
<i>Source: 2015 ACS Census and 2018 D&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>						

MN Non MSA

The MN Non MSA AA consists of Freeborn, Mower, Winona, and Steele Counties. HFSB operates four full-service branches in the MN Non MSA. Branch locations in the MN Non MSA account for 29 percent of the bank's branch network. Branches are located in Austin, Winona, Albert Lea, and Owatonna. One of the deposit-taking ATMs is located in the MN Non MSA, in Owatonna. Three non-deposit taking ATMs are located in the MN Non MSA, all of which are located within the bank's branches.

The June 30, 2018 FDIC Deposit Market Share Report indicated that HFSB had \$152 million or 24 percent of its deposits in the MN Non MSA AA. HFSB ranks 6th of 29 deposit-taking institutions in the AA with deposit market share of five percent. The leaders of the market are Wells Fargo Bank, NA and Merchants Bank, NA with a combined market share of 33 percent.

HFSB's primary business focus in the MN Non MSA AA is home mortgage loans, followed by business loans. Home mortgage loans comprised 49 percent by number and 33 percent by dollar volume of all loans originated within the MN Non MSA AA. Business loans comprised 22 percent by number and 60 percent by dollar volume of all loans originated within the MN Non MSA AA.

We reviewed one recently completed community contact in the MN Non MSA AA as part of this examination. This organization assists existing businesses and works to attract new businesses and industries to the area. The MN Non MSA AA is experiencing a stable economy and low unemployment, averaging 2.9 percent. There is currently a shortage of quality rental properties and affordable housing. Affordable housing, as well as business loans, specifically, operating lines of credit, working capital (expansion) loans, and equipment loans were identified as primary credit needs within the AA. The contact stated that credit needs are being met by local financial institutions and identified HFSB as being highly active within the community.

The following tables provide information on the demographic composition of the MN Non MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB MN Non MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	39	2.6	5.1	76.9	15.4	0.0
Population by Geography	158,455	3.2	4.6	74.3	17.9	0.0
Housing Units by Geography	67,190	3.5	5.3	73.9	17.2	0.0
Owner-Occupied Units by Geography	47,610	2.5	4.9	72.7	19.9	0.0
Occupied Rental Units by Geography	15,146	7.4	6.0	77.3	9.2	0.0
Vacant Units by Geography	4,434	1.4	6.8	75.7	16.1	0.0
Businesses by Geography	8,916	4.1	5.0	77.8	13.1	0.0
Farms by Geography	1,427	0.1	0.5	82.3	17.0	0.0
Family Distribution by Income Level	40,717	17.0	17.4	23.0	42.6	0.0
Household Distribution by Income Level	62,756	24.0	16.1	18.1	41.8	0.0
Median Family Income Non-MSAs – MN		\$57,683	Median Housing Value			\$138,156
			Median Gross Rent			\$597
			Families Below Poverty Level			7.3%
<i>Source: 2010 U.S. Census and 2016 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB MN Non MSA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	39	0.0	17.9	64.1	17.9	0.0
Population by Geography	157,860	0.0	16.6	60.7	22.6	0.0
Housing Units by Geography	67,464	0.0	18.4	59.7	22.0	0.0
Owner-Occupied Units by Geography	45,241	0.0	14.7	60.1	25.1	0.0
Occupied Rental Units by Geography	16,516	0.0	28.9	56.4	14.7	0.0
Vacant Units by Geography	5,707	0.0	17.0	65.2	17.8	0.0
Businesses by Geography	8,918	0.0	24.0	59.9	16.2	0.0
Farms by Geography	1,191	0.0	3.2	78.3	18.6	0.0
Family Distribution by Income Level	39,270	17.5	17.2	22.8	42.5	0.0
Household Distribution by Income Level	61,757	24.0	15.9	18.2	41.8	0.0
Median Family Income Non-MSAs – MN		\$63,182	Median Housing Value			\$135,331
			Median Gross Rent			\$650
			Families Below Poverty Level			8.1%
<i>Source: 2015 ACS Census and 2018 D&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>						

Minneapolis MSA

The Minneapolis MSA AA consists of Dakota County. HFSB operates one full-service branch in the Minneapolis MSA, accounting for seven percent of the bank branch network. The branch and one non-deposit taking ATM are located in Eagan, MN.

The June 30, 2018 FDIC Deposit Market Share Report indicated that HFSB had \$40 million or six percent of its deposits in the Minneapolis MSA AA. HFSB ranks 25th of 34 deposit-taking institutions in the AA with less than one percent of total deposit market share. The leaders of the market are Wells Fargo Bank and U.S. Bank with a combined market share of 41 percent.

HFSB's primary business focus in the Minneapolis MSA AA is business loans. During the evaluation period, business loans comprised 56 percent by number and 71 percent by dollar volume of all loans originated within the Minneapolis MSA AA.

