



## **PUBLIC DISCLOSURE**

April 29, 2013

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

The First National Bank in Sioux Falls  
Charter Number 3393

100 South Phillips Avenue  
Sioux Falls, SD 57104

Office of the Comptroller of the Currency

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

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

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## Overall CRA Rating

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

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

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

\* The Lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to credit needs in the Sioux Falls assessment area (AA).
- FNB originated and purchased a majority of its loans within its AAs.
- The bank’s distribution of loans to businesses and farms of different sizes was good. Distribution of loans to borrowers of different income levels was adequate.
- The geographic distribution of FNB’s loans reflected adequate penetration throughout the Sioux Falls AA geographies.
- FNB originated approximately \$10 million of qualifying community development loans that benefited its AA. This had a positive impact on Lending Test conclusions.
- FNB officers provided a good level of community development services by participating in a variety of organizations that provide community services to low- and moderate-income individuals, promote economic development, provide affordable housing, and revitalize and stabilize low- and moderate-income geographies.
- The bank’s service delivery systems were accessible to geographies and individuals of different income levels throughout the Sioux Falls AA.
- FNB’s level of qualifying community development investments and donations during the evaluation period was good given the limited opportunities.

## Definitions and Common Abbreviations

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

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

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

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

**Community Development (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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

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

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

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

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

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

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

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

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either 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 secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

## Description of Institution

FNB is a \$1.1 billion commercial bank headquartered in Sioux Falls, South Dakota. FNB is a wholly owned subsidiary of a one-bank holding company, Minnehaha Banshares, Inc.

FNB is an intrastate bank with 17 offices located throughout Sioux Falls and the immediate surrounding area. The main office and several branches are located in the City of Sioux Falls, and there are also branches in each of the rural communities of Dell Rapids, Brandon, Flandreau, Harrisburg, and Baltic. FNB closed two branches during the evaluation period, one in a middle-income area and one in a moderate-income area.

The bank operates 16 full service ATMs in its AAs. The ATMs accept deposits, dispense cash, offer stamps for sale, and have a voice-activated feature. In addition, the bank operates 31 ATMs in its AA that only dispense cash. Six of the ATMs are located in the Moody County AA.

The bank's primary business focus is commercial lending to small and medium-sized businesses. However, FNB offers a full range of traditional loan and deposit services to its individual, farm, and business customers. The bank also operates a large trust department, its own computer center, and a proprietary ATM switch (Advantage Network).

Net loans represented approximately 56 percent of total assets as of December 31, 2012. By dollar volume, the loan portfolio was comprised of 45 percent commercial loans, 33 percent 1-4 family residential loans, 19 percent agricultural loans, and 3 percent other loans. Tier one capital totaled \$141 million as of December 31, 2012.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. FNB received a "Satisfactory" rating at its prior CRA examination dated March 24, 2009.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for this examination is January 1, 2009 to December 31, 2012 for all loans, investments, and services. Loans, investments, and services from 2009, 2010, and 2011 were combined for analysis and compared to 2000 census information. Loan, investments, and services for 2012 were analyzed and compared to 2010 census information. Market comparisons were based on 2011 peer data, which was the most recently available data at the time of this evaluation.

The Lending Test rating was based on small loans to businesses, small loans to farms, home purchase, home improvement, and home refinancing loans in all AAs. The CRA regulation also considers a bank's multifamily mortgage lending. We did not include multifamily lending in our analysis because the volume of these loans during the evaluation period represented less than one percent of total reported loans.

### Data Integrity

We conducted a data integrity review in 2011 and found that FNB has appropriate internal controls to ensure the accuracy of publicly reported data. Internal procedures are unchanged from that review. Additionally, internal and external audits remain comprehensive. As such, we did not test individual loan files to verify the accuracy of the bank's publicly reported data. We used the bank's publicly reported data for 2009, 2010, 2011, and 2012 without amendment.

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

### Selection of Areas for Full-Scope Review

The bank had two AAs at this examination. We performed a full-scope review of the Sioux Falls AA for all four years of the evaluation period. The Sioux Falls AA accounts for approximately 91 percent of the bank's total deposits and includes 16 of the bank's 17 branches. A limited scope review of the Moody County AA was completed for all years. Refer to Appendix A for further information.

### Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews.

When determining conclusions for the Lending Test, we weighted loan products to be reflective of FNB's loan volume by product type over the evaluation period. We weighted small loans to businesses most heavily in our analysis because they represented 53 percent of the total number of loans originated by FNB during the evaluation period. HMDA loans were the next largest loan volume product and accounted for 32 percent of total reported loans. Among the HMDA loan type categories, home refinancing loans were the most significant and accounted for 22 percent of total reported loans. Small loans to farms accounted for 15 percent of reported loans.

In the Moody County AA, small loans to farms were the largest volume loan type and accounted for 59 percent of the loans. Small loans to businesses accounted for 24 percent of the loans, and HMDA loans accounted for 18 percent of total reported loans.

## **Other**

We interviewed a community contact with a local government agency that specializes in economic development. The contact stated that loans to small businesses are the highest credit need in the community, but that banks are doing a very good job of meeting all the credit needs in the Sioux Falls area.

