



## **PUBLIC DISCLOSURE**

January 25, 2019

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

Gate City Bank  
Charter Number 700257

500 2nd Avenue N  
Fargo, ND 58102-4850

Office of the Comptroller of the Currency

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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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 Gate City Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	Gate City Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory			X
Needs to Improve		X	
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:

- The bank's lending activity is excellent;
- The geographic distribution was good;
- The borrower income distribution was good;
- Community development (CD) lending had a neutral impact on lending test performance;
- The bank had an overall poor level of qualified investments. Investments demonstrated adequate responsiveness to CD needs;
- Bank branches are accessible to essentially all portions of individual rating areas. Hours do not vary in a way that inconveniences portions of the AAs.

## 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

Gate City Bank (Gate City) is a federally chartered mutual savings bank headquartered in Fargo, North Dakota. This is an interstate bank with 32 branch offices in the State of North Dakota and five branches in the State of Minnesota. The bank operates primarily in the larger markets of North Dakota including Fargo-Moorhead, Minot, Grand Forks-East Grand Forks, and Bismarck. They also have a number of branches throughout rural North Dakota and two branches in west central Minnesota.

As of December 31, 2017, Gate City's assets totaled \$2.1 billion, loans totaled \$1.9 billion, and tier 1 capital totaled \$234.2 million. The loan portfolio, by outstanding dollar volume, is comprised of 66 percent real estate loans, 32 percent consumer loans, and 2 percent commercial loans. Total deposits came to \$1.7 billion.

Gate City is a traditional thrift with a primary focus in residential mortgage lending, but is also planning to grow the commercial lending department. The bank's goal is to be the number one mortgage lender in all markets they serve. The institution offers a variety of loan products including adjustable rate mortgage loans to longer fixed rate loans such as government-insured and conventional 15 to 30 year fixed rate loans. The institution works with outside agencies such as Freddie Mac, Fannie Mae, Farmers Home Administration Rural Development, North Dakota Housing Finance Agency (NDHFA), and private insurance companies to offer lending programs. The NDHFA recognized Gate City with their Champion of Affordable Housing award twice during the evaluation period. The award is based on the bank's promotion of NDHFA's homeownership programs, including first-time homebuyer's programs, and participation in locally sponsored affordable housing projects and events. USDA Rural Development has also recognized Gate City Bank as a top lender under the Guaranteed Rural Housing loan program in North Dakota in multiple years.

Gate City offers a variety of other loan programs towards supporting home ownership within its communities. These programs include:

### BetterLife Student Loan Program

Gate City recognizes that college education costs can become an obstacle when purchasing a new home. This program aims towards graduates pursuing home ownership by reducing student loan payments to help individuals qualify for a home mortgage. This loan program is available to individuals who already have a student loan and meet certain eligibility requirements, including purchasing a primary residential home with a mortgage through Gate City Bank. Since its inception in November 2015 (through 2017), Gate City assisted 1,008 customers in saving approximately \$6 million in additional student loan finance charges. Although this program is not limited to LMI individuals, Gate City records indicate 32 percent of these customers did fall under LMI categories.

### BetterLife Start Loan Program

In mid-2018, Gate City launched a loan program designed to address the needs of the unbanked/underbanked segment of the community. This unsecured loan



product is designed for an individual to establish credit history without the need for a cosigner or requiring a certificate of deposit as collateral. Gate City offers an unsecured loan up to \$2 thousand to assist borrowers in establishing credit history.

#### Neighborhood Revitalization Initiatives

In conjunction with the cities of Fargo, Wahpeton, and Moorhead, Gate City is encouraging home preservation by providing low-interest loans to eligible homeowners for qualified home improvement projects. These programs address housing safety issues, prevents deferred maintenance and property deterioration, preserves the character of older neighborhoods, and contributes to maintaining and increasing enrollment in schools within these markets.

There are no known financial, legal, or other impediments affecting Gate City's ability to meet the credit needs of its assessment areas (AAs). Gate City received a CRA rating of "Satisfactory" at its last CRA evaluation dated December 8, 2015.

## **Scope of the Evaluation**

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

The evaluation period for the retail portion of the Lending Test is January 1, 2015 through December 31, 2017. We analyzed home mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA). Home mortgage loans include home purchase, home improvement, home refinance, and multi-family loans. We also analyzed small loans made to businesses the bank reported under the Community Reinvestment Act (CRA). We performed separate analysis of 2015-2016 data and 2017 data. This is due to changes instituted by the 2015 American Community Survey (ACS), which updated population and housing information. The ACS also resulted in changes to the income designations of some census tracts (CTs). The 2015 and 2016 analysis period will receive more weight than the 2017 analysis period, as this period represents a larger portion of the bank's lending activity. Gate City did not change their lending strategy during the two analysis periods.

In order to perform a meaningful analysis for lending performance, a minimum of 20 loans were needed in a loan product and in each analysis period. Gate City did not originate a sufficient volume of small loans to farms in any AA to perform a meaningful analysis. The bank originated two farm loans within AAs during the entire evaluation period. Therefore, we did not evaluate this product separately.

As we evaluated Gate City's Lending Test performance, we gave the greatest weight to the bank's home mortgage performance over small loans to businesses. Home mortgages represented 91 percent by number of loans originated or purchased during the evaluation period. Small loans to businesses represented 9 percent of the loans.

The evaluation period for qualified CD loans and the Investment and Service Tests was July 1, 2015 through December 31, 2017. Under the Investment Test we considered the bank's donations and investments, and the responsiveness of those investments to

identified community development needs. We also considered investments made during prior evaluation periods that remain outstanding. Under the Service Test, we gave primary consideration to the bank's delivery of retail products and services to its AAs. We also considered the CD services Gate City provides in its AAs.

### **Data Integrity**

Prior to the start of this CRA evaluation, we tested the accuracy of the bank's HMDA and CRA lending data. We found the data to be reliable for the use in our evaluation. We also reviewed the appropriateness of CD activities provided for consideration in our evaluation.

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

We selected at least one AA in each state where the bank has an office for a full-scope review. In addition, we reviewed the bank's performance in a CSA where the bank operated branches in at least two states using full-scope procedures. Full-scope reviews consider performance context, quantitative, and qualitative factors. Other AAs are analyzed using limited-scope procedures. Limited-scope procedures consider quantitative factors only. Performance in limited scope areas was appropriately considered when arriving at rating area ratings. Refer to the "Scope" section under each State and the CSA Rating for details regarding how the areas were selected.

### **Ratings**

The bank's overall rating is a blend of the CSA and state ratings. Emphasis was determined considering the bank's deposit volume, branch presence, and loan volume in each state and CSA relative to the bank as a whole. For purposes of this evaluation, we placed the greatest weight on the State of North Dakota, followed by the Fargo ND-MN CSA. The State of North Dakota represented 65 percent of deposits, 57 percent of loans originated and purchased, and 51 percent of Gate City's branch network.

The CSA and state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and CSA rating section for details regarding how the areas were weighted in arriving at the respective ratings.

### **Inside/Outside Ratio**

This ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank originations and purchases and does not include any affiliate data. Gate City originated a substantial majority of loans inside its AAs from January 1, 2015 through December 31, 2017. The bank originated or purchased 95.3 percent of loans inside its AAs. HMDA reportable loans originated within the AAs were reported at 95.5 percent. Gate City originated 93.5 percent of CRA reportable small business loans by number within its AAs.

## **Other Factors Considered in our Analysis under Each Performance Test**

### Lending Test

We reviewed the neighborhood revitalization initiatives and other loan programs to determine if they qualified for community development as defined in the CRA regulation. Since these programs are not targeted to, or primarily benefit, LMI geographies or individuals and do not otherwise meet the community development definition, we did not give these programs CD credit under the lending test. Individual loans made within these programs are HMDA reportable and included in home mortgage performance within the lending test.

### Investment Test

Gate City participates in the annual Giving Hearts Day, which is a fundraising event benefitting numerous charities through North Dakota and northwestern Minnesota. Although not all charities meet the community development purpose, we considered and included donations to charities that targeted or primarily benefitted LMI individuals under the investment test in each rating area.

### Service Test

Gate City offers checking customers free ATM use anywhere with unlimited automatic ATM fee refunds. These ATM fee refunds in conjunction with mobile banking allows customers greater access without limits regarding locations. During the evaluation period, Gate City refunded \$11.5 million of ATM fees related to this program. Since information regarding the effectiveness of this program in helping LMI geographies and individuals is not maintained, this program did not impact our overall assessment of retail services.

## **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 has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Ratings

### State of North Dakota

**CRA rating for the ND non-MSA <sup>1</sup>: Satisfactory**  
**The lending test is rated: High Satisfactory**  
**The investment test is rated: Needs to Improve**  
**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and an excellent level of lending for small loans to businesses;
- A good geographic distribution, as evidenced by good home mortgage loan performance and adequate small loans to businesses performance;
- A good borrower distribution, as evidenced by good home mortgage loans and excellent small loans to businesses;
- A branch distribution that is reasonably accessible to essentially all portions of the bank's AAs; and;
- A poor level of CD services.

### Description of Institution's Operations in North Dakota

Gate City has five AAs in the state of North Dakota. These AAs include the Bismarck MSA, comprised of Burleigh, Morton, and Oliver Counties; the Grand Forks MSA comprised of Grand Forks County; and the ND non-MSA AA. The ND non-MSA consists of three different AAs, which will be combined for analysis purposes in this evaluation and will be referred to as the ND non-MSA AA. These AAs include:

- Northwestern North Dakota - Williams, Mountrail, McLean, McHenry, Ward, Renville, and Bottineau Counties.
- Southwestern North Dakota - Stark and Adams Counties, and a portion of Hettinger County.
- Eastern North Dakota - Walsh, Ramsey, Benson, Nelson, Eddy, Foster, Steele, Traill, and Stutsman counties, and portions of Barnes County.

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<sup>1</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The bank has 19 branches in the state, representing 51.35 percent of its branch network. Gate City opened one branch in the Bismarck AA during the evaluation period and did not close any branches in North Dakota. One branch is located in a moderate-income census tract. The bank has 16 ATMs within the state, representing 39.02 percent of the bank's ATM network. There are no deposit-taking ATMs in North Dakota. As of June 30, 2018, the bank ranked fourth in the state for deposits, representing 6.07 percent of the market share.

#### ND Non-MSA

As of June 2018, Gate City derived 34.95 percent (\$626 million) of its total deposits in its ND non-MSA AA. Gate City operates 11 branches in this AA. Competition in the market is strong. According to the June 2018 FDIC Deposit Market Share report, Gate City has the fourth largest deposit market share out of 50 financial institutions in the bank's AA with a market share of 6.41 percent. Major competitors in the area are First Western Bank and Trust, Bremer Bank, and American Bank Center.

#### Bismarck MSA

As of June 2018, Gate City derived 19.71 percent (\$353 million) of its total deposits in the Bismarck MSA. The bank operates five branches in this AA. The market is highly competitive. According to the June 2018 FDIC Deposit Market Share report, Gate City has the sixth largest deposit market share out of 19 financial institutions in the Bismarck MSA. Gate City has a market share of 8.51 percent. Major competitors in the area are Wells Fargo, Starion, BNC, and U.S. Bank.

#### Grand Forks MSA

As of June 2018, Gate City derived 10.27 percent (\$184 million) of its total deposits in the Grand Forks MSA. Gate City operates three branches in this MSA. There is moderate competition in the area. According to the June 2018 FDIC Deposit Market Share report, Gate City has the fourth largest deposit market share out of 13 financial institutions in the Grand Forks MSA. Gate City has a market share of 8.90 percent. Major competitors in the area are Alerus Financial, Bremer Bank, and U.S. Bank.

Refer to the community profiles for the state of State of North Dakota in Appendix C-1 for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

### **Scope of Evaluation in North Dakota**

We completed a full-scope review of the ND non-MSA AA and the Bismarck MSA. These areas received full-scope reviews due to a high percentage of deposits (84.19 percent), branches (84.21 percent), and loans (83.13 percent) in the state of North Dakota. We completed a limited-scope review of the Grand Forks MSA. Ratings are based primarily on full-scope areas. The ND non-MSA AA received the most weight on final ratings because it had the largest percentage of deposits, branches, and loans. The 2015-2016 evaluation period is weighted heavier than the 2017 evaluation period due to higher loan volume. More information on the scope of the evaluation is included in Appendix A-1.