We reviewed one recently completed community contact in the Minneapolis MSA AA as part of this examination. This organization participates in community-based projects, strategic planning, and housing and economic development initiatives. It also offers business technical assistance and business loans to new entrepreneurs. The Minneapolis MSA AA is experiencing a stable economy, low unemployment of 2.5 percent, and a job surplus in a variety of business sectors. The contact indicated that local businesses are performing well; however, smaller businesses are lagging due to the lack of available capital. This was attributed to the risk adverse position of financial institutions since the recession. Small business loans, new home construction, and CRA investments, specifically affordable housing investments, are identified needs within the Minneapolis MSA AA. The contact stated that credit needs are being met by the highly involved banking network, including an increasing amount of local community banks.

The following tables provide information on the demographic composition of the Minneapolis MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Minneapolis MN MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	0.0	12.6	53.7	33.7	0.0
Population by Geography	398,552	0.0	12.1	52.4	35.5	0.0
Housing Units by Geography	157,868	0.0	13.9	53.6	32.5	0.0
Owner-Occupied Units by Geography	118,257	0.0	9.8	51.6	38.6	0.0
Occupied Rental Units by Geography	32,865	0.0	26.8	60.3	12.9	0.0
Vacant Units by Geography	6,746	0.0	22.3	56.1	21.6	0.0
Businesses by Geography	26,619	0.0	11.8	52.2	36.0	0.0
Farms by Geography	840	0.0	8.5	66.3	25.2	0.0
Family Distribution by Income Level	105,767	14.4	17.5	23.9	44.2	0.0
Household Distribution by Income Level	151,122	17.2	15.5	20.2	47.1	0.0

Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA	\$79,301	Median Housing Value	\$251,823
		Median Gross Rent	\$921
		Families Below Poverty Level	3.7%
<i>Source: 2010 U.S. Census and 2016 D&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>			

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Minneapolis MN MSA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	0.0	21.1	48.4	30.5	0.0
Population by Geography	408,456	0.0	21.3	46.1	32.5	0.0
Housing Units by Geography	162,066	0.0	23.3	47.4	29.3	0.0
Owner-Occupied Units by Geography	116,951	0.0	17.6	46.4	36.1	0.0
Occupied Rental Units by Geography	39,515	0.0	38.8	50.2	11.0	0.0
Vacant Units by Geography	5,600	0.0	32.8	50.2	17.0	0.0
Businesses by Geography	27,868	0.0	20.6	48.1	31.3	0.0
Farms by Geography	824	0.0	18.4	55.3	26.2	0.0
Family Distribution by Income Level	108,777	16.8	16.8	23.5	42.9	0.0
Household Distribution by Income Level	156,466	19.1	15.5	19.8	45.7	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA	\$85,636	Median Housing Value				\$222,616
		Median Gross Rent				\$1,002
		Families Below Poverty Level				5.1%
<i>Source: 2015 ACS Census and 2018 D&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>						

La Crosse MSA

The La Crosse MSA AA consists of Houston County. HFSB operates one full-service branch in the La Crosse MSA, accounting for seven percent of the bank's branch network. The branch and one non-deposit taking ATM are located in La Crescent.

The June 30, 2018 FDIC Deposit Market Share Report indicated that HFSB had \$33 million or five percent of its total deposits in the La Crosse MSA AA. HFSB ranks 5th of five deposit-taking institutions in the AA with deposit market share of nine percent. The leaders of the market are Merchants Bank NA and ESB Bank with a combined market share of 69 percent.

HFSB's primary business focus in the La Crosse MSA AA is home mortgage loans, followed by consumer loans. Home mortgage loans comprise 46 percent by number and 65 percent by dollar volume

of all loans originated within the La Crosse MSA AA. Consumer loans comprise 35 percent by number and six percent by dollar volume of all loans originated within the La Crosse MSA AA.

We completed one community contact in the La Crosse MSA AA as part of this examination. This organization offers assistance to local businesses through educational programs and a revolving loan fund. The La Crosse MSA AA is experiencing a stable economy and low unemployment of 2.9 percent. Healthcare, manufacturing, and social services sectors are strong and supply a large portion of local jobs. The housing market in Houston County is doing well but is experiencing low inventory and rising prices in La Crescent. The median wage in Houston County remains below the MN state average; however, the cost of living is also lower. Home mortgage and agriculture loans are identified needs within the La Crosse MSA AA; however, farm loans are not a standard product for HFSB. The contact stated that credit needs are being met by the many competitive local financial institutions.