## **Fair Lending or Other Illegal Credit Practices Review**

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

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

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "high satisfactory". Based on a full-scope review, the bank's performance in the Sioux Falls AA is good. Lending activity in the Sioux Falls AA is excellent. The distribution of loans to borrowers of different income levels, including small businesses, small farms, and low- and moderate-income individuals, is good. The overall distribution of loans by income level of the geography in the Sioux Falls AA is adequate. FNB's community development lending had a positive impact on the Lending Test conclusions.

#### *Inside/Outside Ratio*

FNB originated and purchased a majority of its loans within its AAs. During the evaluation period, the bank originated or purchased a total of 83 percent by number and 80 percent by dollar volume of its loans within the AA. This factored favorably in the overall conclusions regarding the geographic - distribution of loans. This analysis was performed at the bank level instead of the AA level.

#### Lending Activity

Lending activity in the Sioux Falls AA is excellent. During 2009, 2010, and 2011 FNB originated 1,775 small loans to businesses totaling almost \$298 million, 1,084 home mortgage loans totaling more than \$189 million, and 508 small loans to farms totaling more than \$70 million. During 2012 FNB originated 540 small loans to businesses totaling more than \$95 million, 479 home mortgage loans totaling more than \$95 million, and 154 small loans to farms totaling nearly \$23 million.

Based on June 30, 2012 Federal Deposit Insurance Corporation (FDIC) deposit market share data, there were 29 deposit-taking financial institutions with one or more banking offices in the Sioux Falls AA. Based on the dollar volume of deposits, FNB ranked sixth with 0.22 percent of the deposit market share. Citibank and Wells Fargo Bank were the market leaders with a combined deposit market share of 97.9 percent.

To analyze FNB's lending activity we compared the bank's deposit market share with its lending market share for home mortgage loans, small loans to businesses, and small loans to farms. In comparing the market share percentages, we took into consideration that deposit market share information includes only deposit-taking financial institutions that had one or more branches located in the AA. In regard to the lending market share, we considered lenders who do not have deposit-taking facilities in the bank's AA, but reported one or more home mortgage loans and one or more small loans to businesses in the AAs in 2010.

Peer small business loan data for 2011 indicates the bank ranked third among 45 lenders that reported small business loans with a market share of 31 percent based on dollar volume and 11 percent based on number of loans. Peer small farm loan data for 2011 indicates the bank ranked first among 17 lenders

that reported small farm loans with a market share of nearly 32 percent based on dollar volume and more than 29 percent based on number of loans.

Peer home mortgage loan data for 2011 indicates FNB's market share was around 3 percent by number and dollar volume and the bank ranked 13<sup>th</sup> among 100 lenders that reported home purchase loans. FNB's market share of home refinance loans was 3 percent by number and 4 percent by dollar volume and the bank ranks 9<sup>th</sup> among 125 lenders that reported home refinance loans. FNB's market share was 8 percent by number and 11 percent by dollar volume and the bank ranked fourth among 41 lenders that reported home improvement loans.

Refer to Tables 1 Lending for the facts and data used to evaluate the bank's lending activity.

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

The overall distribution of loans by income level of the geography in the Sioux Falls AA is adequate.

### ***Home Mortgage Loans***

FNB's geographic distribution of home purchase, home improvement, and home mortgage refinance loans originated in 2009, 2010, and 2011 throughout the Sioux Falls AA is poor. FNB originated 4 percent of its home purchase, home improvement, and home refinance loans in moderate-income census tracts, while the 2000 census data indicated 10 percent of owner-occupied housing units were located in moderate-income census tracts. There were no low-income census tracts.

FNB's market share of home purchase and home improvement loans in moderate-income geographies was below its overall market share for these products. FNB's market share of home mortgage refinance loans in moderate-income geographies exceeded its overall market share for home mortgage refinance loans.

FNB's geographic distribution of home purchase, home improvement, and home mortgage refinance loans originated in 2012 throughout the Sioux Falls assessment is poor. FNB originated 4 percent of its home purchase loans and 7 percent of its home improvement and home refinance loans in moderate-income census tracts. Census data from 2010 indicated 19 percent of owner-occupied housing units were located in moderate-income census tracts.

FNB's market share of home purchase and home improvement loans in moderate-income geographies was below its overall market share for these products. FNB's market share of home mortgage refinance loans in moderate-income geographies exceeded its overall market share for home mortgage refinance loans.

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

### ***Small Loans to Business***

FNB's geographic distribution of small loans to businesses originated in 2009, 2010, and 2011 throughout the Sioux Falls AA is good. FNB originated 14 percent of its small loans to businesses in moderate-income census tracts, which is near the 15 percent of businesses located in moderate-income census tracts in the AA. FNB's market share of small loans to businesses in moderate-income geographies was adequate at 9 percent, but is below its overall market share of 11 percent.

FNB's geographic distribution of small loans to businesses originated in 2012 throughout the Sioux Falls AA is excellent. FNB originated 41 percent of its small loans to businesses in moderate-income census tracts, which exceeded the 35 percent of businesses that were located in moderate-income census tracts in the AA. FNB's market share of small loans to businesses in moderate-income geographies was adequate at 9 percent, but is below its overall market share of 11 percent.

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

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

FNB's geographic distribution of small loans to farms originated in 2009, 2010, and 2011 throughout the Sioux Falls AA is poor. FNB originated 1 percent of its small loans to farms in moderate-income census tracts, which is below the 4 percent of farms that were located in moderate-income census tracts in the AA. FNB's market share of small loans to farms in moderate-income geographies was very poor. The bank has no market share of small loans to farms in moderate-income geographies but its overall market share of small loans to farms is 32 percent.