We considered information from a community organization for this evaluation. Information obtained from these contacts is included in the market profile section in Appendix C-4.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH DAKOTA**

### **LENDING TEST**

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

The bank's performance under the lending test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the ND Non-MSA and Bismarck MSA is good.

#### **Lending Activity**

Refer to Table 1 Lending Volume in Appendix D-4 for the facts and data used to evaluate the bank's lending activity.

##### ND Non-MSA

The lending activity reflects excellent responsiveness to AA credit needs. Home mortgage lending activity is excellent and small business lending activity is good considering the bank's capacity based on deposits, competition, and market presence in the AA. The bank originated 2,562 home mortgage loans and 372 small business loans during the 2015 through 2017 evaluation period. According to 2017 peer mortgage data, the bank was in the top one percent of lenders, ranking first among 197 lenders. The bank's home mortgage loan market share was 13.4 percent. According to 2017 peer small business data, the bank ranked in the top 19.7 percent of lenders, or fifteenth of 76 lenders in the AA. The bank's market share of small business loans was 2.6 percent. The five largest small business lenders captured 48.7 percent of the market.

##### Bismarck MSA

The lending activity reflects excellent responsiveness to AA credit needs. Home mortgage lending activity is excellent and small business lending activity is good considering the bank's capacity based on deposits, competition, and market presence in the AA. The bank's home mortgage lending ranking is stronger compared to the bank's deposit ranking. The bank originated 1,490 home mortgage loans and 78 small business loans during the 2015 through 2017 evaluation period. According to 2017 peer mortgage data, the bank was in the top one percent of lenders, ranking first among 133 lenders. The bank's home mortgage loan market share was 16.1 percent. According to 2017 peer small business data, the bank ranked in the top 16.7 percent of 48 lenders in the AA. The bank's market share of small business loans was 3.8 percent. The five largest small business lenders captured 62.3 percent of the market.

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

The geographic distribution of loans was good in North Dakota. Home mortgage performance was good and small loans to businesses performance was adequate.

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

The geographic distribution of the bank's home mortgage lending is good.

Refer to Table O in the State of North Dakota section of Appendix D-5 and D-6 for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

### **ND Non-MSA**

The geographic distribution of home mortgage lending in the AA is good.

During the 2015 through 2016 evaluation period, the distribution is good. The proportion of lending in low-income geographies was below the proportion of owner-occupied housing units, but was consistent with aggregate lending. Lending in moderate-income geographies exceeded both owner-occupied housing units and aggregate lending in those geographies.

The 2017 geographic distribution of home mortgage loans is adequate after considering geographic barriers to lending. Gate City's lending in both low- and moderate-income tracts was below the percentage of owner-occupied housing units and aggregate lending. The AA's largest low- and moderate-income census tracts comprise the southeastern portion of Benson County, which consists partly of the Spirit Lake Reservation. The eastern boundary line of Benson County is also delineated by Devils Lake shoreline. The tracts are accessible from the bank by two main highways, but are approximately 20 to 30 miles from the bank's closest location. Aggregate lending within the AA is low.

### **Bismarck MSA**

The geographic distribution of home mortgage lending is adequate.

During the 2015 through 2016 evaluation period, the distribution is adequate. Lending in low-income geographies was significantly below the proportion of owner-occupied housing units and below aggregate lending in those geographies. Lending in moderate-income geographies was below the proportion of owner-occupied housing units, but just slightly below aggregate lending.

During the 2017 evaluation period, the distribution of loans is adequate. There were no low-income CTs in the AA. The proportion of loans in moderate-income geographies was lower than the proportion of owner-occupied housing units in those geographies. The proportion of loans in moderate-income geographies was somewhat near to aggregate lending.



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

The geographic distribution of small loans to businesses is adequate.

Refer to Table Q in Appendix D-9 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses

#### **ND Non-MSA**

The overall geographic distribution of small loans to businesses is adequate.

The bank's performance in 2015 through 2016 was adequate. The percentage of small business loans made in low-income geographies was below the percentage of businesses and aggregate lenders in those geographies. Aggregate lending was low overall in low-income geographies. The percentage of small loans to businesses in moderate-income geographies was below both the percentage of businesses and aggregate lenders in those geographies.

During the 2017 evaluation period, the distribution of small loans is adequate considering geographic barriers. Gate City had no lending within the one low-income tract, but lending opportunities are limited since demographics show only 98 businesses are located in this CT. Gate City's lending in moderate-income geographies is below the percentage of businesses and aggregate lending, but reasonable when considering the geographic barriers discussed above.

#### **Bismarck MSA**

The overall geographic distribution of small loans to businesses is good.

The bank's performance in 2015 through 2016 was excellent. The percentage of small business loans made in low-income geographies significantly exceeded the percentage of businesses and aggregate lending in those geographies. The percentage of small loans to businesses in moderate-income geographies approximates the percentage of businesses and exceeds aggregate lenders.

During the 2017 evaluation period, the distribution of small loans is adequate. The percentage of loans in moderate-income geographies was below the percentage of businesses and aggregate lending in those geographies. There were no low-income census tracts in the AA.

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

Summary reports and maps were reviewed to analyze home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. There were no unexplained conspicuous gaps identified.

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

The overall borrower distribution of all loans in the North Dakota AAs is good. The borrower distribution of mortgage loans is good, and small business performance was excellent. Home mortgage lending carried more weight in the overall rating due to its stronger loan volume over the evaluation period.

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

The distribution of the bank's home mortgage loans to LMI borrowers is good.

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### ND Non-MSA

The borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans, we noted that according to census data, 6.9 percent of the families are below the poverty line. Additionally, the oil boom in the western and central part of North Dakota raised living costs and increased the need for affordable housing. We considered these factors when evaluating the bank's performance in the AA.

During the 2015 through 2016 evaluation period, the bank's borrower distribution is good. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families, but was near to aggregate lending. The percentage of loans to moderate-income borrowers approximates the percentage of moderate-income borrowers, but exceeds aggregate lending.

During the 2017 evaluation period, the distribution is excellent. Lending to low-income borrowers was below the percentage of low-income families in the AA, but exceeded aggregate lending to low-income borrowers. The percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and aggregate lending.

#### Bismarck MSA

The borrower distribution of home mortgage loans is good. The high cost of housing in the AA impacted the bank's ability to make home mortgage loans to low-income borrowers. This factor was considered when evaluating the bank's performance in the AA.

During the 2015 through 2016 evaluation period, the borrower distribution is good. The percentage of loans to low-income borrowers was well below the percentage of low-income families and was somewhat below aggregate lending. The percentage of loans to moderate-income families exceeded the percentage of moderate-income families and aggregate lending.

During the 2017 evaluation period, the distribution is good. The percentage of loans to low-income borrowers was well below the percentage of low-income families, but

approximates aggregate lending. The percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and aggregate lending.

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

The borrower distribution of the bank's originations and purchases of small loans to businesses is excellent.

Refer to Table R in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

#### ND Non-MSA

The borrower distribution of small loans to businesses is excellent.

During the 2015 through 2016 evaluation period, the distribution of loans to businesses by revenue is excellent. The proportion of loans approximates the proportion of small businesses and significantly exceeded aggregate lending.

During the 2017 evaluation period, the distribution of loans to businesses by revenue is excellent. The proportion of loans exceeded the proportion of small businesses. The proportion of loans exceeded aggregate lending.

#### Bismarck MSA

The borrower distribution of small loans to businesses is excellent.

During the 2015 through 2016 evaluation period, the distribution of loans to businesses by revenue is excellent. The percentage of small business loans was somewhat below the percentage of small businesses, but significantly exceeded aggregate lending.

During the 2017 evaluation period, the borrower distribution of small loans to businesses was excellent. The percentage of small business loans exceeded the percentage of small businesses and significantly exceeded the percentage of aggregate lenders in the AA.

### **Community Development Lending**

Community development lending had a neutral impact on lending performance in the ND Non-MSA and Bismarck MSA. Gate City did not originate any community development CD loans in these AAs during the evaluation period. We considered lending opportunities within the AAs, state, and region, plus the bank's capacity to address these needs.

Refer to Table Lending Volume in Appendix D-4 for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans, including multifamily loans that also qualify as CD loans.

## **Product Innovation and Flexibility**

For information on programs offered, refer to the Description of Institution section for a description of products offered bank-wide. In the ND Non-MSA and Bismarck MSA, innovative and flexible loan programs had a neutral impact on lending test performance.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Grand Forks MSA is consistent with the bank's overall "High Satisfactory" performance under the lending test in the state of North Dakota.

Refer to Tables O, P, R, and S in Appendix D 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 North Dakota is rated "Needs to Improve". Based on full-scope reviews, the bank's performance in the ND non-MSA AA and Bismarck MSA is poor.

Refer to Table 14 in the state of North Dakota section of Appendix D-15 for the facts and data used to evaluate the bank's level of qualified investments.

#### ND non-MSA AA

The bank's performance in the ND non-MSA AA is poor, due to the very poor level of investments and adequate responsiveness to meeting community development needs. Gate City made 32 investments, totaling \$68 thousand, during the evaluation period. The bank also has one prior period investment consisting of a mortgage backed security, totaling \$104 thousand. Community contacts noted a need for more transitional housing and services to assist the homeless. Two investments went towards affordable housing with the remainder towards community services to LMI individuals.

#### Bismarck MSA

The bank's performance in the Bismarck MSA is poor, due to the very poor level of investments and good responsiveness to meeting community development needs. Gate City made 24 investments, totaling \$57 thousand, during the evaluation period. This includes the current outstanding balance of one prior period investment, totaling \$335 thousand. Community contacts noted a need for more affordable housing and services to assist the homeless. Nineteen of the 24 investments were focused on organizations providing services to LMI individuals and three were for affordable housing needs.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Grand Forks MSA is consistent with the bank's overall "Needs to Improve" performance under the investment test in North Dakota.

Refer to the Table 14 in the state of North Dakota section of Appendix D-15 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 in North Dakota is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the ND non-MSA AA is adequate and performance in the Bismarck MSA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of North Dakota section of Appendix D-16 for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### ND non-MSA AA

Gate City's branch distribution in the ND non-MSA AA is adequate. Branches are reasonably accessible to essentially all portions of the AA, particularly LMI individuals, when considering those branches that are in LMI geographies and the level of LMI geographies in the AA. There are no branches in low-income geographies; however, only 1 percent of the population lives in these geographies. The bank has no branches in moderate-income geographies while 6.3 percent of the population resides in these areas. The bank had a branch in a moderate-income geography in 2015-2016, but the tract designation was changed to middle-income due to a census change.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems. The bank did not open or close any branches during the evaluation period. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking and bill pay, text banking, mobile banking and mobile deposit, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### Bismarck MSA

Gate City's branch distribution in the Bismarck MSA is excellent. Branches are readily accessible to all portions of the AA, particularly LMI individuals, when considering those branches that are in or in close proximity to LMI geographies. There are no low-income geographies. The bank has one branch, or 20 percent of their branch distribution in the AA, located in a moderate-income geography, where 13.6 percent of the population resides.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems. The bank did not close any branches and opened one branch during the evaluation period. The opened branch was located in a middle-income CT. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking and bill pay, text banking, mobile banking and mobile deposit, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### **Community Development Services**

Gate City's performance in providing CD services is poor. Performance in the ND non-MSA AA is poor, while performance in the Bismarck MSA is very poor.

#### ND non-MSA AA

In the ND non-MSA AA, Gate City's performance in providing CD services is poor. Within the AA, one employee provided services for one organization each year during the evaluation period. This service demonstrated leadership as it was board membership for an organization that provides community services for LMI individuals.

#### Bismarck MSA

In the Bismarck MSA, Gate City's performance in providing CD services is very poor. Within the AA, one employee served on the Board of an organization providing various services to LMI individuals.

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

Based on limited-scope reviews, the bank's performance under the service test in the Grand Forks MSA is consistent with the bank's overall "Needs to Improve" performance under the service test in North Dakota.

Refer to Table 15 in the state of North Dakota section of Appendix D-16 for the facts and data that support these conclusions.

## **Multistate Metropolitan Area Rating**

### **Fargo-Wahpeton Multistate Combined Statistical Area (Fargo CSA)**

#### **CRA rating for the Fargo CSA <sup>2</sup>: Satisfactory**

**The lending test is rated: Outstanding**

**The investment test is rated: Needs to Improve**

**The service test is rated: Outstanding**

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- An excellent geographic distribution, based on excellent dispersion of both home mortgage and small business loans;
- An excellent borrower distribution, as evidenced by excellent distribution of home mortgage and small business loans;
- A branch distribution that is readily accessible to all portions of the bank's AAs; and
- A good level of CD services.

