



PUBLIC DISCLOSURE

September 23, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Dakota National Bank
Charter Number: 2068

225 Cedar Street
Yankton, SD 57078

Office of the Comptroller of the Currency
4900 S. Minnesota Avenue, Suite 300
Sioux Falls, SD 57108

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

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Overall Community Reinvestment Act (CRA) Rating

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

The following table indicates the performance level of First Dakota National Bank (FDNB or bank) with respect to the Lending, Investment, and Service Tests:

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

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on the bank’s excellent responsiveness to assessment areas’ (AA) credit needs, good borrower distribution of loans, and adequate geographic distribution of loans. The bank’s relatively high level of community development (CD) lending had a positive effect on the Lending Test conclusion. In addition, the bank uses innovative and/or flexible lending practices in order to serve AAs credit needs.
- The Investment Test rating is based on a significant level of qualified CD investments and good responsiveness to credit and community economic development needs.
- The Service Test rating is based on the accessibility of branch offices to geographies and individuals of different income levels and the bank being a leader in providing CD services.

Lending in Assessment Area

A substantial majority of the bank’s loans are in in its AAs.

The bank originated and purchased 82.5 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	2,484	87.1	367	12.9	2,851	702,522	75.5	227,862	24.5	930,384
Small Business	4,698	85.7	786	14.3	5,484	495,537	81.0	116,028	19.0	611,565
Small Farm	2,206	72.4	839	27.6	3,045	359,357	69.5	157,738	30.5	517,095
Total	9,388	82.5	1,992	17.5	11,380	1,557,416	75.6	501,628	24.4	2,059,044

As a percentage of total loans originated or purchase inside the bank's AAs, Home Mortgage Disclosure Act (HMDA)-reportable loans represent 26.5 percent, small loans made to businesses represent 50.0 percent, and small loans made to farms represent 23.5 percent of the total loans. Based on the dollar amount of loans funded inside the bank's AAs, HMDA-reportable loans represent 45.1 percent, small loans made to businesses represent 31.8 percent, and small loans made to farms represent 23.1 percent of the total loans.

We considered the overall bank lending inside the AAs in the geographical distribution of lending. Lending inside and outside of the AAs had a neutral effect on the geographical distribution of loan ratings throughout the evaluation period.

Description of Institution

FDNB is a \$2.9 billion community bank headquartered in Yankton, South Dakota. FDNB is a wholly-owned subsidiary of First Dakota Financial Corporation (FDFC), a one-bank holding company also headquartered in Yankton, South Dakota. As of December 31, 2023, FDFC had total assets of \$246 million. FDFC owns two other subsidiaries, both of which were developed to issue and hold trust preferred securities. Management did not request consideration of affiliate activities during this evaluation.

FDNB is a single state institution with 17 branches in southeastern and central South Dakota. Ten branches, including the main branch, are located in SD Non-MSA, six branches are located in the Sioux Falls Metropolitan Statistical Area, and one branch is located in Union County.

In addition to the branch operations described above, FDNB operates five loan production offices (LPOs) in Iowa, Nebraska, and South Dakota. The Iowa LPO is located in Halbur. The Nebraska LPOs are located in Columbus, Hastings, and Ogallala. The South Dakota LPO is located in Watertown.

FDNB's primary business strategy is consistent with the traditional community bank model. FDNB offers a full range of credit products within its AAs including agriculture, commercial, consumer, and residential real estate loans. The bank operates a trust department, offers retail non-deposit products (including brokerage), sells and services long-term agriculture real estate loans, and services 1-4 family residential loans.

FDNB's gross loans and leases totaled \$2.3 billion which represented 78.9 percent of total assets as of December 31, 2023. Components of the bank's loan portfolio include approximately 78.8 percent real estate loans, 11.8 percent commercial and industrial loans, 6.6 percent agricultural loans, and 2.8 percent

other loans including consumer loans. FDNB's tier 1 capital totaled \$270.1 million as of December 31, 2023.