FNB's geographic distribution of small loans to farms originated in 2012 throughout the Sioux Falls AA is very poor. FNB originated 1 percent of its small loans to farms in moderate-income census tracts, which is well below the 8 percent of farms that were located in moderate-income census tracts in the AA. FNB's market share of small loans to farms in moderate-income geographies was very poor. The bank has no market share of small loans to farms in moderate-income geographies, but its overall market share of small loans to farms was 32 percent.

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

### ***Lending Gap Analysis***

We reviewed the bank's publicly reported data for home mortgage loans, small loans to businesses, and small loans to farms, made in the Sioux Falls AA in order to identify conspicuous gaps in the geographic distribution of these loans. After considering the bank's lending volumes, competition in the AAs, and demographic factors, we did not identify any conspicuous gaps in lending.

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

The overall distribution of loans to borrowers of different income levels, including small businesses, small farms, and low- and moderate-income individuals, is good.

### *Home Mortgage Loans*

The distribution of home purchase, home mortgage refinance, and home improvement loans to low- and moderate-income borrowers in the Sioux Falls AA was adequate. While performance in some categories is poor, we considered that many low- and moderate-income individuals have difficulty qualifying for home mortgage loans due to their limited income.

The distribution of home purchase loans originated in 2009, 2010, and 2011 to low-income borrowers in the Sioux Falls AA was good. FNB originated 13 percent of its home purchase loans to low-income borrowers. This is near to the 15 percent of families in the AA considered low-income. FNB's market share of mortgage purchase loans to low-income borrowers was adequate.

The distribution of home purchase loans originated in 2012 to low-income borrowers in the Sioux Falls AA was poor. FNB originated less than 5 percent of its home purchase loans to low-income borrowers. This was significantly lower than the 18 percent of families in the AA considered low-income.

The distribution of home improvement loans originated in 2009, 2010, and 2011 to low-income borrowers in the Sioux Falls AA was poor. FNB originated 5 percent of its home improvement loans to low-income borrowers, which is well below the 15 percent of families in the AA considered low-income. FNB's market share of home improvement loans to low-income borrowers was very poor. FNB's market share of home improvement loans to low-income borrowers was 2 percent, well below the bank's 8 percent market share for all home improvement loans.

The distribution of home improvement loans originated in 2012 to low-income borrowers in the Sioux Falls AA was very poor. FNB originated 2 percent of its home improvement loans to low-income borrowers, which was well below the 18 percent of families in the AA that were low-income.

The distribution of home mortgage refinance loans originated in 2009, 2010, and 2011 to low-income borrowers in the Sioux Falls AA was very poor. Only 3 percent of the bank's home mortgage refinance loans were originated to low-income borrowers. This is significantly below the 15 percent of families in the AA considered low-income. FNB's market share of home mortgage refinance loans to low-income borrowers was poor.

The distribution of home mortgage refinance loans originated in 2012 to low-income borrowers in the Sioux Falls AA was very poor. FNB originated 4 percent of its home mortgage refinance loans to low-income borrowers, which was well below the 18 percent of families in the AA that were low-income.

The distribution of home purchase loans originated in 2009, 2010, and 2011 to moderate-income borrowers in the Sioux Falls AA was excellent. FNB originated 22 percent of its home purchase loans to moderate-income borrowers, which exceeds the 19 percent of families in the AA considered moderate-income. FNB's market share of mortgage purchase loans to moderate-income borrowers was adequate.

The distribution of home purchase loans originated in 2012 to moderate-income borrowers in the Sioux Falls AA was adequate. FNB originated 13 percent of its home purchase loans to moderate-income borrowers, which was lower than the 18 percent of families in the AA considered moderate-income.

The distribution of home improvement loans originated in 2009, 2010, and 2011 to moderate-income borrowers in the Sioux Falls AA was excellent. FNB originated 21 percent of its home improvement loans to moderate-income borrowers, which exceeds the 19 percent of families in the AA considered moderate-income. FNB's market share of home improvement loans to moderate-income borrowers was also excellent.

The distribution of home improvement loans originated in 2012 to moderate-income borrowers in the Sioux Falls AA was adequate. FNB originated 12 percent of its home improvement loans to moderate-income borrowers, which is below the 18 percent of families in the AA that were moderate-income.

The distribution of home mortgage refinance loans originated in 2009, 2010, and 2011 to moderate-income borrowers in the Sioux Falls AA was adequate. FNB originated 13 percent of its home mortgage refinance loans to moderate-income borrowers. This is below the 19 percent of families in the AA considered moderate-income. FNB's market share of home mortgage refinance loans to moderate-income borrowers was poor.

The distribution of home mortgage refinance loans originated in 2012 to moderate-income borrowers in the Sioux Falls AA was also adequate. FNB originated 11 percent of its home mortgage refinance loans to moderate-income borrowers, which is below the 18 percent of families in the AA that were moderate-income.

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

### ***Small Loans to Businesses***

The bank's distribution of small loans to businesses originated in 2009, 2010, and 2011 in the Sioux Falls AA was good. FNB's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was 56 percent, which was below the percentage of businesses in the AA with revenues of \$1 million or less. However, the bank's market share of small loans to businesses with revenues of \$1 million or less exceeded the bank's overall market share of small loans to businesses. FNB also originated a majority of its reported loans to businesses in amounts of \$100 thousand or less.