The following tables provide information on the demographic composition of the La Crosse MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB La Crosse MN-WI MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	19,027	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	8,585	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	6,348	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,422	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	815	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,251	0.0	0.0	100.0	0.0	0.0
Farms by Geography	301	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,411	19.9	19.5	25.4	35.2	0.0
Household Distribution by Income Level	7,770	25.1	14.7	17.7	42.5	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$65,427	Median Housing Value			\$145,276
			Median Gross Rent			\$503
			Families Below Poverty Level			6.3%
<i>Source: 2010 U.S. Census and 2016 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB La Crosse MN-WI MSA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	18,812	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	8,625	0.0	0.0	100.0	0.0	0.0

Owner-Occupied Units by Geography	6,365	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,521	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	739	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,249	0.0	0.0	100.0	0.0	0.0
Farms by Geography	267	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,360	20.3	18.9	25.6	35.2	0.0
Household Distribution by Income Level	7,886	21.1	15.9	19.1	43.9	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$68,531	Median Housing Value			\$154,786
			Median Gross Rent			\$636
			Families Below Poverty Level			8.3%
<i>Source: 2015 ACS Census and 2018 D&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 Minnesota

We completed full-scope reviews of the Rochester MSA AA, MN Non MSA AA, Minneapolis MSA AA, and La Crosse MSA AA. All AAs were selected for full-scope reviews.

The Rochester MSA AA was weighted most heavily, followed by the MN Non MSA AA based on the volume of branches, deposits, and loan originations located in these AAs.

Primary products used in the geographic and borrower distribution analyses varied based on the AA. Home mortgage loans received the most weight based on overall lending volume during the evaluation period.

Refer to the table in Appendix A for additional information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

The bank's performance under the Lending Test in Minnesota is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's lending performance in the Rochester MSA AA and MN Non MSA AA is excellent and lending performance in the Minneapolis MSA and La Crosse MSA is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State of Minnesota. The geographic distribution conclusion is based on the bank's performance in the Rochester MSA AA, MN Non MSA

AA, and the Minneapolis MSA AA. The La Crosse MSA AA was not included in our analysis as it does not contain any low- or moderate-income CTs during the evaluation period.

Home Mortgage Loans

The bank exhibits excellent geographic distribution of home mortgage loans in the State of MN. Refer to Table O in the State of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations and purchases.

Rochester MSA

The distribution of home mortgage loans to geographies of different income levels in the Rochester MSA AA is excellent. HFSB originated 27.2 percent of home mortgage loans within moderate-income geographies in 2017-18, significantly exceeding both the demographic and aggregate comparators. HFSB originated 17.4 percent of home mortgage loans within moderate-income geographies in 2016, significantly exceeding both the demographic and aggregate comparators. There were not any low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

MN Non MSA

The distribution of home mortgage loans to geographies of different income levels in the MN Non MSA AA is excellent. HFSB originated 19.9 percent of home mortgage loans within moderate-income geographies in 2017-18, significantly exceeding both the demographic and aggregate comparators. There were not any low-income CTs within the AA in 2017-18; therefore, low-income CTs were only considered in our 2016 analysis. HFSB originated one percent of home mortgage loans within low-income geographies in 2016. HFSB was lower than both the demographic and aggregate comparators; however, the AA only contained one low CT in 2016, accounting for 2.6 percent of total CTs in the AA. Additionally, this CT changed to a moderate-income CT in 2017. HFSB originated 4.9 percent of home mortgage loans within moderate-income geographies, significantly exceeding the aggregate comparator and near to the demographic comparator.

Small Loans to Businesses

The bank exhibits reasonable geographic distribution of loans to businesses in the State of MN. Refer to Table Q in the State of MN section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of loans to small businesses.

Rochester MSA

The distribution of small loans to businesses in CTs of different income levels in the Rochester MSA AA is reasonable. HFSB originated 20 percent of loans to small business located in a moderate-income geography in 2017-18, exceeding the aggregate comparator and near to the demographic comparator. HFSB originated ten percent of loans to small businesses located in a moderate-income geography in 2016. While HFSB was lower than the demographic comparator, the bank was near to meeting the aggregate comparator. There were not any low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

MN Non MSA

The distribution of small loans to businesses in CTs of different income levels in the MN Non MSA AA is excellent. HFSB originated 33.3 percent of loans to small businesses located in a moderate-income geography in the 2017-18 loan sample, significantly exceeding both the demographic and aggregate comparators. There were not any low-income CTs within the AA in 2017-18; therefore, low-income CTs were only considered in our 2016 analysis. More weight was given to distribution within moderate-income CTs as there was only one low-income CT in 2016. Additionally, this CT changed to a moderate-income CT in 2017. HFSB originated 3.3 percent of loans to small businesses located in a moderate-income geography, lower than both the demographic and aggregate comparators. HFSB originated 15 percent of loans to small businesses located in a low-income geography in the 2016 loan sample, significantly exceeding both the demographic and aggregate comparators.

