



## **PUBLIC DISCLOSURE**

May 7, 2018

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

Viking Bank  
Charter Number 707830

4277 Dakota Street  
Alexandria, MN 56308

Office of the Comptroller of the Currency

Campbell Mithun Tower  
222 South Ninth Street, Suite 800  
Minneapolis, MN 55402-3393

**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

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

- The loan-to-deposit (LTD) ratio is reasonable given the bank's size and the credit needs of the assessment area.
- The bank originates a majority of loans within the assessment area.
- The distribution of loans to households of different income levels reflects reasonable penetration within the bank's assessment area.

## 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 MA/assessment area.

**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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

**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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

**Tier 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**

Viking Bank is a \$177 million single-state, single-location, stock thrift headquartered in Alexandria, MN. The bank is 100% owned by Viking Financial Corporation, the holding company also located in Alexandria, MN. Viking operates one ATM at their single location in Alexandria, MN. In January 2017, the bank moved locations to their new building in Alexandria and changed the name from Viking Savings Bank to Viking Bank. The bank did not open or close any additional branches since the prior CRA examination in 2012.

Viking Bank is a full-service thrift offering traditional banking products and services. Viking Bank has one assessment area, which is Douglas County. Please refer to Appendix B for a description of the assessment area. Viking Bank focuses primarily in home mortgage lending and commercial real estate lending surrounding Alexandria, MN and in Douglas County. As of March 31, 2018, gross loans and leases totaled \$145 million, or 83.99 percent of total assets. The loan portfolio is comprised of real estate loans (79.6 percent), commercial loans (15.0 percent), individual loans (1.9 percent), agricultural loans (1.8 percent), and other (1.6 percent). Tier one capital is \$18.7 million.

Competition in the assessment area is high. Currently, 15 financial institutions have locations in the assessment area. The June 30, 2017 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report indicated Viking Bank ranks second with holding 12.35 percent of the market's deposits with deposits totaling \$128,498. A few of the biggest competitors are Bremer Bank, N.A., Wells Fargo Bank, N.A., and Bell Bank. Competing banks range in size from community banks to large banks. Please refer to Appendix B for additional details.

Viking Bank received a "satisfactory" rating on the last CRA examination dated February 15, 2012. There are no legal, financial, or other factors impeding on the bank's ability to help meet the credit needs in the assessment area.

## **Scope of the Evaluation**

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

We evaluated Viking Bank's Community Reinvestment Act (CRA) performance using small bank examination procedures. The evaluation focused on the institutions lending performance in meeting the credit needs of its Assessment Areas (AA). Specifically, we analyzed primary loan products to determine the amount of lending in the AA, the distribution of lending among businesses and farms of different sizes and borrowers of different income levels, and the distribution of lending throughout the AA.

The evaluation period was from February 16, 2012 through May 6, 2018. We determined the bank's primary loan products based on loan originations and purchases

from January 1st, 2016 through December 31, 2017. Commercial and home mortgage loans are the bank's primary products. The majority of commercial loans are equipment and inventory. Home mortgage loans are equally distributed between in-house, secondary market, and construction loans.

The table below shows the number and dollar volume of loans originated during 2016 and 2017.

<b>Loan Originations in 2016</b>		
<i>Loan Type</i>	<i>Volume by #</i>	<i>Volume by \$</i>
<b>Commercial</b>	<b>32%</b>	<b>42%</b>
<b>Home Mortgage</b>	<b>20%</b>	<b>42%</b>
Consumer	43%	10%
Agricultural	5%	6%

*Source: Bank loan origination report for 2016*

<b>Loan Originations in 2017</b>		
<i>Loan Type</i>	<i>Volume by #</i>	<i>Volume by \$</i>
<b>Commercial</b>	<b>34%</b>	<b>53%</b>
<b>Home Mortgage</b>	<b>15%</b>	<b>28%</b>
Consumer	47%	11%
Agricultural	3%	8%

*Source: Bank loan origination report for 2017*

We will be using the bank's only assessment area. Viking Bank is located in Douglas County at 4277 Dakota St., Alexandria, MN 56308. The bank owns one ATM and is located in the bank's drive through. The nine contiguous census tracts located within Douglass County in West-Central Minnesota.

## **Data Integrity**

We did not experience any data integrity short falls during our review. The bank is not required to submit Home Mortgage Disclosure Act Data.

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

Viking Bank's assessment area will be referred to as Douglas County throughout this report. The assessment area received a full-scope review. Please refer to Appendix A for an outline of the examination scope and Appendix B for a full description of the assessment area and the community profile.

## **Ratings**

The bank's overall rating is based primarily on lending performance within the assessment area. Home mortgage and commercial loans were given equal weight in the analysis.