FNB's distribution of small loans to businesses originated in 2012 in the Sioux Falls AA was good. FNB's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was 66 percent, which is similar to the percentage of businesses in the AA with revenues of \$1 million or less.

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

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

FNB's distribution of small loans to farms originated in 2009, 2010, and 2011 in the Sioux Falls AA is good. The bank originated 86 percent of its reported farm loans in the AA to entities with gross annual revenues of \$1 million or less. This trails AA demographics, in which 99 percent of farms with known revenues had gross annual revenues of \$1 million or less. Performance was stronger when looking at market share. FNB's market share of loans to farms with revenues of \$1 million or less exceeded its

overall market share of small loans to farms. Additionally, the bank made a majority of its reported loans to farms in amounts of \$100 thousand or less during the evaluation period.

FNB's distribution of small loans to farms originated in 2012 in the Sioux Falls AA is good. The bank originated 86 percent of its reported farm loans in the AA to entities with gross annual revenues of \$1 million or less. This trails AA demographics, in which 99 percent of farms with known revenues, have gross annual revenues of \$1 million or less. Performance was stronger when looking at market share. FNB's market share of loans to farms with revenues of \$1 million or less exceeded its overall market share of small loans to farms. Additionally, the bank made a majority of its reported loans to farms in amounts of \$100 thousand or less during the evaluation period.

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

### **Community Development Lending**

FNB's community development lending had a positive impact on the Lending Test conclusions. FNB originated a significant amount of qualifying community development loans. FNB originated 12 qualifying community development loans totaling more than \$10 million during the evaluation period in the Sioux Falls AA. This represents 7.6 percent of the bank's tier one capital as of December 31, 2012. Eight of the qualifying loans totaling nearly \$9.8 million were for economic development. The other four qualifying community development loans were for affordable housing.

FNB originated loans to two businesses to fund construction of new locations for the businesses, including a local dentist office. These loans were guaranteed by the U.S. Small Business Administration. The bank made four loans to a local affordable housing organization. Loan proceeds were used to develop residential land for a low-income housing project in Sioux Falls.

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

### **Product Innovation and Flexibility**

The bank has funding of \$10 million set aside for lending to start-up businesses and entrepreneurs. The bank uses the pool to provide funding to local start-up businesses or small businesses looking to expand that might not otherwise qualify for financing. The bank also originated loans to qualifying businesses and farms under the Small Business Administration and Farm Services Agency government-guaranteed loan programs, as well as other state programs.

FNB participated in a variety of flexible home loan programs. The South Dakota Housing Development Authority (SDHDA) is an affordable housing program that provides financing and closing cost assistance for qualified first-time homebuyers who are primarily low- and moderate-income borrowers. Although there are purchase price and income restrictions, the SDHDA programs provide below-market rates and relaxed underwriting to assist borrowers with the qualification process. The SDHDA Mortgage Assistance Program helps low-income borrowers with down payment and closing costs.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

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

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test in the Sioux Falls AA is rated "high satisfactory." The bank's performance in the Sioux Falls AA is good given the number of opportunities available in the AA.

FNB made 76 qualified donations totaling approximately \$349 thousand that benefited the Sioux Falls AA for 2009 through 2011. Although there were no new qualifying investments for 2009 through 2011 period, the bank had five qualifying prior period investments with a value of \$381 thousand. The primary purpose of these organizations is affordable housing and economic development. Current and prior period investments represent less than one percent of tier one capital as of December 31, 2011.

For 2012, FNB had 30 qualifying investments and donations totaling \$302 thousand that benefitted the Sioux Falls AA. The bank made an investment in the Transitional Living Corporation (TLC) for \$100 thousand. FNB's president was instrumental in establishing the organization and this investment is considered innovative and complex. The primary purpose is to provide services and affordable housing dedicated to low- and moderate-income individuals.

The bank's investments were responsive to community needs. The bank donated to several organizations in the Sioux Falls AA that provide affordable housing, promote economic development, and provide community services throughout the AA. These include, but are not limited to, donations to Habitat for Humanity, Sioux Empire United Way, and Downtown Sioux Falls. The bank also made \$150 thousand in statewide or regional donations with potential benefit to the Sioux Falls AA.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Moody County AA is not inconsistent with the bank's overall "high satisfactory" rating performance. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory." This is based on FNB's good performance in the Sioux Falls AA, which received a full-scope review.

### Retail Banking Services

The bank's service delivery systems were accessible to geographies and individuals of different income levels throughout the Sioux Falls AA. Three of the bank's 17 branches in the Sioux Falls AA (18 percent) are located in moderate-income census tracts as of December 31, 2011 based on the 2000 census. As of December 31, 2012, six of the 16 branches in the Sioux Falls AA (37 percent) are located in moderate-income census tracts based on the 2010 census. The location of branches in moderate-income census tracts was favorable compared to the percentage of the population that resided in the moderate-income tracts in the AA (14 percent as of December 31, 2011 and 26 percent as of December 31, 2012).