Minneapolis MSA

The distribution of small loans to businesses in CTs of different income levels in the Minneapolis MSA AA is excellent. HFSB originated 20 percent of loans to small businesses located in a moderate-income geography in 2017-18, significantly exceeding the aggregate comparator and near to the demographic comparator. HFSB originated 36.4 percent of loans to small businesses located in a moderate-income geography in 2016, significantly exceeding both the demographic and aggregate comparators. There were not any low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

The bank exhibits an excellent distribution of loans to individuals of different income levels. Refer to Table P in the State of MN section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Rochester MSA

The borrower distribution of home mortgage loans to borrowers of different income levels in the Rochester MSA AA is excellent. HFSB originated 21 percent of home mortgage loans to low-income borrowers in 2017-18, significantly exceeded both the demographic and aggregate comparators. HFSB originated 25.7 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators. HFSB originated 17.4 percent of home mortgage loans to low-income borrowers in 2016, exceeding the demographic comparator and significantly exceeding the aggregate comparator. HFSB originated 25.8 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators.

MN Non MSA

The borrower distribution of home mortgage loans to borrowers of different income levels in the MN Non MSA AA is excellent. HFSB originated 18.6 percent of home mortgage loans to low-income borrowers in 2017-18, exceeding the demographic comparator and significantly exceeding the aggregate comparator. HFSB originated 24.5 percent of home mortgage loans to moderate-income borrowers, significantly exceeding the demographic comparator and exceeding the aggregate comparator. HFSB originated 8.4 percent of home mortgage loans to low-income borrowers in 2016, significantly lower than the demographic comparator, but near to the aggregate comparator. HFSB originated 27.6 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators.

La Crosse MSA

The borrower distribution of home mortgage loans to borrowers of different income levels in the La Crosse MSA AA is reasonable. HFSB originated 11.5 percent of home mortgage loans to low-income borrowers in 2017-18, lower than both the demographic and aggregate comparators. HFSB originated 28.8 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators. HFSB originated 19.2 percent of home mortgage loans to low-income borrowers in 2016, significantly exceeding the aggregate comparator and near to the demographic comparator. HFSB originated 30.8 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators.

Small Loans to Businesses

The bank exhibits a reasonable distribution of loans to businesses of different sizes. Refer to Table R in the State of MN section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of loans to small businesses.

Rochester MSA

The distribution of loans to businesses of different sizes in the Rochester AA is reasonable. HFSB originated 60 percent of loans to small businesses in 2016 and 65 percent in 2017-18. The bank was lower than each demographic comparator, but significantly exceeded each aggregate comparator.

MN Non MSA

The distribution of loans to businesses of different sizes in the MN Non MSA AA is reasonable. HFSB originated 60 percent of loans to small businesses in 2016 and 61.7 percent in 2017-18. The bank was lower than each demographic comparator, but significantly exceeded each aggregate comparator.

Minneapolis MSA

The distribution of loans to businesses of different sizes in the Minneapolis AA is reasonable. HFSB originated 42.4 percent of loans to small businesses in 2016 and 50 percent in 2017-18. HFSB was lower than each demographic comparator, but near to each aggregate comparator.

Consumer Loans

The bank exhibits an excellent distribution of consumer loans to individuals of different income levels. Consumer loans were only selected as a primary product in the La Crosse MSA AA; therefore, the borrower distribution conclusion for consumer loans is based solely on results in the La Crosse MSA AA. Refer to Table V in the state of MN section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

La Crosse MSA

The borrower distribution of consumer loans to borrowers of different income levels in the La Crosse MSA AA is excellent. HFSB originated 30 percent of consumer loans to low-income borrowers and 30 percent to moderate-income borrowers in 2017-18. HFSB originated 30 percent of consumer loans to low-income borrowers and 20 percent to moderate-income borrowers in 2016. The bank significantly exceeded all demographic comparators.

Responses to Complaints

HFSB did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the State of Minnesota is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

Number and Amount of Community Development Loans

The bank exhibits excellent responsiveness to CD lending needs in the state. The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$ (000's)	% of Total \$
Rochester MSA	23	85	7,137	46
MN Non MSA	4	15	8,333	54
Minneapolis MSA	0	0	0	0
La Crosse MSA	0	0	0	0

Rochester MSA

Management originated a total of 23 CD loans totaling \$7.1 million during the evaluation period. The majority of CD loans supported organizations that provide necessary community services to low- and moderate-income individuals within the Rochester MSA AA. Eight CD loans supported organizations that provided affordable housing or specific affordable housing projects. Four CD loans supported economic development within the bank's AA by promoting low- and moderate-income job creation.