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

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

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's overall lending performance is satisfactory. The loan-to-deposit ratio is reasonable. The majority of loans were originated within the assessment area. The borrower distribution tests reflected reasonable distribution in 2016 and 2017 in both home mortgage borrowers and commercial borrowers. Although the performance of home mortgage loans to low-income borrowers was below the demographic comparator, the supply of low-income homes on the market is very low. A community contact confirmed that supply of low-income homes on the real estate market is low. We did not complete a review of the geographical distribution as the assessment area does not include low- and moderate-income census tracts. Additionally, we evaluated using small bank procedures, which does not include the Community Development Test.

#### Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and the credit needs of the assessment area. The LTD ratio averaged 96.29 percent over the past 20 quarters since the previous CRA examination in 4Q18. The LTD ratio ranged from a low of 88.51 percent in the third quarter of 2012 to a high of 108.17 percent in the second quarter of 2017. The LTD ratio has steadily increased during the review period. The bank's LTD ratio ranks second among three other similarly situated banks. Similarly situated banks are defined as banks with a market presence within Douglas County and with total assets ranging between \$65 million and \$271 million.

<b>Loan-to-deposit Ratio Institution (Headquarters)</b>	<b>Assets as of 12/31/17 (\$000s)</b>	<b>Average LTD Ratio (%)</b>
The First National Bank of Osakis	\$65,181	73.31%
Kensington Bank	\$168,101	87.76%
<b>Viking Bank</b>	<b>\$176,940</b>	<b>96.29%</b>
Glenwood State Bank (Incorporated)	\$270,972	107.05%

Source: Call Report Data

#### Lending in Assessment Area

Viking Bank originates a majority of its loans inside its assessment area. We analyzed a random sample of 80 consumer loans (20 from each year per primary product) originated between January 1, 2016 and December 31, 2017 to determine the bank's lending within its assessment area. Viking Bank originated 85 percent of commercial and home mortgage loans within the assessment area. The following table illustrates the number and dollar amount of loans originated inside and outside the assessment area for the given time periods and products.

Lending in Douglas County										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2016 Commercial	17	85%	3	15%	20	\$828,286	58%	\$609,777	42%	\$1,438,064
2017 Commercial	14	70%	6	30%	20	\$1,451,234	46%	\$1,683,459	54%	\$3,134,693
2016 Home Mortgage	18	90%	2	10%	20	\$3,130,240	91%	\$321,500	9%	\$3,451,740
2017 Home Mortgage	19	95%	1	5%	20	\$3,208,800	94%	\$213,000	6%	\$3,421,800
Totals	68	85%	12	15%	80	\$8,722,810	76%	\$2,827,736	24%	\$11,550,547

Source: Loan sample.

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

The distribution of home mortgage loans to individual borrowers reflects reasonable penetration in 2016 and 2017 among individuals of different income levels given the assessment area demographics. Although performance was below the demographic comparator for low-income families, the supply of homes that would fall within the range of affordability for these borrowers is very low. The community contact stated home supply for low-income borrowers is virtually nonexistent; thus, the bank originated no low-income loans in 2017 and a small amount in 2016. Furthermore, the poverty rate for assessment area families is 4.69 percent. These families would likely not be in the market for a home loan. Lending to moderate-income borrowers represents excellent penetration in 2016 and reasonable in 2017.

For 2016 originations, we sampled 60 home mortgage loans within the assessment area. For 2017 originations, we sampled 55 home mortgage loans, all originations within the assessment area. The following table displays the bank's lending activity to the borrower income levels compared to the demographic comparators within the assessment area.

Borrower Distribution of Home Loans in Douglas County								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
2016 Home Mortgage	17.07%	6.67%	16.64%	23.33%	19.40%	25.00%	40.59%	45.00%
2017 Home Mortgage	14.75%	0.00%	18.20%	14.55%	24.56%	25.45%	42.49%	60.00%

Source: Loan sample

The distribution of loans to commercial borrowers reflects reasonable penetration in 2016 and 2017 among businesses of different sizes given the assessment area demographics. We sampled 60 commercial loans originated in 2016 and 20 commercial loans originated in 2017. Viking Bank originated 80 percent of loans to

businesses with gross annual revenues of \$1 million or less in 2016. In 2017, the number of loans originated to businesses with gross annual revenues of \$1 million or less is 85%. The following tables show the distribution of loans to businesses of different sizes in the assessment area:

<b>Borrower Distribution of Commercial Loans in the 2016 Non-MSA AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	83.73%	5.71%	10.56%	100%
% of Bank Loans in AA by #	80.00%	20.00%	0.00%	100%
% of Bank Loans in AA by \$	55.53%	44.47%	0.00%	100%

Source: Loan sample, 2010 US Census

<b>Borrower Distribution of Commercial Loans in the 2017 Non-MSA AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	83.05%	6.08%	10.87%	100%
% of Bank Loans in AA by #	85.00%	15.00%	0.00%	100%
% of Bank Loans in AA by \$	65.24%	34.76%	0.00%	100%

Source: Loan sample, 2015 ACS US Census

### **Geographic Distribution of Loans**

We did not complete a review of the geographic distribution. Viking Bank operates only one branch which is located in, and surrounded by, middle- and upper-income census tracts. There are no low- or moderate-income census tracts in the assessment area for 2016 or 2017.