FNB's record of opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies, or to low- and moderate-income individuals. The bank closed two branches in the Sioux Falls AA during the evaluation period. One branch was located in a middle-income tract and the other was in a moderate-income tract. The branch closed in a moderate-income tract, which was located within the Empire Mall. After the closure of that branch, the bank continued to have two cash-dispensing ATMs inside the mall and one full-service ATM in the mall parking lot. Additionally, the bank continues to operate two branch locations within one mile of the closed mall location.

There were no material differences in the hours of operation or services offered at branches across geographies of different income levels in the Sioux Falls AA. Hours and services at full-service branches are generally similar. The bank has six locations in assisted-living/retirement communities that have limited hours and provide mainly deposit services. There is no pattern between moderate-income census tracts and reduced hours and services. Six branches offer extended hours through drive up services on Saturday mornings and three branches have morning hours on holidays.

The bank offers low-cost checking and savings accounts at all branches. Initial contact for all loan products can be made at any branch. Consumer lending officers are located at all full-service branches; however, lending officers are not located in the assisted-living/retirement community branches but will travel to those locations by request. The bank operates a centralized mortgage lending department at its 57th Street branch to streamline the application process and provide a dedicated lending staff for mortgage applications. However, applications for mortgage loans are accepted at any branch. The bank also offers free notary public services to bank customers. Most branches also offer safe deposit boxes and night drops. The bank does not cash checks for non-customers. Customers need to have compensating balances to cover the check being cashed, with the exception of US Treasury checks and State of South Dakota checks in which the customer does not need compensating balances.

The bank's ATM network offered a good alternative system for delivering retail banking services to low- and moderate-income individuals and geographies. The bank operated 41 ATMs in the Sioux Falls AA as of December 31, 2011 and 42 ATMs as of December 31, 2012. This includes a mix of cash

dispensing and full-service (i.e. deposit-taking) ATMs. As of December 31, 2011, the bank had 12 ATMs (29 percent) located in moderate-income CTs (four full-service ATMs (22 percent) and eight cash dispensing ATMs (35 percent)). As of December 31, 2012, the bank had 26 ATMs (62 percent) located in moderate-income CTs (ten full-service ATMs (63 percent) and 16 cash dispensing ATMs (62 percent)). The location of ATMs in moderate-income census tracts was very favorable compared to the percentage of the population that resided in moderate-income tracts in the AA (14 percent as of December 31, 2011 and 26 percent as of December 31, 2012).

FNB offered other alternative delivery systems during the evaluation period, including 24-hour telephone, online banking, and mobile banking. No information was available regarding the effectiveness of these services in reaching low- and moderate-income individuals or geographies. Significant weight was not placed on these systems when drawing conclusions under the Service Test.

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

### **Community Development Services**

FNB officers provided a good level of community development services by participating in a variety of organizations that provide community services to low- and moderate-income individuals, promote economic development, provide affordable housing, and revitalize and stabilize low- and moderate-income geographies. During the evaluation period, 51 bank employees provided services to 29 different community development organizations in the Sioux Falls AA. One of these services also benefited the Moody County AA and three benefited a broader region outside the AA. Of the services provided, 60 were provided to community development organizations qualifying under community services, seven to affordable housing, three to economic development, two to revitalizing and stabilizing, and eight were to organizations meeting multiple community development categories. Most of the services provided spanned multiple years of the evaluation period, with several services provided in each of the years. Many times bank representatives assumed leadership roles with these organizations. President Baker demonstrates the bank's commitment to the CRA by providing services to seven organizations. The following examples illustrate some of the services provided:

Twenty-nine employees and officers provided services to the Sioux Empire United Way during the evaluation period. The United Way raises and allocates over \$9 million in charitable dollars annually for the Sioux Falls area. FNB participants served on the Board, organized fundraising activities within the bank, campaigned, reviewed grant applications, allocated collected funds, audited the campaign contributions, served on the human resources committee, and coordinated the Coins for Kids program for the organization.

Five employees provided services to the Boys and Girls Club of Sioux Empire. The organization is a non-profit community-based childcare and development organization dedicated to education, nutrition, recreation, and care of children. The organization serves primarily low- and moderate-income families and children. One employee serves on the Board, was a member of the Executive Committee, chair of the Finance Committee, and Lead Fundraiser for the annual fundraising campaign from 2011 to present. The other four employees were involved in fundraising activities.

Four employees were volunteers for the Volunteer Income Tax Assistance (VITA) program during tax season. VITA volunteers prepare income tax returns free of charge for low-to-moderate income individuals and to a variety of individuals and families with special needs.

President Baker is a member of the Board for Transitional Living Corporation (TLC). TLC is designed to assist people suffering from chemical dependency by operating and managing self-governing homes. Most residents of TLC homes are low-to-moderate income individuals returning to the workforce after beginning recovery. President Baker was also instrumental in the creation of a Community Development Corporation (CDC) for this organization. The principal objective of the TLC CDC is to purchase TLC's residential properties and satisfy the mortgages presently encumbering the properties. His involvement in the creation of the CDC is considered innovative.

Six bank employees provided service through Board membership of six different organizations that promote economic development by providing financing to small businesses.

Four employees were involved with the local chapter of Habitat for Humanity, an organization that provides affordable housing to low- and moderate-income individuals in the greater Sioux Falls area. One served as a Board member and was also a member of the Fund Development Committee. The remaining three were on the Family Selection Committee.