### **Description of Institution's Operations in Fargo CSA**

Gate City has one AA within the Fargo CSA. This AA includes 16 branches, representing 43.24 percent of the bank's total branch network, and no deposit-taking ATMs. Twelve branches are located in Cass County, ND, one in Richland County, ND, and three in Clay County, MN. There were two branch openings and no branch closings in the AA during the evaluation period.

Based upon the June 30, 2018 FDIC Deposit Market Share Report, Gate City derived 33.46 percent (\$599 million) of its total deposits from the Fargo CSA. Strong competition exists for financial services within the AA. Gate City ranked fourth among 33 financial institutions for deposits in the AA, with a 7.19 percent market share. Bell Bank, Wells Fargo, and US Bank are the top three competitors and hold 54.4 percent of the deposit market share within this AA.

Refer to the market profile for the Fargo CSA in Appendix C-8 for detailed demographics and other performance context information for AAs that received full-scope reviews.

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<sup>2</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

## **Scope of Evaluation in Fargo CSA**

The Fargo CSA received a full-scope review and the rating is based on results of this review. This CSA represents 43.24 percent of Gate City's branch network, 37.49 percent of total reportable loans over the entire evaluation period, and 33.46 percent of the bank's deposit volume. Home mortgage lending made up 92.25 percent of total loans originated in the Fargo CSA. Small business represented 7.75 percent. Gate City did not originate any farm loans in the AA. Refer to Appendix A-1 for more information regarding the scope of evaluation.

We considered information from a community organization for this evaluation. Information obtained from these contacts is included in the market profile section in Appendix C-10.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FARGO CSA**

### **LENDING TEST**

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

The bank's performance under the lending test in the Fargo CSA is rated Outstanding. Based on a full-scope review, the bank's performance in the Fargo CSA is excellent.

#### **Lending Activity**

Refer to Table 1 Lending Volume in the Fargo CSA section of Appendix D-17 for the facts and data used to evaluate the bank's lending activity.

Lending activity is excellent considering the bank's deposit market share, competition, and market presence in the AA. Gate City originated and purchased 3,870 home mortgage loans totaling \$676 million and 325 small loans to businesses totaling \$24.6 million during the entire evaluation period. Competition for home mortgage lending is strong. Based upon 2017 peer mortgage data, Gate City achieved 15.3 percent market share of home mortgage loans, ranking first among 188 reporting lenders. Small business lending competition is moderate, with the bank ranking 13<sup>th</sup> out of 68 lenders with 1.9 percent market share.

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

The geographic distribution of loans is excellent. The geographic distribution of home mortgage loans is excellent. The distribution of small loans to businesses is excellent.



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

The geographic distribution of home mortgage loans is excellent.

Refer to Table O in the Fargo CSA section of Appendix D-18 for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Gate City's geographic distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of the bank's loans originated in low-income geographies is below both the percentage of owner-occupied housing units and aggregate lending in these geographies. However, opportunities to lend were limited within the two low-income census tracts with only 340 owner-occupied housing units. The percentage of loans originated in moderate-income geographies is below the percentage of owner-occupied housing units, but exceeds aggregate lending in moderate-income geographies.

Gate City's geographic distribution of home mortgage loans in 2017 is excellent. The percentage of loans in moderate-income geographies exceeds the percentage of owner-occupied housing and aggregate lending. There are no low-income geographies in 2017 due to census tract changes.

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

The geographic distribution of small loans to businesses is excellent.

Refer to Table Q in the Fargo CSA section of Appendix D-20 for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Gate City's geographic distribution of small loans to businesses in 2015 through 2016 is excellent. The percentage of small loans to businesses in low-income geographies approximates the percentage of businesses in those geographies and exceeds aggregate lending. The percentage of small loans in moderate-income geographies exceeds the percentage of businesses and aggregate lending in those geographies.

Gate City's geographic distribution of small loans to businesses in 2017 is excellent. There are no low-income geographies in 2017 due to census tract changes. The percentage of small loans to businesses in moderate-income geographies exceeds both the percentage of businesses and aggregate lending in those geographies.

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

We reviewed summary reports and maps, and analyzed Gate City's lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in the Fargo CSA.

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

Overall, the borrower distribution of loans is excellent. The borrower distribution of home mortgage loans is excellent and the distribution of small loans to businesses is excellent.

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

The borrower distribution of home mortgage loans in the Fargo CSA is excellent.

Refer to Table P in the Fargo CSA section of Appendix D-19 for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Gate City's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers exceeds aggregate lending, but is below the percentage of low-income families. Strong economic conditions have resulted in rising home costs and less affordable housing. There are 6.1 percent of families living below the poverty level, making it difficult to qualify for a mortgage loan. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and significantly exceeds aggregate lending.

Gate City's borrower distribution of home mortgage loans in 2017 is good. The percentage of loans to low-income borrowers substantially meets aggregate lending, but is well below the percentage of low-income families. Families living below the poverty level total 6.7 percent. The percentage of loans to moderate-income borrowers exceeds both the percentage of moderate-income families and aggregate lending.

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

The borrower distribution of small loans to businesses is excellent.

Refer to Table R in the Fargo CSA AA section of Appendix D-21 for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Gate City's borrower distribution of small loans to businesses in 2015 through 2016 is excellent. The percentage of loans to small businesses (businesses with gross annual revenues of \$1.0 million or less) exceeds the percentage of small businesses in the AA and significantly exceeds aggregate lending.

Gate City's borrower distribution of small loans to businesses in 2017 is excellent. The percentage of small loans to small businesses is near to the percentage of small businesses in the AA and significantly exceeds aggregate lending.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the Fargo CSA section of Appendix D-17 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 that also qualify as CD loans.

Gate City's level of CD lending has a neutral impact on its overall lending performance in the Fargo CSA. The bank originated one CD loan in the AA during the entire evaluation period, totaling \$750 thousand. The loan supported a non-profit organization in its construction of transitional housing for the chronically homeless in the AA.

## **Product Innovation and Flexibility**

For information on programs offered, refer to the Description of Institution section for a description of products offered bank-wide. In the Fargo CSA, innovative and flexible loan programs had a neutral impact on lending test performance.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Fargo CSA is rated "Needs to Improve". Based on full-scope reviews, the bank's performance in the Fargo CSA is poor.

Refer to Table 14 in the Fargo CSA section of Appendix D-24 for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, Gate City originated 134 investments, totaling \$357 thousand. In addition, two prior period investments, consisting of mortgage backed securities which provided home loans to low- to moderate-income individuals in the AA, remained outstanding at the end of the evaluation period with a total book value of \$450 thousand. Gate City Bank provided rent free office space to an organization that provides assistance and support to low-income families. Additionally, in 2017, the bank sold bank owned land at a below market rate for a housing authority to use the land for affordable housing or other community services.

The bank's responsiveness to the CD needs in the AA is good. Community contacts noted a need for affordable housing and assistance with day-to-day bills such as utility and electric. Five of the investments were for affordable housing, including the mortgage backed securities, and 128 were focused on organizations providing services to LMI individuals, most of which were non-profit organizations.

## **SERVICE TEST**

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

The bank's performance under the service test in the Fargo CSA is rated "Outstanding". Based on a full-scope review, the bank's performance in the Fargo CSA is excellent.

#### **Retail Banking Services**

Refer to Table 15 in the Fargo CSA section of Appendix D-25 for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Gate City's branch distribution in the Fargo CSA is excellent. Branches are readily accessible to all portions of the AA, particularly LMI individuals, when considering those branches that are in LMI geographies. There was one branch located in a low-income CT until the income designation of that tract changed in 2017. In 2017, there were no low-income CTs in the AA. The percentage of branches serving moderate-income geographies exceeds the percentage of the population in those geographies. The bank has six branches, or 37.5 percent of their branch distribution in the AA, located in moderate-income geographies, where 19.9 percent of the population resides. In addition to the six branches, the service center, or full service cyber office is located in the same building as one of the branches in a moderate-income tract.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems. The bank opened two branches and did not close any during the evaluation period. The branches opened are located in an upper- and middle-income CT. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking and bill pay, text banking, mobile banking and mobile deposit, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### **Community Development Services**

Gate City's performance in providing CD services is good.

In the Fargo CSA, Gate City's performance in providing CD services is good. Within the AA, 35 employees provided services to 10 community development organizations during the evaluation period. Employees served in a leadership capacity in all of the organizations. Many employees participated in more than one CD service and multiple

employees provided CD services to the same organization. Eight organizations provide community services which support LMI individuals and two support affordable housing initiatives.

## State Ratings

### State of Minnesota

#### CRA Rating for MN<sup>3</sup>: Satisfactory

The lending test is rated: **High Satisfactory**

The investment test is rated: **Outstanding**

The service test is rated: **Low Satisfactory**

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and excellent level of lending for small loans to businesses;
- A good geographic distribution, as evidenced by good home mortgage loan performance and excellent small loans to businesses performance;
- A good borrower distribution, as evidenced by good home mortgage loan performance and excellent small loans to businesses performance;
- An excellent level of qualified investments;
- A branch distribution that is reasonably accessible to essentially all portions of the bank's AAs.

### Description of Institution's Operations in Minnesota

Gate City has one AA in the state of Minnesota, consisting of the western part of Becker County and the entire portions of Douglas, Norman, and Otter Tail Counties. As of June 2018, Gate City derived 1.61 percent (\$29 million) of its total deposits in Minnesota. As of June 30, 2018, Gate City had two traditional branches and two cash-dispensing ATMs. Both branches are located in middle-income census tracts. Gate City did not open or close any branches in the AA during the evaluation period.

Refer to the community profiles for the state of Minnesota in Appendix C-11 for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

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<sup>3</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

## **Scope of Evaluation in Minnesota**

We completed a full scope review of the MN non-MSA AA, the bank's only AA in the state of Minnesota. During the entire evaluation period, Gate City originated or purchased 597 home loans. In the 2015-2016 evaluation period, Gate City originated 20 small business loans. In the 2017 evaluation period, the bank did not originate enough small business loans for meaningful analysis. Gate City did not originate or purchase enough small farm or consumer loans for meaningful analysis in any of the evaluation periods. The 2015-2016 evaluation period holds more weight given higher loan volume in those years than in 2017. More information on the scope of the evaluation is included in Appendix A-1.

We considered information from community organizations for this evaluation period. Information obtained from these contacts is included in the market profile section in Appendix C-13.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STATE OF MINNESOTA**

### **LENDING TEST**

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

The bank's performance under the lending test in Minnesota is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the non-MSA MN AA is good.

#### **Lending Activity**

Refer to Table 1 Lending Volume of Appendix D-26 for the facts and data used to evaluate the bank's lending activity.

The lending activity in the MN Non-MSA AA is adequate. Home mortgage lending activity is adequate and small business lending activity is excellent considering the bank's capacity based on deposits, competition, and market presence in the AA. The bank originated and purchased 597 home mortgage loans totaling \$107 million and 39 small loans to businesses totaling \$2.6 million during the entire evaluation period. Competition for home mortgage lending is strong. Based upon 2017 peer mortgage data, Gate City ranked fifth among 242 reporting lenders, with 6.3 percent market share of home mortgage loans. Small business lending competition is moderate, with the bank ranking 21<sup>st</sup> out of 54 lenders with 0.6 percent market share.

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

The geographic distribution of lending is good. This is supported by good distribution of home mortgage loans and an excellent distribution of small business loans.

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

The geographic distribution of home mortgage loans is good.

Refer to Table O in the state of MN section of Appendix D-27 for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

Gate City's geographic distribution of home mortgage loans in 2015 through 2016 is good. The percentage of the bank's loans originated in moderate-income geographies is slightly below the percentage of owner-occupied houses and aggregate lending in these geographies. There are no low-income geographies.

Gate City's geographic distribution of home mortgage loans in 2017 is adequate considering demographic changes and the distance between moderate-income tracts and branch locations. The percentage of the bank's loans originated in moderate-income geographies is significantly below both the percentage of owner-occupied houses and aggregate lending in moderate-income geographies. The bank's branch location that was once located in a moderate-income census tract is now located in a middle-income census tract due to ACS changes in 2017. The number of moderate-income CTs reduced from three to two in 2017. The two moderate-income CTs are rural and located approximately 30-50 miles from Gate City branch locations.

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

The geographic distribution of small loans to businesses is excellent.