MN Non MSA

Management originated a total of four CD loans totaling \$8.3 million during the evaluation period, all of which supported economic development within the AA. All loans promoted low- and moderate-income job creation.

Minneapolis MSA

Management did not originate any CD loans within the Minneapolis MSA AA during the evaluation period.

La Crosse MSA

Management did not originate any CD loans within the La Crosse MSA AA during the evaluation period.

Number and Amount of Qualified Investments

The bank exhibits adequate responsiveness to qualified investment needs in the state. CD investments are comprised entirely of donations. Management did not purchase any qualified investments during the evaluation period and did not have any prior period investments outstanding.

Qualified Investments										
Assessment Area:	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Rochester MSA	0	0	52	181	52	46%	181	70%	0	0
MN Non MSA	0	0	26	17	26	23%	17	7%	0	0
Minneapolis MSA	0	0	18	40	18	16%	40	15%	0	0
La Crosse MSA	0	0	10	6	10	9%	6	2%	0	0
MN Statewide	0	0	1	8	1	1%	8	3%	0	0

* Prior Period Investments' means investments made in a previous evaluation 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.

Rochester MSA

Qualified investments totaled \$181 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided 52 donations to 33 qualified CD organizations in the AA. The majority of donations, 38 totaling \$73 thousand, supported organizations providing community services to the AA. Eight donations totaling \$60 thousand supported affordable

housing organizations or projects, and six donations totaling \$48 thousand supported economic development organizations.

MN Non MSA

Qualified investment totaled \$17 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided 26 donations to 18 qualified CD organizations in the AA. The majority of donations, 21 totaling \$12 thousand, supported organizations providing community services to the AA. Five donations totaling \$5 thousand supported affordable housing organizations or projects.

Minneapolis MSA

Qualified investments totaled \$40 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided 18 donations to six qualified CD organizations in the AA. All donations supported organizations providing community services to the AA.

La Crosse MSA

Qualified investments totaled \$6 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided ten donations to six qualified CD organizations in the AA. All donations supported organizations providing community services to the AA.

MN Statewide

Qualified investments totaled \$8 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided one donation to one qualified CD organization that benefits areas of the bank's Rochester MSA AA, MN Non MSA AA, and La Crosse MSA AA.

Extent to Which the Bank Provides Community Development Services

The bank exhibits adequate responsiveness to CD service needs in the state.

Rochester MSA

During the evaluation period, 14 employees provided 1,211 hours to 18 qualified CD organizations benefitting the Rochester MSA AA. The majority of service hours, 1,021, were provided to organizations that provide community services to LMI individuals. Employees also provided 187 service hours to economic development organizations and four hours to an affordable housing organization. Examples include:

- Four employees served as Board members or on various committees for an organization that provides a variety of community services, as well as affordable housing to the Rochester area
- Three employees served as Board and/or committee members for an organization that provides assistance to new and existing businesses
- One employee served as a board member and instructor for an organization that provides homebuyer education classes

MN Non MSA

During the evaluation period, six employees provided 900 hours to seven qualified CD organizations benefitting the MN Non MSA AA. The majority of service hours, 849, were provided to organizations that provide community services to LMI individuals. Remaining service hours were provided to organizations that provide affordable housing. Examples include:

- One employee served as a Board member and the treasurer for an education foundation located in a school district serving primarily low- and moderate-income individuals
- One employee served as a Board member and on the Fundraising Committee for an organization dedicated to raising donations for low- and moderate-income individuals
- One employee attended committee meetings, assisted with organizing events, and completed budgeting for an organization that hosted fundraising events to benefit low- and moderate-income programs

Minneapolis MSA

During the evaluation period, two employees provided 387 hours to two qualified CD organizations benefitting the Minneapolis MSA AA. All services hours were provided to organizations that provide community services to LMI individuals. For example, these employees were involved in planning and budgeting processes for organizations that provide community services in the Minneapolis MSA AA.

La Crosse MSA

During the evaluation period, one employee provided 69 hours to four qualified CD organizations benefitting the La Crosse MSA AA. The majority of service hours, 42, were provided to economic development organizations. Remaining service hours were provided to organizations that provide community services to LMI individuals. For example, this employee served as a Board member for organizations that provide community services and promote economic development in the La Crosse MSA AA.

MN Statewide

During the evaluation period, one employee provided 107 hours to one qualified CD organization that benefits areas of the bank's Rochester MSA AA, MN Non MSA AA, and La Crosse MSA AA. All service hours were provided to an economic development organization. This employee served as a Board member, assisted with strategic and financial planning, and provided assistance to start up foundations.