In addition to the community development services included in the analysis above, the bank also receives credit for community development service for their role as the sponsoring bank for the City of Sioux Falls Community Development Department's application to receive a grant from the Federal Home Loan Bank (FHLB) in Des Moines's Affordable Housing Program (AHP). The City of Sioux Falls (City) could not apply for the grant without a sponsoring bank. FNB filled the role of the sponsoring bank and submitted the grant application on behalf of the City. The City was awarded a \$272,000 grant. This is the city's first FHLB AHP grant and the largest non-government grant received in the history of the department. The grant will be used for the City's single-family housing rehabilitation program, which provides financial assistance to low-income households to maintain their properties in a decent, safe, and sanitary condition.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Service Test in the Moody County AA was not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/09 to 12/31/12 Investment and Service Tests and CD Loans: 01/01/09 to 12/31/12	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The First National Bank in Sioux Falls (FNB) Sioux Falls, SD	<ul style="list-style-type: none"> <li>-- Home mortgage loans, including home purchase, home improvement, and home refinance.</li> <li>-- Small loans to businesses.</li> <li>-- Small loans to farms.</li> <li>-- Community development loans.</li> <li>-- Community development investments.</li> <li>-- Community development services.</li> <li>-- Retail banking services.</li> </ul>	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>None</i>		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Sioux Falls AA	Full-Scope	Consists of Minnehaha and Lincoln counties in South Dakota
Moody County AA	Limited-Scope	Consists of Moody County in South Dakota

## Appendix B: Market Profiles for Full-Scope Areas

### Sioux Falls Assessment Area

Demographic Information for Full-Scope Area: Sioux Falls						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	0.00	26.42	50.94	22.64	0.00
Population by Geography	214,296	0.00	26.06	50.94	23.00	0.00
Owner-Occupied Housing by Geography	55,160	0.00	19.40	54.78	25.82	0.00
Businesses by Geography	22,457	0.00	34.97	43.55	21.48	0.00
Farms by Geography	1,323	0.00	8.39	69.31	22.30	0.00
Family Distribution by Income Level	54,233	17.76	17.81	26.15	38.28	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	19,288	0.00	38.95	48.26	12.79	0.00
Median Family Income	= \$66,496					
HUD Adjusted Median Family Income for 2012	= \$68,900					
Households Below the Poverty Level	= 9%					
			Median Housing Value	= \$150,614		
			Unemployment Rate	= 4.0%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2012 HUD updated MFI.

The Sioux Falls MSA consists of Minnehaha, Lincoln, Turner, and McCook counties in Eastern South Dakota. The bank does not consider McCook or Turner counties as part of its AA as it does not have a branch or ATM located in those counties. The information in the above table reflects the bank’s AA of Minnehaha and Lincoln counties. The entire AA consists of 53 CTs. Twelve tracts are upper-income, 27 are middle-income, and 14 are moderate-income. No tracts are low-income. The bank operates 16 branches and 41 ATMs in the Sioux Falls AA. The Sioux Falls AA represents 91 percent of the bank’s total deposits.

Sioux Falls is heavily banked with 29 banks operating 121 branches in Minnehaha and Lincoln counties. Citibank, N.A. is the market leader with 73.86 percent of the deposit market share. FNB is ranked sixth in deposit market share with 0.22 percent.

Economic conditions in Sioux Falls were generally good during the reporting period, especially when compared to the national economic picture. According to the Bureau of Labor and Statistics, as of March 2013, the unemployment rate for Minnehaha and Lincoln counties combined was approximately 4.0 percent. The unemployment rate in Minnehaha County was 4.2 percent and in Lincoln County was 3.5 percent. These are similar to the statewide unemployment rate of 4.1 percent and much better than the national unemployment rate of 7.5 percent.

Major employers in the Sioux Falls area include two hospitals, a meat processing plant, and two large banks. The labor force totaled more than 132 thousand people and nearly 11 percent were employed by

the two large hospitals in Sioux Falls. The HUD updated median family income for 2012 was \$68,900 and the median housing value for Minnehaha and Lincoln counties was \$150,614.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the

percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA.

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

Table 1. Lending Volume

LENDING VOLUME January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA								Evaluation Period:		
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Sioux Falls AA	87.98	1,084	188,987	1,775	297,595	508	70,582	10	9,558	3,377	566,722	91.15
<b>Limited Review:</b>												
Moody County AA	12.02	81	6,699	110	10,866	269	30,509	0	0	460	48,074	8.85

\* Loan Data as of December 31, 2011. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2009 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2012. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA								Evaluation Period: January					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sioux Falls AA	376	94.24	0.00	0.00	9.84	3.73	71.68	76.06	18.48	20.21	2.68	0.00	1.45	2.59	3.38
<b>Limited Review:</b>															
Moody County AA	23	5.76	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	11.11	0.00	0.00	11.11	0.00

\* Based on 2011 Peer Mortgage Data: USPR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	130	78.79	0.00	0.00	9.84	3.85	71.68	78.46	18.48	17.69	7.94	0.00	5.13	8.40	7.29	
<b>Limited Review:</b>																
Moody County AA	35	21.21	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	77.27	0.00	0.00	77.27	0.00	

\* Based on 2011 Peer Mortgage Data: USPR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	573	96.14	0.00	0.00	9.84	4.01	71.68	73.65	18.48	22.34	3.33	0.00	4.55	3.25	3.39	
<b>Limited Review:</b>																
Moody County AA	23	3.86	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	11.11	0.00	0.00	11.11	0.00	