Refer to Table Q in the state of MN section of Appendix D-29 for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Gate City's geographic distribution of small business loans in 2015 through 2016 is excellent. There are no low-income geographies. The percentage of bank loans originated in moderate-income geographies exceeds both the percentage of businesses located in moderate-income geographies and the aggregate lending data.

The bank originated 19 small loans to businesses during the 2017 evaluation period in the MN Non-MSA, which was not enough to complete a meaningful analysis.

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

Summary reports and maps were reviewed to analyze home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. There were no unexplained conspicuous gaps identified.



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

The borrower distribution of loans is good. The borrower distribution of home mortgage loans is good and the distribution of small loans to businesses is excellent.

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

The distribution of Gate City's home mortgage loans to LMI borrowers is good.

Refer to Table P in the state of MN section of Appendix D-28 for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

During the 2015 through 2016 evaluation period, the bank's borrower distribution is good. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families but is near to aggregate lending. The percentage of loans to low-income borrowers is well below the percentage of low-income families, however it is near to aggregate lending. Families living below the poverty level total 12.38 percent, making it harder to qualify for a mortgage.

During the 2017 evaluation period, Gate City's borrower distribution is good. The percentage of loans to moderate-income borrowers approximates the percentage of moderate-income families and exceeds aggregate lending. The percentage of loans to low-income borrowers is well below the percentage of low-income families, but approximates aggregate lending. Families living below the poverty level total 11.25 percent.

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

The distribution of Gate City's small loans to businesses is excellent.

Refer to Table R in the state of MN section of Appendix D-30 for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Gate City's borrower distribution is excellent in the 2015-2016 evaluation period. The percentage of small loans made to small businesses is near the percentage of small businesses in the AA, but significantly exceeds the aggregate lending.

The bank did not originate enough small loans to businesses in the MN Non-MSA during the 2017 evaluation period to allow for meaningful analysis.

## **Community Development Lending**

Community Development lending had a neutral impact on lending performance in the AA. Gate City did not originate any CD loans in the AA during the evaluation period.

Refer to Table 1 Lending Volume in the state of MN section of Appendix D-26 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 that also qualify as CD loans.

### **Product Innovation and Flexibility**

For information on programs offered, refer to the Description of Institution section for a description of products offered bank-wide. In the MN non-MSA AA, innovative and flexible loan programs had a neutral impact on lending test performance.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Minnesota is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Non-MSA MN is excellent.

Refer to Table 14 in the state of MN section of Appendix D-33 for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance in the MN Non-MSA is excellent. During the evaluation period, Gate City made eighteen investments and donations totaling \$41 thousand. Also, there is one prior period investment consisting of a mortgage backed security with a current book value of \$471 thousand.

The bank's responsiveness to CD needs is adequate. The primary need identified by community contacts was affordable housing, and several donations were related to affordable housing or community services related to homeless shelters and food banks.

## **SERVICE TEST**

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

The bank's performance under the service test in Minnesota is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the MN Non-MSA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Minnesota section of Appendix D-34 for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Gate City branch distribution in the MN Non-MSA is adequate. Gate City's delivery systems are reasonably accessible to low-to-moderate income individuals. The bank operates two branches in the AA. During the 2015-2016 evaluation period, the bank had one branch located in a moderate-income CT and one branch in a middle-income

CT. Due to census changes, in 2017 both branches are now located in middle-income CTs. There are no full-service ATMs in the AA.

Branch openings and closings have not affected the overall accessibility of the bank's delivery systems. No branches opened or closed in the AA during the evaluation period.

Gate City's hours and services did not vary in a way that would inconvenience portions of the AA, particularly low-and moderate-income individuals. Bank branches have extended lobby and drive-in hours at most locations, including Saturday banking hours, which enhances the accessibility of branches.

Management complements its traditional service delivery method with alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping meet the credit needs of LMI individuals.

### **Community Development Services**

Gate City's level of CD services is poor based on the opportunities in the AA. One Gate City employee provided CD services in the MN non-MSA AA during the evaluation period.

## 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): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: (07/01/2015 to 12/31/2017)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Gate City Bank Fargo, ND	Home mortgage loans; small business loans; community development loans, investments, and services; retail services	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of North Dakota:</b> ND Non-MSA	Full-Scope Review	Adams, Barnes (western portion), Benson, Bottineau, Eddy, Foster, Hettinger (West and Central portion), McHenry, McLean, Mountrail, Nelson, Ramsey, Renville, Stark, Steele, Stutsman, Traill, Walsh, Ward, and Williams Counties
Bismarck MSA #13900	Full-Scope Review	Burleigh, Morton, and Oliver Counties
Grand Forks MSA #24220	Limited-Scope Review	Grand Forks County
<b>Combined Statistical Area:</b> Fargo-Wahpeton CSA #22020	Full-Scope Review	Clay and Wilkin Counties (MN) Cass and Richland Counties (ND)
<b>State of Minnesota:</b> MN non-MSA	Full-Scope Review	Becker (western half), Douglas, Norman, and Otter Tail Counties

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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RATINGS: Gate City Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Gate City Bank	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
State of North Dakota	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Fargo-Wahpeton CSA	Outstanding	Needs to Improve	Outstanding	Satisfactory
State of Minnesota	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

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

### North Dakota Non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: ND Non MSA AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	71	1.4	5.6	85.9	7.0	0.0
Population by Geography	221,538	1.1	6.6	84.0	8.3	0.0
Housing Units by Geography	106,097	0.8	6.4	84.9	7.9	0.0
Owner-Occupied Units by Geography	63,772	0.4	5.0	85.5	9.2	0.0
Occupied Rental Units by Geography	27,220	1.7	10.0	82.9	5.4	0.0
Vacant Units by Geography	15,105	0.9	6.0	86.2	6.8	0.0
Businesses by Geography	19,082	0.5	6.1	84.4	8.9	0.0
Farms by Geography	3,281	0.3	1.4	90.1	8.2	0.0
Family Distribution by Income Level	58,047	18.4	18.3	23.6	39.7	0.0
Household Distribution by Income Level	90,992	22.6	16.6	18.1	42.6	0.0
Median Family Income Non-MSAs - ND		\$58,592	Median Housing Value			\$90,597
2016 FFIEC Updated MSA Median Family Income		\$73,500	Median Gross Rent			\$514
Unemployment Rate		3.5%	Families Below Poverty Level			7.1%

Source: 2010 U.S. Census and 2016 D&B Data, BLS  
 Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

Table A – Demographic Information of the Assessment Area						
Assessment Area: ND Non MSA AA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	71	1.4	7.0	73.2	18.3	0.0
Population by Geography	242,060	1.0	6.3	69.0	23.7	0.0
Housing Units by Geography	117,943	0.7	5.2	71.9	22.2	0.0
Owner-Occupied Units by Geography	66,823	0.4	3.5	71.9	24.2	0.0
Occupied Rental Units by Geography	32,353	1.3	9.9	69.9	18.9	0.0
Vacant Units by Geography	18,767	0.8	3.0	75.2	21.0	0.0
Businesses by Geography	19,643	0.5	3.9	70.8	24.8	0.0
Farms by Geography	3,077	0.3	1.8	80.7	17.3	0.0
Family Distribution by Income Level	61,606	18.8	17.5	22.2	41.5	0.0
Household Distribution by Income Level	99,176	22.5	16.3	17.6	43.6	0.0
Median Family Income Non-MSAs - ND		\$72,620	Median Housing Value			\$151,600
2017 FFIEC Updated MSA Median Family Income		\$78,800	Median Gross Rent			\$775
Unemployment Rate		2.8%	Families Below Poverty Level			6.9%

Source: 2015 ACS Census and 2017 D&B Data, BLS  
 Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

### **North Dakota Non-MSA**

The North Dakota non-MSA AA is the combination of three AAs that contain areas located in non-MSA portions of the state with similar demographics. Twenty counties are represented in this combined area. The first AA includes seven contiguous counties (Bottineau, McHenry, McLean, Mountrail, Renville, Ward, and Williams) in the northwest portion of North Dakota. The second AA includes three contiguous counties (Adams, Hettinger (partial), and Stark) located in southwest North Dakota. The third AA includes 10 contiguous counties (Barnes (partial), Benson, Eddy, Foster, Nelson, Ramsey, Steele, Stutsman, Traill, and Walsh) in eastern North Dakota. All AAs comply with the regulation and do not arbitrarily exclude any low- or moderate-income areas. Gate City has 11 branches within the combined AA. According to the 2010 US Census, there was one low-income, four moderate-income, 61 middle-income, and five upper-income CTs. Due to 2015 ACS updates, the AA now has one low-income, five moderate-income, 52 middle-income, and 13 upper-income CTs.

### Competition

Competition in the North Dakota non-MSA is notable. As of June 30, 2018, Gate City's deposits in the AA totaled \$626.2 million, or 6.4 percent of the total market share. According to the FDIC Deposit Market Share Report, Gate City ranks fourth out of 50 institutions in the AA. The top five institutions, for deposit market share in the AA, are First Western Bank & Trust, Bremer Bank N.A., American Bank Center, Gate City, and Wells Fargo, N.A. These institutions account for 34.7 percent of deposits in the AA.

Competition for loans is also notable. Based on 2017 peer mortgage data, 192 lenders originated or purchased residential real estate loans in the AA. Gate City ranks first, with 12.8 percent of the market share, by number of loans originated. The top five lenders are Gate City, Wells Fargo Bank, N.A., US Bank, N.A., Quicken Loans, and Town & Country Credit Union. These lenders account for 34.3 percent of the market share, by number of loans originated.

Based on 2017 peer small business and small farm loan data, 76 lenders originated or purchased small business loans in the AA. The top five small business lenders were John Deere Financial, FSB, US Bank, N.A., Dacotah Bank, Bremer Bank, N.A., and American Express, FSB. These lenders account for 49.2 percent of the market share, by number of loans originated. Gate City ranks twelfth, with 1.9 percent of market share, by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average annual unemployment rate improved in North Dakota from 2015 to 2017. The dependence on oil-related jobs in the western region caused an unemployment increase in 2016 and subsequent decrease in 2017. The eastern region of the state saw a steady decrease in unemployment over the review period. The table below summarizes the annual unemployment rate for the state and each county in the AA over the evaluation period.

<b>Average Annual Unemployment Rates</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
State of North Dakota	2.8%	3.1%	2.6%
Northwest Region			
Bottineau	4.4%	4.6%	3.3%
McHenry	4.2%	4.9%	4.2%
McLean	3.7%	3.5%	3.1%
Mountrail	2.0%	3.0%	2.0%
Renville	3.4%	3.8%	2.5%
Ward	3.2%	4.1%	3.2%
Williams	2.4%	4.3%	2.5%
Southwest Region			
Adams	2.9%	2.5%	2.4%
Hettinger	2.5%	3.0%	1.9%
Stark	2.7%	3.9%	2.7%
Eastern Region			
Barnes	3.2%	3.2%	2.7%
Benson	4.6%	4.0%	3.5%
Eddy	4.8%	4.3%	4.6%
Foster	2.9%	3.0%	2.4%
Nelson	3.8%	3.4%	3.1%
Ramsey	3.4%	2.8%	2.7%
Steele	2.3%	2.1%	1.7%
Stutsman	2.6%	2.5%	2.3%
Traill	2.8%	2.8%	2.4%
Walsh	4.2%	3.7%	3.3%

Source: Bureau of Labor Statistics; Not Seasonally Adjusted

According to Moody's Analytics, much of the North Dakota economy is reliant upon commodity prices, specifically oil and wheat. The western region of the state relies heavily on oil production stemming from the Bakken Shale. A decrease in oil prices in 2016 caused a decrease in employment in this region. Conversely, oil prices increased in 2017 and the completion of the Dakota Access Pipeline decreased the transportation costs of the oil which caused an increase in employment. Agriculture remains a large industry throughout the state with wheat as the primary crop. Wheat prices have been increasing and causing employment to increase as well.

Top employers in the various counties include Sanford Health, Wal-Mart, Altru Health Systems, Catholic Health Initiatives (CHI), Essentia Health, American Crystal Sugar Co., Eventide Senior Living Communities, Haliburton Energy Services, Falkirk Mining, Marvin Windows and Doors, Spirit Lake Sioux Nation, Dakota Growers Pasta, Ann Carlsen Center, United Technologies Systems, and John Deere. In addition to these employers, each county's top employer is generally the public school and county government in addition to the various healthcare facilities for hospital, clinic, or elder care.