State Rating

State of Iowa

CRA rating for the State of Iowa: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The bank exhibits reasonable geographic distribution of loans in the State of IA.
- The bank exhibits a reasonable distribution of loans to borrowers of different income levels in the State of IA.
- The bank exhibits adequate responsiveness to community development needs in the State of IA through qualified investments and community development services.
- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Iowa

IA Non MSA AA

The IA Non MSA AA consists of Marshall County. HFSB operates one full-service branch in the IA Non MSA, accounting for seven percent of the bank's branch network. The branch and one non-deposit taking ATM are located in Marshalltown.

The June 30, 2018 FDIC Deposit Market Share Report indicated that HFSB had \$43 million or seven percent of its deposits in the IA Non MSA AA. HFSB ranks 9th of 11 deposit-taking institutions in the AA with deposit market share of four percent. The leaders of the market are Central State Bank, Great Western Bank, Wells Fargo Bank NA, and Pinnacle Bank with a combined market share of 66 percent.

HFSB's primary business focus in the IA Non MSA AA is home mortgage loans. Home mortgage loans comprise 62 percent by number and 31 percent by dollar volume of all loans originated within the IA Non MSA AA. Business loans were considered as a primary product with 68 percent by dollar volume of loans originated within the IA Non MSA AA; however, the number of originations was not significant enough to complete a meaningful analysis.

We completed one community contact in the IA Non MSA AA as part of this examination. The organization's mission is to improve the quality of life of the county's residents. A tornado occurred in Marshalltown in 2018, which hit the poorest area of the county causing a decline in population. Unemployment in Marshall County is elevated at 4.4 percent, when compared to statewide IA unemployment of 2.4 percent at year-end 2018. The recovery process since the tornado has been slow, largely due to high construction costs. The average cost of new housing is \$180 thousand, which is not considered affordable. A large refugee population lives in Marshall County, which contributes to the large number of residents who do not qualify for mortgage financing. Affordable housing and revitalization programs are identified needs within the IA Non MSA AA. The contact indicated that

needs are met, and local financial institutions are willing to work with refugees and businesses that were affected by the recent tornado.

The following tables provide information on the demographic composition of the IA Non MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Iowa Non MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	20.0	70.0	10.0	0.0
Population by Geography	40,648	0.0	22.7	61.2	16.1	0.0
Housing Units by Geography	16,845	0.0	22.5	60.7	16.8	0.0
Owner-Occupied Units by Geography	11,630	0.0	17.2	63.6	19.2	0.0
Occupied Rental Units by Geography	3,887	0.0	36.4	51.0	12.6	0.0
Vacant Units by Geography	1,328	0.0	27.8	64.2	8.1	0.0
Businesses by Geography	2,181	0.0	20.2	63.8	16.0	0.0
Farms by Geography	362	0.0	2.2	89.0	8.8	0.0
Family Distribution by Income Level	10,207	16.9	21.4	24.0	37.7	0.0
Household Distribution by Income Level	15,517	20.4	18.2	20.1	41.3	0.0
Median Family Income Non-MSAs - IA		\$56,190	Median Housing Value			\$101,856
			Median Gross Rent			\$592
			Families Below Poverty Level			8.8%
<i>Source: 2010 U.S. Census and 2016 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Home Fed SB Iowa Non MSA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	20.0	70.0	10.0	0.0
Population by Geography	40,962	0.0	21.8	70.6	7.5	0.0
Housing Units by Geography	16,736	0.0	21.6	70.4	8.0	0.0
Owner-Occupied Units by Geography	11,086	0.0	14.5	76.9	8.6	0.0
Occupied Rental Units by Geography	4,211	0.0	34.6	59.4	5.9	0.0
Vacant Units by Geography	1,439	0.0	38.5	52.1	9.5	0.0
Businesses by Geography	2,212	0.0	20.2	70.6	9.2	0.0
Farms by Geography	341	0.0	3.5	71.6	24.9	0.0
Family Distribution by Income Level	10,494	16.6	18.3	28.1	37.0	0.0
Household Distribution by Income Level	15,297	19.5	15.5	20.2	44.8	0.0
Median Family Income Non-MSAs - IA		\$61,934	Median Housing Value			\$104,433
			Median Gross Rent			\$659

	Families Below Poverty Level	7.1%
<i>Source: 2015 ACS Census and 2018 D&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 Iowa

We completed a full-scope review of the IA Non MSA AA as it is the only AA within the State of IA. The State of IA rating is based entirely on performance within the IA Non MSA AA.

Lending test conclusions are based solely on the geographic and borrower distribution of home mortgage loans. Home mortgage was identified as the only primary product in the IA Non MSA AA. Business loans were considered as a primary product due to the dollar volume of loans originated; however, the number of originations during the evaluation period was not significant enough to complete a meaningful analysis.