\* Based on 2011 Peer Mortgage Data: USPR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	5	100.00	0.00	0.00	32.66	0.00	59.58	100.00	7.76	0.00	1.49	0.00	0.00	2.27	0.00	
<b>Limited Review:</b>																
Moody County AA	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2011 Peer Mortgage Data: USPR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businesses**	% Bank Loans	% of Businesses**	% Bank Loans	% of Businesses*	% Bank Loans	% of Businesses**	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	1,775	94.16	0.00	0.00	14.81	13.63	73.53	79.61	11.66	6.76	11.37	0.00	9.34	12.89	6.73	
<b>Limited Review:</b>																
Moody County AA	110	5.84	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	27.96	0.00	0.00	28.57	0.00	

\* Based on 2011 Peer Small Business Data: US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2011).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	508	65.38	0.00	0.00	3.79	0.98	88.80	96.26	7.41	2.76	31.55	0.00	0.00	32.25	15.79	
<b>Limited Review:</b>																
Moody County AA	269	34.62	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	58.09	0.00	0.00	58.09	0.00	

\* Based on 2011 Peer Small Business Data: US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2011).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA									Evaluation Period:				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>**</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sioux Falls AA	376	94.24	14.74	12.68	19.03	22.19	28.53	19.31	37.70	45.82	3.10	2.20	2.29	2.50	4.93
<b>Limited Review:</b>															
Moody County AA	23	5.76	14.05	8.70	16.88	26.09	29.35	17.39	39.72	47.82	12.00	33.33	9.09	10.00	13.33

<sup>\*</sup> Based on 2011 Peer Mortgage Data: USPR.

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

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 7.3% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>**</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	130	78.79	14.74	4.96	19.03	21.49	28.53	25.62	37.70	47.93	7.69	2.04	9.48	5.22	9.89	
<b>Limited Review:</b>																
Moody County AA	35	21.21	14.05	0.00	16.88	21.22	29.35	36.36	39.72	42.42	76.19	0.00	80.00	70.00	83.33	

<sup>\*</sup> Based on 2011 Peer Mortgage Data: USPR

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 6.7% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>**</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	573	96.14	14.74	3.27	19.03	13.29	28.53	22.70	37.70	60.74	3.60	1.91	1.96	3.50	4.57	
<b>Limited Review:</b>																
Moody County AA	23	3.86	14.05	15.00	16.88	10.00	29.35	25.00	39.72	50.00	9.64	20.00	12.50	12.00	6.67	

<sup>\*</sup> Based on 2011 Peer Mortgage Data: USPR

<sup>\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 14.6% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES January 1, 2009 TO December 31, 2011				Geography: SOUTH DAKOTA			Evaluation Period:		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses**	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Sioux Falls AA	1,775	94.16	67.22	56.11	63.83	14.59	21.58	11.37	12.77
<b>Limited Review:</b>									
Moody County AA	110	5.84	68.66	74.55	74.55	16.36	9.09	27.96	40.91

\* Based on 2011 Peer Small Business Data: US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.5% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS January 1, 2009 TO December 31, 2011					Geography: SOUTH DAKOTA			Evaluation Period:	
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Sioux Falls AA	508	65.38	98.79	85.63	57.28	25.59	17.13	31.55	32.66
<b>Limited Review:</b>									
Moody County AA	269	34.62	99.50	92.57	61.71	28.25	10.04	58.09	63.11

\* Based on 2011 Peer Small Business Data: US.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 4.6% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS January 1, 2009 TO December 31, 2011		Geography: SOUTH DAKOTA						Evaluation Period:	
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Sioux Falls AA	5	381	76	349	81	730	33	0	0
<b>Limited Review:</b>									
Moody County AA	10	1,345	3	8	13	1,353	60	0	0
Statewide or Regional Investments with Potential Benefit to One or More Assessment Areas	2	145	12	5	14	150	7	0	0
Out of Area	0	0	2	5	2	5	<1	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: SOUTH DAKOTA				Evaluation Period:					
January 1, 2009 TO December 31, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Sioux Falls AA	91.15	17	94.44	0.00	17.65	76.47	5.88	0	1	0	-1	0	0	0.00	14.38	70.12	15.50
<b>Limited Review:</b>																	
Moody County AA	8.85	1	5.56	0.00	0.00	100	0.00	0	0	0	0	0	0	0.00	0.00	100	0.00

Table 1. Lending Volume

LENDING VOLUME		Geography: SOUTH DAKOTA										Evaluation Period:	
January 1, 2012 TO December 31, 2012													
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)		
<b>Full Review:</b>													
Sioux Falls AA	88.46	479	95,536	540	95,166	154	22,963	2	478	1,175	214,143	91.15	
<b>Limited Review:</b>													
Moody County AA	11.54	47	4,121	26	4,041	80	10,140	0	0	153	18,302	8.85	

\* Loan Data as of December 31, 2012. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2012 to December 31, 2012.