Research also indicates there is a need for revitalizing and stabilizing distressed or underserved areas in these AAs. At some point in this evaluation period, the following



counties had middle-income census tracts that were distressed or underserved: Benson, (poverty, remote rural) Bottineau, Eddy, Foster, Nelson, Steele, (population loss, remote rural) Adams, Hettinger, McLean, Mountrail, Ramsey, Traill (remote rural) and Walsh (population loss).

According to the 2010 U.S. Census, the total population of the AA was 221,538, with 7.1 percent of families living below the poverty level. Low-income families represented 18.4 percent of families in the AA and moderate-income families represented 18.3 percent of families. According to the 2015 ACS, the total population of the AA is 242,060, with 6.9 percent of families living below the poverty level.

### Housing

According to the 2010 US Census, 60.1 percent of housing in the AA was owner-occupied, 25.7 percent were rental properties, and 14.2 percent were vacant. In low-income CTs in the AA, 28.1 percent of houses were owner-occupied, 55.1 percent were renter occupied, and 16.9 percent were vacant. In moderate-income CTs, 46.6 percent of houses were owner-occupied, 40.1 percent were renter occupied, and 13.4 percent were vacant. Low- and moderate-income CTs accounted for 11.4 percent of multi-family housing units in the AA. The median age of the housing stock in the AA is 44 years and the median housing value is \$90,597.

According to the 2015 ACS, 56.7 percent of housing in the AA is owner-occupied, 27.4 percent are rental properties, and 15.9 percent are vacant. In low-income CTs in the AA, 32.8 percent of houses are owner-occupied, 49.1 percent are renter occupied, and 18.1 percent are vacant. In moderate-income CTs, 38.4 percent of houses are owner-occupied, 52.4 percent are renter occupied, and 9.2 percent are vacant. Low- and moderate-income CTs account for 3.7 percent of multi-family housing units in the AA. The median age of the housing stock in the AA is 44 years and the median housing value is \$151,600.

### Community Contact

We contacted a local nonprofit organization that operates throughout North Dakota and works with LMI individuals. The contact stated western and central North Dakota experienced rising living costs along with the oil boom. This increased the need for affordable housing and services for LMI individuals, including transitional housing for homeless individuals in the Minot area. Eastern North Dakota, excluding Fargo and Grand Forks, have not seen major effects from the oil boom. These areas have a demographic of older individuals and farming communities. The banks in the area seem to have a good perception, although the community contact stated he didn't initially receive support when they started a community land trust program to assist LMI individuals in buying a home.

## Bismarck MSA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Gate City Bismarck ND MSA 2016</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	4.0	8.0	68.0	20.0	0.0
Population by Geography	110,625	3.5	7.8	69.7	18.9	0.0
Housing Units by Geography	47,273	4.0	9.0	70.6	16.4	0.0
Owner-Occupied Units by Geography	32,342	4.5	7.3	69.2	19.0	0.0
Occupied Rental Units by Geography	12,145	3.0	11.7	75.2	10.1	0.0
Vacant Units by Geography	2,786	2.7	16.0	67.7	13.6	0.0
Businesses by Geography	9,144	5.7	6.6	71.5	16.2	0.0
Farms by Geography	765	1.3	14.2	72.3	12.2	0.0
Family Distribution by Income Level	29,001	18.1	18.4	23.2	40.3	0.0
Household Distribution by Income Level	44,487	23.3	16.2	18.5	41.9	0.0
Median Family Income MSA - 13900 Bismarck, ND MSA		\$67,178	Median Housing Value			\$138,282
			Median Gross Rent			\$560
			Families Below Poverty Level			6.1%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Gate City Bismarck ND MSA_2017</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	0.0	16.0	76.0	8.0	0.0
Population by Geography	119,027	0.0	13.6	78.9	7.6	0.0
Housing Units by Geography	52,959	0.0	15.5	78.6	5.9	0.0
Owner-Occupied Units by Geography	35,846	0.0	12.0	79.7	8.3	0.0
Occupied Rental Units by Geography	14,315	0.0	23.3	76.0	0.7	0.0
Vacant Units by Geography	2,798	0.0	20.1	77.3	2.7	0.0
Businesses by Geography	9,430	0.0	21.8	71.4	6.9	0.0
Farms by Geography	704	0.0	16.2	77.7	6.1	0.0
Family Distribution by Income Level	31,651	18.0	18.9	25.0	38.2	0.0
Household Distribution by Income Level	50,161	22.0	17.6	19.2	41.2	0.0
Median Family Income MSA - 13900 Bismarck, ND MSA		\$82,181	Median Housing Value			\$189,166
			Median Gross Rent			\$735
			Families Below Poverty Level			5.0%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Bismarck MSA**

The Bismarck MSA consists of Burleigh, Morton, and Oliver Counties in North Dakota. Gate City operates five branches in the AA, with one branch opening in January 2016. The AA consists of 25 census tracts. During the 2015-2016 evaluation period, this consisted of one low-income, two moderate-income, 17 middle-income, and five upper-income CTs. Due to changes in census data, some census tracts changed in 2017. During the 2017 evaluation period, the AA had no low-income, four moderate-income, 19 middle-income, and two upper-income CTs.

### Competition

Competition in the AA for deposits is strong. According to the June 2018 FDIC Deposit Market Share report, Gate City has the 6<sup>th</sup> largest deposit market share out of 19 financial institutions. Gate City has a market share of 8.51 percent. Major competitors in the area are Wells Fargo with 17.79 percent of the market share; Starion Bank with 15.07 percent of the market share; and BNC, U.S. Bank, and Dakota Community bank each have about 10 percent of the market share, respectively.

Competition in the AA for loans is moderate. Based on 2017 peer mortgage data, 133 lenders originated or purchased residential real estate loans in the AA. The top five lenders were Gate City, Wells Fargo, Capital Credit Union, Dakota Community Bank, and Cornerstone Bank. These lenders account for 38.4 percent of the market share, by number of originations. Gate City was the top lender and had 16.1 percent of the market share by number of originations.

Based on 2017 small business and small farm peer data, 48 lenders originated or purchased small business or small farm loans in the AA. The top five lenders were U.S. Bank, American Express, Capital One, American Bank Center, and Wells Fargo Bank. These lenders account for 62 percent of the market share by number of originations. Gate City ranked 8<sup>th</sup> in market share with 3.8 percent of the market share by number of originations.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average annual unemployment rate for the Bismarck MSA improved from 2015 to 2017. The average annual unemployment rate in the Bismarck MSA was better than the state of North Dakota unemployment rate. The unemployment rate in Burleigh County was better than the state of North Dakota and the Bismarck MSA while Morton and Oliver Counties had higher unemployment rates. The lowest unemployment rate was 2.4 in Burleigh County in 2015 and 2017. The highest unemployment rate was 5.9 percent in Oliver County in 2015.

The top industries in the AA are government, education and health services, and retail trade. The top five employers are Sanford Health, CHI St. Alexius, Bismarck State College, Wal-Mart Stores, and Aetna. Low unemployment rates are holding back economic growth. The labor force is shrinking due to an aging population, but labor constraints are expected to be short term. An increase in oil production is expected to strengthen the economy as oil production will have positive effects on other areas of the economy.

According to the 2010 U.S. Census, the total population of the AA was 110,625, with 6.1 percent of families living below the poverty level. Low-income families represent 18.1 percent and moderate-income families represent 18.4 percent of families in the AA. According to the

2015 ACS, the AA population is 119,027, with 5.0 percent of families living below the poverty level. Low-income families represent 18.0 percent of families in the AA and moderate-income families represent another 18.9 percent of families in the AA.

### Housing

According to the 2010 US Census, 68.4 percent of housing in the AA was owner-occupied, 25.7 percent were rental properties, and 5.9 percent were vacant. In low-income CTs in the AA, 76.6 percent of houses were owner-occupied, 19.4 percent were renter occupied, and 4.0 percent were vacant. In moderate-income CTs in the AA, 56.0 percent of houses were owner-occupied, 33.6 percent were renter occupied, and 10.5 percent were vacant. Low- and moderate-income CTs accounted for 5.1 percent of multi-family housing units in the AA. The median age of the housing stock was 34 years old and the median housing value is \$138,282.

According to the 2015 ACS, 67.7 percent of housing units are owner-occupied, 27.0 percent are renter-occupied, and 5.3 percent of housing units are vacant. In moderate-income CTs, 52.5 percent of housing units are owner-occupied, 40.6 percent renter-occupied, 6.8 percent of housing units are vacant. Moderate-income CTs account for 16.9 percent of multi-family housing. The median age of houses is 39 years and the median housing value is \$189,166.

### Community Contact

We contacted a local housing authority in the area. The current economic conditions are stable. Newly constructed homes are larger and more expensive, limiting availability to low- and moderate-income families as well as first-time homebuyers. Affordable housing continues to be a need, though the need is less severe than at the height of the oil boom. Other needs are financing solutions for borrowers with poor credit scores. Financial institutions are active and engaged in the community, with no institution standing out positively or negatively.

## Fargo-Wahpeton CSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fargo-Wahpeton ND MN CSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	3.7	13.0	63.0	20.4	0.0
Population by Geography	231,674	4.1	11.5	58.0	26.4	0.0
Housing Units by Geography	99,934	3.5	13.7	60.4	22.5	0.0
Owner-Occupied Units by Geography	56,256	0.6	8.5	64.5	26.4	0.0
Occupied Rental Units by Geography	37,640	8.1	21.2	53.5	17.2	0.0
Vacant Units by Geography	6,038	2.0	14.5	64.8	18.8	0.0
Businesses by Geography	15,890	3.4	18.1	54.2	24.3	0.0
Farms by Geography	1,472	0.1	3.3	76.6	20.0	0.0
Family Distribution by Income Level	55,045	17.9	18.0	24.6	39.5	0.0
Household Distribution by Income Level	93,896	23.8	16.7	17.4	42.1	0.0
Median Family Income MSA - 22020 Fargo, ND-MN MSA		\$67,695	Median Housing Value			\$141,558
Median Family Income Non-MSAs - MN		\$57,683	Median Gross Rent			\$598
Median Family Income Non-MSAs - ND		\$58,592	Families Below Poverty Level			6.1%
2016 FFIEC Updated MSA Median Family Income		\$72,885	Unemployment Rate			2.5%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Fargo CSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fargo-Wahpeton ND MN CSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	0.0	22.2	57.4	18.5	1.9
Population by Geography	246,222	0.0	19.9	48.7	30.1	1.3
Housing Units by Geography	108,566	0.0	21.5	50.4	26.7	1.5
Owner-Occupied Units by Geography	58,592	0.0	13.0	55.5	31.0	0.5
Occupied Rental Units by Geography	42,255	0.0	33.9	41.9	21.7	2.4
Vacant Units by Geography	7,719	0.0	17.5	57.5	21.5	3.5
Businesses by Geography	16,540	0.0	29.8	43.5	26.3	0.4
Farms by Geography	1,456	0.0	5.3	75.6	19.0	0.1
Family Distribution by Income Level	58,657	18.6	18.9	23.1	39.3	0.0
Household Distribution by Income Level	100,847	23.5	17.3	17.4	41.8	0.0
Median Family Income MSA - 22020 Fargo, ND-MN MSA		\$75,010	Median Housing Value			\$160,087
Median Family Income Non-MSAs - MN		\$63,182	Median Gross Rent			\$697
Median Family Income Non-MSAs - ND		\$72,620	Families Below Poverty Level			6.7%
2017 FFIEC Updated MSA Median Family Income		\$75,233	Unemployment Rate			2.4%
<i>Source: 2015 ACS Census and 2017 D&amp;B</i> <i>Data Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Fargo CSA**

The Fargo CSA includes the entire Fargo-Wahpeton MSA with counties of Cass, ND and Clay, MN along with the non-MSA counties of Richland, ND and Wilkin, MN. This area is designated as the Fargo-Wahpeton Combined Statistical Area (CSA). According to the 2010 US Census, there were 54 census tracts consisting of two low-income, seven moderate-income, 34 middle-income, and 11 upper-income CTs in the AA. For the 2017 analysis, the census tract income levels changed due to the 2015 American Community Survey (ACS) updates. According to the updated census information, the AA has no low-income, 12 moderate-income, 31 middle-income, ten upper-income CTs, and one CT that was not assigned an income classification.

Gate City has 16 branches in the AA, 12 of which are in Fargo, Cass County, ND, three are in Moorhead, Clay County, MN and one is in Wahpeton, Richland County, ND. Gate City opened one branch in Moorhead during the evaluation period on June 17, 2015. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

### Local Banking Industry

Competition in the Fargo CSA for deposits is strong. Per the June 30, 2018 FDIC Deposit Market Share Report, the bank ranked 4th of 33 depository financial institutions in the AA, with a 7.19 percent market share and \$599 million in deposits. Bell Bank, Wells Fargo, and US Bank are the top three competitors and hold 54.4 percent of the deposit market share within this AA.