Refer to the table in Appendix A for additional information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA

LENDING TEST

The bank's performance under the Lending Test in Iowa is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's lending performance in the IA Non MSA AA is reasonable. Based on an analysis of the bank's lending activity, home mortgage loans were selected as the only primary product due to the significant volume of originations during the evaluation period.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

The bank exhibits reasonable geographic distribution of home mortgage loans in the state. Refer to Table O in the State of IA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

IA Non MSA

The geographic distribution of home mortgage loans in CTs of different income levels is reasonable. HFSB originated 10.6 percent of home mortgage loans within moderate-income geographies in 2017-18, lower than both the demographic and aggregate comparators. HFSB originated 13.3 percent of home mortgage loans within moderate-income geographies in 2016, significantly exceeding the aggregate

comparator, but lower than the demographic comparator. There were not any low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels.

Home Mortgage Loans

The bank exhibits a reasonable distribution of loans to individuals of different income levels. Refer to Table P in the State of IA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

IA Non MSA

The borrower distribution of home mortgage loans to borrowers of different income levels is reasonable. HFSB originated 8.5 percent of home mortgage loans to low-income borrowers in 2017-18, lower than both the demographic and aggregate comparators. HFSB originated 42.6 percent of home mortgage loans to moderate-income borrowers, significantly exceeding both the demographic and aggregate comparators. HFSB originated ten percent of home mortgage loans to low-income borrowers in 2016, lower than the demographic comparator but near to the aggregate comparator. HFSB originated 16.7 percent of home mortgage loans to moderate-income borrowers, lower than both the demographic and aggregate comparators.

Responses to Complaints

HFSB did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Iowa is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

Number and Amount of Community Development Loans

The bank exhibits poor responsiveness to CD lending needs in the state.

IA Non MSA

Management did not originate any CD loans within the IA Non MSA AA.

Number and Amount of Qualified Investments

The bank exhibits adequate responsiveness to qualified investment needs in the state. CD investments are comprised entirely of donations. Management did not purchase any qualified investments during the evaluation period and did not have any prior period investments outstanding.

<i>Qualified Investments</i>										
Assessment Area:	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
IA Non MSA	0	0	6	8	6	5%	8	3%	0	0

* Prior Period Investments' means investments made in a previous evaluation 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.

IA Non MSA

Qualified investments totaled \$8 thousand during the evaluation period, consisting entirely of donations. During the evaluation period, management provided six donations to three qualified CD organizations in the AA. All donations supported organizations providing community services to the AA.

Extent to Which the Bank Provides Community Development Services

The bank exhibits adequate responsiveness to CD service needs in the state.

IA Non MSA

During the evaluation period, one employee provided five hours to one qualified CD organization benefitting the IA Non MSA AA. All service hours were provided to an organization that provides community services to LMI individuals, specifically by providing financial education.

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 MSA(s) and non-MSA(s) 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:	01/01/2016 to 12/31/2018	
Bank Products Reviewed:	Home mortgage, small business, and consumer loans Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota		
Rochester MSA	Full-scope	Includes Olmstead, Dodge, and Fillmore Counties
MN Non MSA	Full-scope	Includes Freeborn, Mower, Winona, and Steele Counties
Minneapolis MSA	Full-scope	Dakota County only
La Crosse MSA	Full-scope	Houston County only
Iowa		
IA Non MSA	Full-scope	Marshall County only

Appendix B: Summary of MMSA and State Ratings

RATINGS Home Federal Savings Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Home Federal Savings Bank	Outstanding	Satisfactory	Outstanding
State:			
Minnesota	Outstanding	Satisfactory	Outstanding
Iowa	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

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/assessment area.

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. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts 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 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income 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 census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area 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 census tract 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/assessment area.

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 Metropolitan Statistical Area 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 metropolitan statistical area. 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 metropolitan statistical area.

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

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 30th 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 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 Minnesota

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Rochester MSA	380	66,036	60.7	8,047	0.0	0.0	0.0	13.9	17.4	11.7	60.0	52.9	57.6	26.1	29.7	30.8	0.0	0.0	0.0
MN Non MSA	203	21,469	32.4	4,117	2.5	1.0	1.4	4.9	4.9	3.4	72.7	79.3	70.9	19.9	14.8	24.4	0.0	0.0	0.0
Total	583	87,505	93.1	12,164															

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Rochester MSA	758	131,078	60.3	7,079	0.0	0.0	0.0	19.1	27.2	19.6	45.7	43.8	43.7	35.2	29.0	36.7	0.0	0.0	0.0
MN Non MSA	408	43,222	32.4	4,139	0.0	0.0	0.0	14.7	19.9	14.5	60.1	54.9	58.9	25.1	25.2	26.6	0.0	0.0	0.0
Total	1,166	174,300	92.7	11,218															