\*\*\* Deposit Data as of June 30, 2012. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA									Evaluation Period:				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sioux Falls AA	109	89.34	0.00	0.00	19.40	3.67	54.78	49.54	25.82	46.79	2.68	0.00	1.45	2.59	3.38
<b>Limited Review:</b>															
Moody County AA	13	10.66	0.00	0.00	0.00	0.00	41.19	92.31	58.81	7.69	11.11	0.00	0.00	11.11	0.00

\* Based on 2011 Peer Mortgage Data (USPR)

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	54	85.71	0.00	0.00	19.40	7.41	54.78	44.44	25.82	48.15	7.94	0.00	5.13	8.40	7.29	
<b>Limited Review:</b>																
Moody County AA	9	14.29	0.00	0.00	0.00	0.00	41.19	77.78	58.81	22.22	77.27	0.00	0.00	77.27	0.00	

\* Based on 2011 Peer Mortgage Data (USPR)

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA								Evaluation Period:					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sioux Falls AA	315	92.92	0.00	0.00	19.40	6.98	54.78	48.89	25.82	44.13	3.33	0.00	4.55	3.25	3.39
<b>Limited Review:</b>															
Moody County AA	24	7.08	0.00	0.00	0.00	0.00	41.19	70.83	58.81	29.17	11.11	0.00	0.00	11.11	0.00

\* Based on 2011 Peer Mortgage Data (USPR)

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	1	50.00	0.00	0.00	51.04	100.00	35.99	0.00	12.97	0.00	1.49	0.00	0.00	2.27	0.00	
<b>Limited Review:</b>																
Moody County AA	1	50.00	0.00	0.00	0.00	0.00	85.45	100.00	14.55	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2010 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businesses* **	% Bank Loans	% of Businesses** *	% Bank Loans	% of Businesses* **	% Bank Loans	% of Businesses** *	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	540	95.41	0.00	0.00	34.97	41.48	43.55	40.00	21.48	18.52	11.37	0.00	9.34	12.89	6.73	
<b>Limited Review:</b>																
Moody County AA	26	4.59	0.00	0.00	0.00	0.00	50.00	80.77	50.00	19.23	27.96	0.00	0.00	28.57	0.00	

\* Based on 2011 Peer Small Business Data: US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2012).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA								Evaluation Period: January					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sioux Falls AA	154	65.81	0.00	0.00	8.39	0.65	69.31	78.57	22.30	20.78	31.55	0.00	0.00	32.25	15.79
<b>Limited Review:</b>															
Moody County AA	80	34.19	0.00	0.00	0.00	0.00	25.50	12.50	74.50	87.50	58.09	0.00	0.00	58.09	0.00

\* Based on 2011 Peer Small Business Data: US.

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

\*\*\* Source Data - Dun and Bradstreet 2012.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period: January 1,				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	109	89.34	17.76	4.86	17.81	12.62	26.15	14.56	38.28	67.96	3.10	2.20	2.29	2.50	4.93	
<b>Limited Review:</b>																
Moody County AA	13	10.66	10.22	0.00	17.86	15.38	26.04	30.77	45.88	53.85	12.00	33.33	9.09	10.00	13.33	

\* Based on 2011 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.9% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>**</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	54	85.71	17.76	1.97	17.81	11.76	26.15	25.49	38.28	60.78	7.69	2.04	9.48	5.22	9.89	
<b>Limited Review:</b>																
Moody County AA	9	14.29	10.22	0.00	17.86	22.23	260.4	44.44	45.88	33.33	76.19	0.00	80.00	70.00	83.33	

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 4.8% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA										Evaluation Period:				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>****</sup>	% Families <sup>***</sup>	% Bank Loans <sup>**</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sioux Falls AA	315	92.92	17.76	4.29	17.81	11.43	26.15	20.36	38.28	63.92	3.60	1.91	1.96	3.50	4.57	
<b>Limited Review:</b>																
Moody County AA	24	7.08	10.22	0.00	17.86	22.73	26.04	50.00	45.88	27.27	9.64	20.00	12.50	12.00	6.67	

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 10.9% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA						Evaluation Period:	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses**	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Sioux Falls AA	540	95.41	70.88	66.11	60.00	16.30	23.70	11.37	12.77
<b>Limited Review:</b>									
Moody County AA	26	4.59	74.28	76.92	61.54	19.23	19.23	27.96	40.91

\* Based on 2011 Peer Small Business Data: US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2012).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.00% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA						Evaluation Period: January	
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Sioux Falls AA	154	65.81	98.64	85.71	55.19	24.68	20.13	31.55	32.66
<b>Limited Review:</b>									
Moody County AA	80	34.19	99.50	90.00	61.25	23.75	15.00	58.09	63.11

\* Based on 2011 Peer Small Business Data: US.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2012).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.28% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS January 1, 2012 TO December 31, 2012		Geography: SOUTH DAKOTA						Evaluation Period:	
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Sioux Falls AA	5	335	30	302	35	637	35	0	0
<b>Limited Review:</b>									
Moody County AA	7	930	2	93	9	1,023	57	0	0
Statewide or Regional Investments with Potential Benefit to One or More Assessment Areas	2	145	5	4	7	149	8	0	0
Out of Area	0	0	1	2	1	2	<1	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: SOUTH DAKOTA														Evaluation Period:			
January 1, 2012 TO December 31, 2012																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Sioux Falls AA	91.15	16	94.12	0.00	37.50	43.75	18.75	0	1	0	0	-1	0	0	26.05	50.95	23.00
<b>Limited Review:</b>																	
Moody County AA	8.85	1	5.88	0.00	0.00	100	0.00	0	0	0	0	0	0	0.00	0.00	100	0.00