Competition for loans is strong. Based on 2017 peer mortgage data, 188 lenders originated or purchased residential real estate loans in the AA. Gate City ranked first with 15.27 percent of the market share, by number of loans originated. The top five competitors are Bell Bank, US Bank, N.A., Wells Fargo Bank N.A., Caliber Home Loans, Inc., and Valley Mortgage, Inc. These institutions account for 34.28 percent of the market share, by number of loans originated.

Based on 2017 peer small business loan data, 68 lenders originated or purchased small business loans, including small farms, in the AA. The top five small business lenders are Bell Bank, US Bank N.A., American Express, FSB, Wells Fargo Bank N.A., and Bremer Bank N.A. These lenders account for 56.83 percent of the market share, by number of loans originated. Gate City ranks 13<sup>th</sup> and accounts for 1.93 percent of the market share.

According to the 2017 FDIC National Survey of Unbanked and Underbanked Households, 29.3 percent of Fargo-Wahpeton MSA is unbanked or underbanked which is higher than the national rate of 25.2 percent and Midwest region rate of 21.2 percent.

### Employment and Economic Factors

Employment in the AA is not concentrated in a single sector. The top sectors are in Education and Health Services, Government, Retail Trade, and Professional and Business services. Large employers in the area include Sanford Health, North Dakota State University, Essentia Health, U.S. Bank Service Center, and Fargo VA Medical Center.

The U.S. Bureau of Labor Statistics reports the unemployment rate in the Fargo CSA decreased slightly during the evaluation period, from 2.5 percent in 2015 and 2016 to 2.4 percent in 2017. Compared to the state unemployment at 2.8 percent, 3.1 percent, and 2.6

percent, for the same years, it is slightly better or consistent. According to Moody's Analytics the economy is expected to continue to improve, but progress will be limited due to a tight labor market. Employment is only able to expand as rapidly as the metro can attract new workers. This tightness in the market has resulted in wage growth in 2018.

According to the 2010 U.S. Census, the total population of the AA was 231,674, with 6.1 percent of families living below the poverty level. Low-income families represent 17.9 percent and moderate-income families represent 18.0 percent of families in the AA. The 2015 ACS reported total population of 246,222 in the AA, with 6.7 percent of families living below the poverty level. According to Moody's Analytics, the population of the Fargo CSA has seen growth of approximately two percent per year with a net migration of two to three thousand people per year.

### Housing

According to the 2010 US Census, 56.3 percent of housing in the AA was owner-occupied, 37.7 percent were rental properties, and 6.0 percent were vacant. In low-income CTs in the AA, 9.7 percent of houses were owner-occupied, 86.9 percent were renter occupied, and 3.4 percent were vacant. In moderate-income CTs, 35.2 percent of houses were owner-occupied, 58.4 percent were renter occupied, and 6.4 percent were vacant. Low- and moderate-income CTs accounted for 29.69 percent of multi-family housing units in the AA. The median age of the housing stock was 34 years old and the median housing value is \$141,558.

According to the 2015 ACS, 54.0 percent of housing in the AA was owner-occupied, 38.9 percent were rental properties, and 7.1 percent were vacant. In moderate-income CTs, 32.8 percent of houses were owner-occupied, 61.4 percent were renter occupied, and 5.8 percent were vacant. Moderate-income CTs accounted for 34.98 percent of multi-family housing units in the AA. The median age of the housing stock was 36 years old and the median housing value increased to \$160,087.

### Community Contact

A community contact was performed with a local nonprofit organization that offers multiple programs to assist LMI individuals. Programs include child care, head-start, nutritional assistance, self-sufficiency, energy efficiency to low-income households, and planning, developing, owning, and managing affordable housing projects in Southeastern North Dakota. Credit and banking needs of the area were identified by the contact as affordable housing, assistance with electric and utility bills, and transportation services. Local financial institutions are perceived as charitable and involved with the community. Gate City was mentioned by the community contact as an example of an institution that was involved with charitable donations such as the giving hearts program.

## Minnesota Non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Gate City MN Non MSA AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	8.3	83.3	8.3	0.0
Population by Geography	123,575	0.0	10.5	80.9	8.6	0.0
Housing Units by Geography	72,247	0.0	8.5	82.4	9.1	0.0
Owner-Occupied Units by Geography	41,663	0.0	8.1	82.0	9.9	0.0
Occupied Rental Units by Geography	12,031	0.0	19.4	77.8	2.9	0.0
Vacant Units by Geography	18,553	0.0	2.4	86.2	11.4	0.0
Businesses by Geography	10,019	0.0	14.7	78.2	7.1	0.0
Farms by Geography	1,294	0.0	3.7	90.8	5.5	0.0
Family Distribution by Income Level	35,659	19.4	18.7	23.9	38.0	0.0
Household Distribution by Income Level	53,694	24.2	16.5	20.0	39.2	0.0
Median Family Income Non-MSAs - MN		\$57,683	Median Housing Value			\$171,935
FFIEC Adjusted Median Family Income		\$63,800	Median Gross Rent			\$564
Unemployment Rate		3.30%	Families Below Poverty Level			8.0%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Gate City MN Non MSA AA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	5.6	80.6	13.9	0.0
Population by Geography	124,762	0.0	5.9	81.7	12.4	0.0
Housing Units by Geography	72,917	0.0	5.3	82.7	12.0	0.0
Owner-Occupied Units by Geography	40,726	0.0	5.0	81.1	14.0	0.0
Occupied Rental Units by Geography	11,699	0.0	9.3	86.5	4.2	0.0
Vacant Units by Geography	20,492	0.0	3.7	83.7	12.6	0.0
Businesses by Geography	9,990	0.0	8.0	81.6	10.4	0.0
Farms by Geography	1,256	0.0	5.6	79.7	14.7	0.0
Family Distribution by Income Level	34,880	16.6	17.8	24.5	41.1	0.0
Household Distribution by Income Level	52,425	22.6	15.4	18.7	43.3	0.0
Median Family Income Non-MSAs - MN		\$63,182	Median Housing Value			\$181,129
FFIEC Adjusted Median Family Income		\$65,300	Median Gross Rent			\$681
Unemployment Rate		2.68%	Families Below Poverty Level			6.0%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data</i> Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						



## **Minnesota non-MSA**

The MN Non-MSA AA consists of Norman, Douglas, Otter Tail and the western portion of Becker Counties in Minnesota. Gate City has 11 branches operating in the AA. The AA consists of 36 census tracts. During the 2015-2016 evaluation period, this consisted of three moderate-income, 30 middle-income, and three upper-income CTs. Due to changes in census data, some census tracts changed in 2017. During the 2017 evaluation period, the AA had two moderate-income, 29 middle-income, and five upper-income CTs. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income CTs.

### Competition

Competition in the AA for deposits is strong. According to the June 2018 FDIC Deposit Market Share report, Gate City has the 26<sup>th</sup> largest deposit market share out of 33 financial institutions in the bank's AA. Gate City has a market share of 0.87 percent. Major competitors in the area are Bremer Bank with 19.25 percent of the market share; Bell Bank with 10.72 percent of the market share, and Wells Fargo bank with 10.10 percent. No other financial institutions in the AA have more than 10 percent of the market share.

Competition in the AA for loans is strong. Based on 2017 peer mortgage data, 242 lenders originated or purchased residential real estate loans in the AA. The top five lenders were U.S Bank, Wells Fargo, Bremer Bank, Bell Bank, and Gate City Bank. Gate City was ranked fifth with 6.36 percent of the market share by number of originations. The top four lenders account for 31.64 percent of the market share, by number of originations.

Based on 2017 small business and small farm peer data, 54 lenders originated or purchased small business or small farm loans in the AA. The top five lenders were U.S. Bank, Bremer Bank, Bell Bank, Wells Fargo, and Capital One Bank. The top five lenders account for 56.5 percent of the market share, by number of originations. Gate City ranks 21 by number of loan originations with 0.61 percent of the market share.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average annual unemployment rate for the MN non-MSA AA improved from 2015 to 2017. MN state unemployment rate was 3.7 in 2015, increased to 3.9 in 2016, and decreased to 3.5 for 2017. The average annual unemployment rate for Douglas County was better than the state of MN unemployment rate, while Becker, Otter Tail, and Norman Counties were slightly higher than the state average. The highest unemployment rate was 4.8 in 2016 and 2017 in Otter Tail County. The lowest unemployment rate was 3.2 in Douglas County in 2017.

Major industries are healthcare, education, agriculture, and manufacturing. Examples of top employers in the AA are Alomere Health, Douglas Machine Inc., Lake Region Hospital, Alexandria Public Schools, and Otter Tail County.

According to the 2010 U.S. Census, the total population of the AA was 123,575, with 8.0 percent of families living below the poverty level. Low-income families represent 19.4 percent and moderate-income families represent 18.7 percent of families in the AA. According to the 2015 ACS, the AA population is 124,762, with 6.0 percent of families living below the poverty level. Low-income families represent 16.6 percent and moderate-income families represent another 17.8 percent of families in the AA.

### Housing

According to the 2010 US Census, 57.7 percent of housing in the AA was owner-occupied, 16.7 percent were rental properties, and 25.7 percent were vacant. In moderate-income CTs in the AA, 54.8 percent of houses were owner-occupied, 37.9 percent were renter occupied, and 7.3 percent were vacant. Moderate-income CTs accounted for 23.6 percent of multi-family housing units in the AA. The median age of the housing stock was 37 years old and the median housing value was \$171,935.

According to the 2015 ACS, 55.9 percent of the housing in the AA is owner-occupied, 16.0 percent of the housing were renter-occupied, and 28.1 percent of housing units were vacant. In moderate-income CTs, 52.5 percent of houses are owner-occupied, 28.0 percent of housing units were renter-occupied, and 19.5 percent of houses were vacant. Moderate-income CTs account for 9.9 percent of the AA's multi-family units. The median age of the housing stock is 40 years old and median housing value is \$181,129.

### Community Contact

We contacted a local housing authority in the area. Major industries in the area are healthcare and manufacturing. The population is predominately white, though increasing in diversity. A recent housing study indicated more housing units were needed for 25-55 year olds, indicating growth in this demographic area. Our contact indicated a need for a favorable program for developers to build affordable housing and micro-lending for LMI individuals in the area. All community banks were doing a good job meeting community needs.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. [Note: Do not renumber the tables.]

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

- 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/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (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. The table also presents aggregate peer data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (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. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and

upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

**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 assessment area.

**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.

## Tables of Performance Data

### State of North Dakota

Table 1. Lending Volume

LENDING VOLUME		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017				
Assessment Area (2017):	% 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>												
ND Non MSA	46.1	1,833	299,375	235	14,728	0	0	0	0	2,068	314,103	0.0
Bismarck ND MSA	37.0	1,490	290,808	78	5,752	1	23	0	0	1,569	296,583	0.0
<b>Limited Review:</b>												
Grand Forks ND MN MSA	16.9	640	102,477	92	4,774	0	0	0	0	732	107,251	0.0

\* Loan Data as of December 31, 2017. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 1, 2015 to December 31, 2017.