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Rochester MSA	380	66,036	60.7	8,047	16.7	17.4	11.0	18.5	25.8	22.0	24.3	21.6	21.4	40.4	30.0	32.3	0.0	5.3	13.4
MN Non MSA	203	21,469	32.4	4,117	17.0	8.4	9.6	17.4	27.6	23.0	23.0	25.1	21.4	42.6	36.0	31.2	0.0	3.0	14.7
La Crosse MSA	26	3,058	4.2	561	19.9	19.2	11.2	19.5	30.8	23.4	25.4	19.2	24.4	35.2	23.1	33.7	0.0	7.7	7.3
Total	609	90,563	97.3	12,725															

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-18
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Rochester MSA	758	131,078	60.3	7,079	18.4	21.0	12.2	18.2	25.7	23.3	23.8	22.8	21.7	39.6	25.5	30.7	0.0	5.0	12.1
MN Non MSA	408	43,222	32.4	4,139	17.5	18.6	11.7	17.2	24.5	22.8	22.8	24.8	21.2	42.5	29.4	26.8	0.0	2.7	17.5
La Crosse MSA	52	6,611	8.3	549	20.3	11.5	14.2	18.9	28.8	23.5	25.6	17.3	22.8	35.2	40.4	34.4	0.0	1.9	5.1
Total	1,218	180,911	101.0	11,767															

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2016
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Rochester MSA	20	2,745	17.7	3,509	0.0	0.0	0.0	14.8	10.0	11.3	60.0	70.0	58.9	25.2	20.0	29.8	0.0	0.0	0.0	
MN Non MSA	60	7,387	53.1	2,077	4.1	15.0	2.9	5.0	3.3	4.5	77.8	73.3	75.5	13.1	8.3	17.0	0.0	0.0	0.0	
Mpls MSA	33	8,260	29.2	8,587	0.0	0.0	0.0	11.8	36.4	12.4	52.2	36.4	47.6	36.0	27.3	40.0	0.0	0.0	0.0	
Total	113	18,392	100.0	13,723																

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017-18
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Rochester MSA	20	5,625	20.0	2,981	0.0	0.0	0.0	23.4	20.0	19.9	46.8	55.0	46.7	29.8	25.0	33.5	0.0	0.0	0.0	
MN Non MSA	60	11,182	60.0	1,861	0.0	0.0	0.0	24.0	33.3	22.6	59.9	61.7	59.8	16.2	5.0	17.6	0.0	0.0	0.0	
Mpls MSA	20	3,910	20.0	7,820	0.0	0.0	0.0	20.6	20.0	17.8	48.1	40.0	51.5	31.3	40.0	30.7	0.0	0.0	0.0	
Total	100	20,717	100.0	60,453																

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Rochester MSA	20	2,745	27.4	3,509	82.7	60.0	49.7	5.5	40.0	11.8	0.0
MN Non MSA	20	2,036	27.4	2,077	79.2	60.0	50.7	6.6	40.0	14.2	0.0
Mpls MSA	33	8,260	45.2	8,587	84.6	42.4	48.3	6.1	57.6	9.3	0.0
Total	73	13,041	100.0	70,583							

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-18
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Rochester MSA	20	5,625	20.0	2,981	82.1	65.0	54.9	5.6	35.0	12.3	0.0
MN Non MSA	60	11,182	60.0	1,861	78.4	61.7	54.2	6.7	38.3	14.9	0.0
Mpls MSA	20	3,910	20.0	7,820	84.6	50.0	52.3	6.0	50.0	9.4	0.0
Total	100	20,717	100.0	60,453							

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
La Crosse MSA	20	240	100.0	25.1	30.0	14.7	20.0	17.7	30.0	42.5	20.0	0.0	0.0	
<i>Source: 2016 U.S Census; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017-18	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
La Crosse MSA	20	227	100.0	21.1	30.0	15.9	30.0	19.1	25.0	43.9	15.0	0.0	0.0	
<i>Source: 2018 U.S Census; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>														

State of Iowa

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
IA Non MSA	30	4,714	100.0	924	0.0	0.0	0.0	17.2	13.3	11.9	63.6	70.0	64.9	19.2	16.7	23.2	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-18
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
IA Non MSA	47	5,071	100.0	723	0.0	0.0	0.0	14.5	10.6	12.6	76.9	87.2	75.9	8.6	2.1	11.5	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
IA Non MSA	30	4,714	100.0	924	16.9	10.0	10.4	21.4	16.7	27.8	24.0	40.0	23.1	37.7	26.7	24.1	0.0	6.7	14.6

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-18	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
IA Non MSA	47	5,071	180.8	723	16.6	8.5	15.5	18.3	42.6	31.0	28.1	25.5	20.2	37.0	21.3	23.0	0.0	2.1	10.4		
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																					