### **Responses to Complaints**

Viking Bank did not receive any CRA-related complaints during the review period.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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): 01/01/2016 to 12/31/2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Viking Bank (Viking) Alexandria, MN	Home Mortgage Loans and Commercial Loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Douglas County Non-MSA	Full-Scope	Viking’s assessment area includes only the county of Douglas located in Minnesota. The county is comprised of 9 middle- and upper- income census tracts.

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

### Douglas County, Minnesota (Non-MSA) 2016

Demographic Information for Full-Scope Area: Douglas County, MN						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	9	0.00%	0.00%	77.78%	22.22%	0.00%
Population by Geography	36,009	0.00%	0.00%	78.73%	21.27%	0.00%
Owner-Occupied Housing by Geography	19,771	0.00%	0.00%	75.63%	24.37%	0.00%
Businesses by Geography	3,067	0.00%	0.00%	83.66%	16.34%	0.00%
Farms by Geography	288	0.00%	0.00%	81.97%	18.03%	0.00%
Family Distribution by Income Level	10,356	17.07%	16.64%	25.70%	40.59%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,491	0.00%	0.00%	81.29%	18.71%	0.00%
Median Family Income HUD Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$63,800 = \$57,683 = 12.22%	Median Housing Value Unemployment Rate		= \$187,655 = 3.5%		

### Douglas County, Minnesota (Non-MSA) 2017

Demographic Information for Full-Scope Area: Douglas County, MN						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	9	0.00%	0.00%	88.89%	11.11%	0.00%
Population by Geography	36,620	0.00%	0.00%	90.78%	9.22%	0.00%
Owner-Occupied Housing by Geography	20,396	0.00%	0.00%	89.52%	10.48%	0.00%
Businesses by Geography	3,092	0.00%	0.00%	93.08%	6.92%	0.00%
Farms by Geography	277	0.00%	0.00%	88.09%	11.91%	0.00%
Family Distribution by Income Level	10,267	14.75%	18.20%	24.56%	42.49%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,383	0.00%	0.00%	92.79%	7.21%	0.00%
Median Family Income HUD Adjusted Median Family Income for 2017 Households Below the Poverty Level	= \$65,300 = \$63,182 = 10.57%	Median Housing Value Unemployment Rate		= \$192,543 = 3.2%		

Source: 2010 and 2015 U.S. Census, and 2016 FFIEC updated MFI, U.S. Bureau of Labor Statistics  
2016 unemployment data

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

The assessment area is reasonable, meets the regulatory requirements, and does not arbitrarily exclude any low- or moderate-income geographies nor reflect illegal discrimination. The assessment area is comprised of Douglas County. Douglas County has 9 census tracts, with 7 in middle-income tracts and 2 in upper-income in 2016. In 2017, Douglas County had 8 middle-income tracts and 1 upper-income tract. There are no low- or moderate-income tracts in the assessment area. Since census data changed between 2016 and 2017, we completed tables for both years in our analyses.

The 2015 U.S. Census Bureau statistics show the population of Douglas County was 36,620 people, with 90.78 percent in middle-income tracts and 9.22 percent in upper-income tracts. For 2016, the population was 36,009 people with 78.73 percent in middle-income tracts and 21.27 percent in upper-income tracts. The Douglas County average unemployment rates for 2016 and 2017 are 3.5 percent and 3.2 percent, both below the national averages of 3.9 percent and 3.5 percent, respectively.

The assessment area is diverse and does not rely on any specific industry for jobs and growth. The largest industry in Douglas County is the services industry, which is 38.94 percent of the total market. Retail Trade and construction are the second and third largest industries, with 13.62 percent and 11.84 percent of the total market, respectively. According to the Alexandria Area Economic Development Commission, the largest employer in the area is the Douglas County Hospital with 900 employees. Douglas Machine, Inc. is the second largest employer with 650 employees, followed by Alexandria Public Schools with 584 employees.

Competition among financial institutions in the assessment area is high. Alexandria, MN is the largest city in the assessment area. Currently, there are 15 institutions in the market, comprising of 7 state banks and 8 federally-regulated institutions. According to the FDIC Deposit Market Share Report, Viking Bank is ranked second for the amount of market share in comparison to the other 14 institutions. Viking has 12.35 percent of the market share, behind the 25.68 percent held by a national institution with deposits totaling \$267,145.

#### Community Contact:

We contacted one member from a local housing authority organization to gain an understanding of the credit needs of the area and the involvement of the local financial institutions in meeting those needs. Opportunities for local financial institutions participation is relatively low as local low-income borrowers are assisted by local housing authorities for rental units. The current economic conditions of the Alexandria, MN area present a need for affordable housing. The major barrier in the assessment area is the supply of low-income homes for purchase. The community contact stated the amount of homes available on the market for low-income households to purchase are very low; however, the local economic market shows the demand for low-income

homes is high. The community contact stated the local financial institutions were meeting the overall banking needs of the community.