\*\*\* Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2015-16</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
<b>Full Review:</b>																				
ND Non MSA	1,833	299,375	46.3	6,559	0.4	0.0	0.0	5.0	6.5	4.0	85.5	81.9	86.8	9.2	11.6	9.2	0.0	0.0	0.0	
Bismarck ND MSA	1,490	290,808	37.6	5,740	4.5	0.7	1.2	7.3	4.0	5.3	69.2	61.8	65.9	19.0	33.6	27.6	0.0	0.0	0.0	
<b>Limited Review:</b>																				
Grand Forks ND MN MSA	640	102,477	16.1	2,251	0.8	0.5	0.4	19.6	16.9	18.8	60.8	56.3	59.0	18.8	26.4	21.9	0.0	0.0	0.0	
<b>Total</b>	<b>3,963</b>	<b>692,660</b>	<b>100.0</b>	<b>14,550</b>	<b>1.6</b>	<b>0.3</b>	<b>0.5</b>	<b>7.6</b>	<b>7.2</b>	<b>6.8</b>	<b>77.5</b>	<b>70.2</b>	<b>74.2</b>	<b>13.3</b>	<b>22.2</b>	<b>18.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<i>Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																				

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
<b>Full Review:</b>																			
ND Non MSA	729	119,810	42.7	5,689	0.4	0.0	0.1	3.5	0.4	2.2	71.9	67.5	63.2	24.2	32.1	34.5	0.0	0.0	0.0
Bismarck ND MSA	699	134,377	40.9	4,349	0.0	0.0	0.0	12.0	6.4	8.8	79.7	78.0	78.1	8.3	15.6	13.1	0.0	0.0	0.0
<b>Limited Review:</b>																			
Grand Forks ND MN MSA	281	45,368	16.4	1,764	0.5	0.0	0.5	12.2	10.0	10.2	56.9	55.2	54.6	30.4	34.9	34.8	0.0	0.0	0.0
<b>Total</b>	<b>1,709</b>	<b>299,555</b>	<b>100.0</b>	<b>11,802</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>	<b>7.2</b>	<b>4.4</b>	<b>5.8</b>	<b>72.5</b>	<b>69.7</b>	<b>67.4</b>	<b>20.1</b>	<b>25.8</b>	<b>26.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																			



Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2015-16
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
<b>Full Review:</b>																			
ND Non MSA	1,833	299,375	46.3	6,559	18.4	4.4	4.9	18.3	17.5	16.0	23.6	25.8	22.1	39.7	47.6	32.8	0.0	4.7	24.2
Bismarck ND MSA	1,490	290,808	37.6	5,740	18.1	5.4	8.3	18.4	19.8	19.6	23.2	30.5	25.3	40.3	41.9	28.0	0.0	2.3	18.8
<b>Limited Review:</b>																			
Grand Forks ND MN MSA	640	102,477	16.1	2,251	19.4	4.2	3.5	17.8	19.8	15.4	23.1	28.4	22.3	39.7	44.5	39.8	0.0	3.0	19.1
<b>Total</b>	<b>3,963</b>	<b>692,660</b>	<b>100.0</b>	<b>14,550</b>	<b>18.4</b>	<b>4.7</b>	<b>6.0</b>	<b>18.3</b>	<b>18.7</b>	<b>17.3</b>	<b>23.4</b>	<b>28.0</b>	<b>23.4</b>	<b>39.9</b>	<b>45.0</b>	<b>32.0</b>	<b>0.0</b>	<b>3.6</b>	<b>21.3</b>
<i>Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
<b>Full Review:</b>																			
ND Non MSA	729	119,810	42.7	5,689	18.8	7.7	6.6	17.5	24.6	20.0	22.2	26.5	23.5	41.5	38.0	29.3	0.0	3.3	20.5
Bismarck ND MSA	699	134,377	40.9	4,349	18.0	6.0	7.5	18.9	19.9	19.7	25.0	29.2	24.6	38.2	40.9	31.5	0.0	4.0	16.8
<b>Limited Review:</b>																			
Grand Forks ND MN MSA	281	45,368	16.4	1,764	21.0	3.2	2.9	19.2	17.8	18.4	20.1	21.7	22.6	39.7	52.0	39.9	0.0	5.3	16.1
<b>Total</b>	<b>1,709</b>	<b>299,555</b>	<b>100.0</b>	<b>11,802</b>	<b>18.9</b>	<b>6.3</b>	<b>6.4</b>	<b>18.2</b>	<b>21.5</b>	<b>19.6</b>	<b>22.7</b>	<b>26.8</b>	<b>23.8</b>	<b>40.2</b>	<b>41.5</b>	<b>31.7</b>	<b>0.0</b>	<b>3.9</b>	<b>18.5</b>
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2015-16
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Full Review:</b>																			
ND Non MSA	235	14,728	58.0	4,423	0.5	0.0	0.2	6.3	4.3	6.6	84.2	86.0	84.2	9.0	9.8	9.0	0.0	0.0	0.0
Bismarck ND MSA	78	5,752	19.3	1,968	5.6	11.5	8.1	6.7	6.4	5.7	71.5	61.5	67.4	16.3	20.5	18.8	0.0	0.0	0.0
<b>Limited Review:</b>																			
Grand Forks ND MN MSA	92	4,774	22.7	1,218	3.4	3.3	1.7	21.8	26.1	21.5	60.0	58.7	61.2	14.8	12.0	15.6	0.0	0.0	0.0
<b>Total</b>	<b>405</b>	<b>25,254</b>	<b>100.0</b>	<b>7,609</b>	<b>2.3</b>	<b>3.0</b>	<b>2.5</b>	<b>8.4</b>	<b>9.6</b>	<b>8.8</b>	<b>77.5</b>	<b>75.1</b>	<b>76.2</b>	<b>11.8</b>	<b>12.3</b>	<b>12.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																			

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2017</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
<b>Full Review:</b>																				
ND Non MSA	137	10,545	48.8	4,321	0.5	0.0	0.1	3.9	1.5	4.0	70.8	67.2	65.7	24.8	31.4	30.2	0.0	0.0	0.0	
Bismarck ND MSA	84	7,333	29.9	1,986	0.0	0.0	0.0	21.8	16.7	22.8	71.4	73.8	68.5	6.9	9.5	8.7	0.0	0.0	0.0	
<b>Limited Review:</b>																				
Grand Forks ND MN MSA	60	3,885	21.4	1,289	3.2	0.0	1.4	15.4	13.3	15.3	49.1	58.3	48.1	32.2	28.3	35.2	0.0	0.0	0.0	
<b>Total</b>	<b>281</b>	<b>21,763</b>	<b>100.0</b>	<b>7,596</b>	<b>0.7</b>	<b>0.0</b>	<b>0.3</b>	<b>10.4</b>	<b>8.5</b>	<b>10.8</b>	<b>68.2</b>	<b>67.3</b>	<b>63.5</b>	<b>20.7</b>	<b>24.2</b>	<b>25.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																				

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Full Review:</b>											
ND Non MSA AA	235	14,728	58.0	4,423	77.2	76.6	47.4	6.3	22.1	16.5	1.3
Bismarck ND MSA	78	5,752	19.3	1,968	79.5	70.5	45.7	6.1	28.2	14.4	3.0
<b>Limited Review:</b>											
Grand Forks ND MN MSA	92	4,774	22.7	1,218	73.8	52.2	41.7	8.1	42.4	18.1	5.4
<b>Total</b>	<b>405</b>	<b>25,254</b>	<b>100.0</b>	<b>7,609</b>	<b>77.4</b>	<b>69.9</b>	<b>46.1</b>	<b>6.5</b>	<b>27.9</b>	<b>16.1</b>	<b>2.2</b>
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Full Review:</b>											
ND Non MSA	137	10,545	48.8	4,321	77.3	84.7	52.2	6.3	15.3	16.4	0.0
Bismarck ND MSA	84	7,333	29.9	1,986	79.5	83.3	50.3	6.3	15.5	14.3	1.2
<b>Limited Review:</b>											
Grand Forks ND MN MSA	60	3,885	21.4	1,289	73.5	66.7	47.9	8.2	30.0	18.3	3.3
<b>Total</b>	<b>281</b>	<b>21,763</b>	<b>100.0</b>	<b>7,596</b>	<b>77.4</b>	<b>80.4</b>	<b>51.0</b>	<b>6.5</b>	<b>18.5</b>	<b>16.0</b>	<b>1.1</b>
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>											

<b>Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2015-16</b>	
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
<b>Full Review:</b>																				
ND Non MSA	0	0	0.0	2,557	0.4	0.0	0.6	1.4	0.0	0.8	90.4	0.0	89.4	7.9	0.0	9.2	0.0	0.0	0.0	
Bismarck ND MSA	1	23	100.0	175	1.3	0.0	0.0	13.5	0.0	6.9	72.9	100.0	73.7	12.3	0.0	19.4	0.0	0.0	0.0	
<b>Limited Review:</b>																				
Grand Forks ND MN MSA	0	0	0.0	264	0.5	0.0	0.0	5.1	0.0	3.0	86.8	0.0	91.3	7.6	0.0	5.7	0.0	0.0	0.0	
<b>Total</b>	<b>1</b>	<b>23</b>	<b>100.0</b>	<b>2,996</b>	<b>0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>3.7</b>	<b>0.0</b>	<b>1.3</b>	<b>87.1</b>	<b>100.0</b>	<b>88.7</b>	<b>8.6</b>	<b>0.0</b>	<b>9.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																				

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
<b>Full Review:</b>																			
ND Non MSA AA	0	0	0.0	2,512	0.3	0.0	0.6	1.8	0.0	1.5	80.7	0.0	77.3	17.3	0.0	20.7	0.0	0.0	0.0
Bismarck ND MSA	1	36	100.0	206	0.0	0.0	0.0	16.2	0.0	10.7	77.7	100.0	85.4	6.1	0.0	3.9	0.0	0.0	0.0
<b>Limited Review:</b>																			
Grand Forks ND MN MSA	0	0	0.0	273	0.6	0.0	0.0	3.0	0.0	3.3	66.2	0.0	74.7	30.3	0.0	22.0	0.0	0.0	0.0
<b>Total</b>	<b>1</b>	<b>36</b>	<b>100.0</b>	<b>2,991</b>	<b>0.2</b>	<b>0.0</b>	<b>0.5</b>	<b>4.3</b>	<b>0.0</b>	<b>2.3</b>	<b>79.0</b>	<b>100.0</b>	<b>77.6</b>	<b>16.4</b>	<b>0.0</b>	<b>19.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
<b>Full Review:</b>											
ND Non MSA	0	0	0.0	2,557	98.5	0.0	54.0	0.9	0.0	0.6	0.0
Bismarck ND MSA	1	23	100.0	175	98.3	100.0	48.6	0.7	0.0	1.0	0.0
<b>Limited Review:</b>											
Grand Forks ND MN MSA	0	0	0.0	264	93.8	0.0	59.1	5.0	0.0	1.1	0.0
<b>Total</b>	<b>1</b>	<b>23</b>	<b>100.0</b>	<b>2,996</b>	<b>98.1</b>	<b>100.0</b>	<b>54.1</b>	<b>1.2</b>	<b>0.0</b>	<b>0.7</b>	<b>0.0</b>
Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0											

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
<b>Full Review:</b>											
ND Non MSA	0	0	0.0	2,512	98.1	0.0	47.7	1.2	0.0	0.7	0.0
Bismarck ND MSA	1	36	100.0	206	97.7	100.0	51.0	1.1	0.0	1.1	0.0
<b>Limited Review:</b>											
Grand Forks ND M N MSA	0	0	0.0	273	94.1	0.0	57.1	4.7	0.0	1.2	0.0
<b>Total</b>	<b>1</b>	<b>36</b>	<b>100.0</b>	<b>2,991</b>	<b>97.7</b>	<b>100.0</b>	<b>48.8</b>	<b>1.5</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>
Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0											



Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NORTH DAKOTA				Evaluation Period: JULY 1, 2015 TO DECEMBER 31, 2017			
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>									
ND Non MSA	1	104	32	68	33	172	24.12	0	0
Bismarck ND MSA	1	335	24	57	25	392	54.98	0	0
<b>Limited Review:</b>									
Grand Forks ND MN MSA	1	64	21	85	22	149	20.90	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: NORTH DAKOTA			
Evaluation Period: JULY 1, 2015 TO DECEMBER 31, 2017																	
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>																	
ND Non MSA AA	53.8	11	57.9	0.0	0.0	100.0	0.0	0	0	0	0	0	0	1.0	6.3	69.0	23.7
Bismarck ND MSA	30.4	5	26.3	0.0	20.0	60.0	20.0	1	0	0	0	+1	0	0.0	13.6	78.9	7.6
<b>Limited Review:</b>																	
Grand Forks ND MN MSA	15.8	3	15.8	0.0	0.0	100.0	0.0	0	0	0	0	0	0	8.0	20.7	49.4	21.9

**Fargo Combined Statistical Area(s)**

Table 1. Lending Volume

LENDING VOLUME		Geography: FARGO CSA						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017				
Assessment Area (2016):	% 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>												
Fargo CSA	100.0	3,870	675,991	325	24,586	0	0	1	750	4,196	701,327	100.0

\* Loan Data as of December 31, 2017. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from July 1, 2015 to December 31, 2017.  
 \*\*\* Deposit Data as of June, 30 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2015-16		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Fargo CSA	2,516	440,191	100.0	10,885	0.6	0.5	0.9	8.5	7.2	6.7	64.5	48.4	52.1	26.4	43.9	40.3	0.0	0.0	0.0		
<b>Total</b>	<b>2,516</b>	<b>440,191</b>	<b>100.0</b>	<b>10,885</b>	<b>0.6</b>	<b>0.5</b>	<b>0.9</b>	<b>8.5</b>	<b>7.2</b>	<b>6.7</b>	<b>64.5</b>	<b>48.4</b>	<b>52.1</b>	<b>26.4</b>	<b>43.9</b>	<b>40.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Fargo CSA	1,354	235,800	100.0	8,866	0.0	0.0	0.0	13.1	14.7	12.4	55.5	40.9	45.0	31.0	44.1	41.9	0.5	0.3	0.7		
<b>Total</b>	<b>1,354</b>	<b>235,800</b>	<b>100.0</b>	<b>8,866</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>13.1</b>	<b>14.7</b>	<b>12.4</b>	<b>55.5</b>	<b>40.9</b>	<b>45.0</b>	<b>31.0</b>	<b>44.1</b>	<b>41.9</b>	<b>0.5</b>	<b>0.3</b>	<b>0.7</b>		

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2015-16</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Fargo CSA	2,516	440,191	100.0	10,885	17.9	6.2	4.7	18.0	18.2	15.8	24.6	27.2	20.2	39.5	42.1	31.7	0.0	6.2	27.6		
<b>Total</b>	<b>2,516</b>	<b>440,191</b>	<b>100.0</b>	<b>10,885</b>	<b>17.9</b>	<b>6.2</b>	<b>4.7</b>	<b>18.0</b>	<b>18.2</b>	<b>15.8</b>	<b>24.6</b>	<b>27.2</b>	<b>20.2</b>	<b>39.5</b>	<b>42.1</b>	<b>31.7</b>	<b>0.0</b>	<b>6.2</b>	<b>27.6</b>		

*Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Fargo CSA	1,354	235,800	100.0	8,866	18.6	5.5	5.8	18.9	19.9	19.1	23.1	26.2	21.4	39.3	40.5	29.8	0.0	7.8	23.8		
<b>Total</b>	<b>1,354</b>	<b>235,800</b>	<b>100.0</b>	<b>8,866</b>	<b>18.6</b>	<b>5.5</b>	<b>5.8</b>	<b>18.9</b>	<b>19.9</b>	<b>19.1</b>	<b>23.1</b>	<b>26.2</b>	<b>21.4</b>	<b>39.3</b>	<b>40.5</b>	<b>29.8</b>	<b>0.0</b>	<b>7.8</b>	<b>23.8</b>		

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2015-16</b>		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Fargo CSA	194	14,974	100.0	6,034	3.2	3.1	2.6	18.1	25.3	19.2	54.5	41.8	47.6	24.3	29.9	30.6	0.0	0.0	0.0		
<b>Total</b>	<b>194</b>	<b>14,974</b>	<b>100.0</b>	<b>6,034</b>	<b>3.2</b>	<b>3.1</b>	<b>2.6</b>	<b>18.1</b>	<b>25.3</b>	<b>19.2</b>	<b>54.5</b>	<b>41.8</b>	<b>47.6</b>	<b>24.3</b>	<b>29.9</b>	<b>30.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2017</b>		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Fargo CSA	131	9,612	100.0	5,515	0.0	0.0	0.0	29.8	34.4	30.4	43.5	30.5	37.6	26.3	35.1	31.6	0.4	0.0	0.4		
<b>Total</b>	<b>131</b>	<b>9,612</b>	<b>100.0</b>	<b>5,515</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>29.8</b>	<b>34.4</b>	<b>30.4</b>	<b>43.5</b>	<b>30.5</b>	<b>37.6</b>	<b>26.3</b>	<b>35.1</b>	<b>31.6</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>		

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2015-16</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Fargo CSA	194	14,974	100.0	6,034	77.7	78.4	44.9	8.0	21.1	14.3	1.1	
<b>Total</b>	<b>194</b>	<b>14,974</b>	<b>100.0</b>	<b>6,034</b>	<b>77.7</b>	<b>78.4</b>	<b>44.9</b>	<b>8.0</b>	<b>21.1</b>	<b>14.3</b>	<b>1.1</b>	

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Fargo CSA	131	9,612	100.0	5,515	77.8	75.6	50.4	8.1	24.4	14.1	0.0	
<b>Total</b>	<b>131</b>	<b>9,612</b>	<b>100.0</b>	<b>5,515</b>	<b>77.8</b>	<b>75.6</b>	<b>50.4</b>	<b>8.1</b>	<b>24.4</b>	<b>14.1</b>	<b>0.0</b>	

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

<b>Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2015-16</b>		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Fargo CSA	0	0	0.0	1,145	0.1	0.0	0.4	3.2	0.0	1.0	76.4	0.0	78.2	20.2	0.0	20.3	0.0	0.0	0.0		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>1,145</b>	<b>0.1</b>	<b>0.0</b>	<b>0.4</b>	<b>3.2</b>	<b>0.0</b>	<b>1.0</b>	<b>76.4</b>	<b>0.0</b>	<b>78.2</b>	<b>20.2</b>	<b>0.0</b>	<b>20.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2017</b>		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Fargo CSA	0	0	0.0	1,200	0.0	0.0	0.0	5.3	0.0	1.2	75.6	0.0	78.5	19.0	0.0	20.3	0.1	0.0	0.1		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>1,200</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.3</b>	<b>0.0</b>	<b>1.2</b>	<b>75.6</b>	<b>0.0</b>	<b>78.5</b>	<b>19.0</b>	<b>0.0</b>	<b>20.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>		

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



<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2015-16</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Fargo CSA	0	0	0.0	1,145	97.2	0.0	59.2	1.9	0.0	0.9	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>1,145</b>	<b>97.2</b>	<b>0.0</b>	<b>59.2</b>	<b>1.9</b>	<b>0.0</b>	<b>0.9</b>	<b>0.0</b>

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2017</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Fargo CSA	0	0	0.0	1,200	96.9	0.0	57.0	2.2	0.0	0.9	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>1,200</b>	<b>96.9</b>	<b>0.0</b>	<b>57.0</b>	<b>2.2</b>	<b>0.0</b>	<b>0.9</b>	<b>0.0</b>

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FARGO CSA				Evaluation Period: JULY 1, 2015 TO DECEMBER 31, 2017			
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>									
Fargo CSA	2	450	134	357	136	807	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: FARGO CSA Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017							
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>																	
Fargo CSA	100.0	16	100.0	0.00	43.7	25.0	31.3	2	0	0	0	+1	+1	0	19.9	48.7	30.1

**State of Minnesota**

Table 1. Lending Volume

LENDING VOLUME		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017				
Assessment Area (2016):	% 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>												
MN Non MSA AA	100.0	597	106,785	39	2,594	0	0	0	0	636	109,379	100.0

\* Loan Data as of December 31, 2017. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 01, 2015 to December 31, 2017.

\*\*\* Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2015-16	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
MN Non MSA	332	65,071	100.0	4,641	0.0	0.0	0.0	8.1	6.9	9.4	82.0	82.2	80.1	9.9	10.8	10.6	0.0	0.0	0.0	
<b>Total</b>	<b>332</b>	<b>65,071</b>	<b>100.0</b>	<b>4,641</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.1</b>	<b>6.9</b>	<b>9.4</b>	<b>82.0</b>	<b>82.2</b>	<b>80.1</b>	<b>9.9</b>	<b>10.8</b>	<b>10.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
MN Non MSA	265	41,714	100.0	4,168	0.0	0.0	0.0	5.0	1.5	4.9	81.1	82.3	80.5	14.0	16.2	14.6	0.0	0.0	0.0	
<b>Total</b>	<b>265</b>	<b>41,714</b>	<b>100.0</b>	<b>4,168</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>1.5</b>	<b>4.9</b>	<b>81.1</b>	<b>82.3</b>	<b>80.5</b>	<b>14.0</b>	<b>16.2</b>	<b>14.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2015-16	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
MN Non MSA	332	65,071	100.0	4,641	19.4	4.2	5.9	18.7	14.5	16.9	23.9	16.6	18.0	38.0	59.0	40.3	0.0	5.7	19.0	
<b>Total</b>	<b>332</b>	<b>65,071</b>	<b>100.0</b>	<b>4,641</b>	<b>19.4</b>	<b>4.2</b>	<b>5.9</b>	<b>18.7</b>	<b>14.5</b>	<b>16.9</b>	<b>23.9</b>	<b>16.6</b>	<b>18.0</b>	<b>38.0</b>	<b>59.0</b>	<b>40.3</b>	<b>0.0</b>	<b>5.7</b>	<b>19.0</b>	

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
MN Non MSA	265	41,714	100.0	4,168	16.6	5.3	6.0	17.8	17.4	16.4	24.5	26.4	19.8	41.1	46.8	38.3	0.0	4.2	19.4	
<b>Total</b>	<b>265</b>	<b>41,714</b>	<b>100.0</b>	<b>4,168</b>	<b>16.6</b>	<b>5.3</b>	<b>6.0</b>	<b>17.8</b>	<b>17.4</b>	<b>16.4</b>	<b>24.5</b>	<b>26.4</b>	<b>19.8</b>	<b>41.1</b>	<b>46.8</b>	<b>38.3</b>	<b>0.0</b>	<b>4.2</b>	<b>19.4</b>	

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

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2015-16**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
MN Non MSA	20	1,006	100.0	2,655	0.0	0.0	0.0	14.6	15.0	13.3	78.3	65.0	77.8	7.1	20.0	8.9	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>1,006</b>	<b>100.0</b>	<b>2,655</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.6</b>	<b>15.0</b>	<b>13.3</b>	<b>78.3</b>	<b>65.0</b>	<b>77.8</b>	<b>7.1</b>	<b>20.0</b>	<b>8.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2017**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
MN Non MSA	19	1,588	100.0	2,353	0.0	0.0	0.0	8.0	5.3	6.8	81.6	84.2	79.9	10.4	10.5	13.3	0.0	0.0	0.0
<b>Total</b>	<b>19</b>	<b>1,588</b>	<b>100.0</b>	<b>2,353</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>5.3</b>	<b>6.8</b>	<b>81.6</b>	<b>84.2</b>	<b>79.9</b>	<b>10.4</b>	<b>10.5</b>	<b>13.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2015-16</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
MN Non MSA	20	1,006	100.0	2,655	83.2	75.0	50.2	5.5	25.0	11.3	0.0	
<b>Total</b>	<b>20</b>	<b>1,006</b>	<b>100.0</b>	<b>2,655</b>	<b>83.2</b>	<b>75.0</b>	<b>50.2</b>	<b>5.5</b>	<b>25.0</b>	<b>11.3</b>	<b>0.0</b>	

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
MN Non MSA	19	1,588	100.0	2,353	82.6	78.9	57.2	5.8	21.1	11.6	0.0	
<b>Total</b>	<b>19</b>	<b>1,588</b>	<b>100.0</b>	<b>2,353</b>	<b>82.6</b>	<b>78.9</b>	<b>57.2</b>	<b>5.8</b>	<b>21.1</b>	<b>11.6</b>	<b>0.0</b>	

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



Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2015-16
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
MN Non MSA	0	0	0.0	589	0.0	0.0	0.0	3.8	0.0	5.4	90.8	0.0	90.3	5.4	0.0	4.2	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>589</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.8</b>	<b>0.0</b>	<b>5.4</b>	<b>90.8</b>	<b>0.0</b>	<b>90.3</b>	<b>5.4</b>	<b>0.0</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
MN Non MSA	0	0	0.0	574	0.0	0.0	0.0	5.6	0.0	5.2	79.7	0.0	76.7	14.7	0.0	18.1	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>574</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.6</b>	<b>0.0</b>	<b>5.2</b>	<b>79.7</b>	<b>0.0</b>	<b>76.7</b>	<b>14.7</b>	<b>0.0</b>	<b>18.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
MN Non MSA	0	0	0.0	589	98.2	0.0	58.6	1.2	0.0	0.5	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>589</b>	<b>98.2</b>	<b>0.0</b>	<b>58.6</b>	<b>1.2</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
MN Non MSA	0	0	0.0	574	97.9	0.0	54.5	1.5	0.0	0.6	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>574</b>	<b>97.9</b>	<b>0.0</b>	<b>54.5</b>	<b>1.5</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MINNESOTA				Evaluation Period: JULY 1, 2015 TO DECEMBER 31, 2017			
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>									
MN Non MSA	1	471	18	41	19	512	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: MINNESOTA			
Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017																	
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>																	
MN Non MSA	100.0	2	100.0	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.0	10.5	80.9	8.6