According to the FDIC Deposit Market Share report as of June 30, 2023, FDNB held \$2.6 billion in deposits ranking seventh out of 82 institutions and 0.3 percent deposit market share in South Dakota.

There were no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received a Satisfactory rating in its previous CRA evaluation date September 13, 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the bank's performance under the large bank Lending, Investment, and Service Tests. The evaluation period is January 1, 2021, through December 31, 2023.

In evaluating the bank's lending performance, the OCC analyzed home mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA), and small loans made to businesses and farms the bank reported under the CRA. Primary loan products, for purposes of this review, are products in which the bank originated at least 20 loans within an AA during one or more of the analysis periods within the overall evaluation period.

For the Lending Test, there are two analysis periods considered for this exam when evaluating geographical and borrower distribution of loans. The split analysis periods are due to updates in the U.S. Census 2015 American Community Survey (ACS) to the 2020 U.S. Census. The updates to the Census information changes the demographic and aggregate comparators for geographic and borrower distribution of loans, thus split analysis periods are needed to accurately assess performance in these two Lending Test components. The analysis periods for geographical and borrower distribution of loans are January 1, 2021, through December 31, 2021, and January 1, 2022, through December 31, 2023.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on its lending and community development performance within the state of South Dakota. The bank's state rating is based on performance in all bank's AAs. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

The Lending Test received the most weight when arriving at an overall rating. When determining conclusions for the Lending Test, we weighted loan products to be reflective of FDNB's loan volume and dollar amount by product type during the evaluation period. Lending performance on home mortgage loans and small businesses loans reportable under the HMDA and CRA requirements during the evaluation period were weighted equally. The number of small loans to businesses represented 50.0 percent of total number of loans compared to home mortgages representing 26.5 percent. However, when comparing the dollar amount of loans, home mortgages represented 45.1 percent of total dollar amount of loans versus the total dollar amount of small loans to business representing 31.8 percent. Small loans to farms were given less weight. Small loans to farms represented 23.1 percent by number and 23.5 percent by dollar amount of total loans.

Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. Greater weight was generally given to performance compared to aggregate lenders than to performance relative to demographic factors in lending, as this comparison better reflects market dynamics and competition. The analysis of lending, except for CD loans, emphasized the number of loans rather than the dollar volume because it is a better indicator of the number of businesses and individuals served. The level and responsiveness of the bank's CD lending to meet the credit needs of the community was also factored into the Lending Test. For the Investment Test, the level of current period investments was more heavily weighted as well as the responsiveness to the community needs. To provide perspective, CD lending and qualified investment volumes were compared to FDNB's tier 1 capital based on the pro rata share of bank deposits attributed to that area. For the Service Test, Retail Banking Services is more heavily weighted than Community Development Services. While FDNB offers other alternative delivery systems, examiners did not place significant weight on these systems, as there is no data concerning the effectiveness of these systems in targeting low- and moderate-income geographies and individuals.

When determining our conclusions for geographical and borrower distribution of loans, the two analysis periods from January 1, 2021, to December 31, 2021, and from January 1, 2022, to December 31, 2023, were given equal weight due to the comparable loan volume of total home mortgage loans and small loans made to businesses and farms in terms of both the number and dollar value of loans.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) 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 Rating

State of South Dakota

CRA rating for the State of South Dakota: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to credit needs in the bank's AAs.
- The bank's overall geographic distribution of loans is adequate.
- The bank's distribution of loans among individuals of different income levels and business and farms of different sizes is good.
- FDNB made a relatively high level of CD loans.
- FDNB has a significant level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AAs.
- The institution is a leader in providing CD services.

Description of Institution's Operations in South Dakota

FDNB has three AAs in South Dakota: South Dakota Non-MSA (SD Non-MSA), which includes 16 entire counties in South Dakota and two partial counties in Nebraska; four entire counties in the South Dakota portion of the Sioux Falls, SD-MN MSA (Sioux Falls MSA), and one full county (Union) in the Sioux City, IA-NE-SD MSA (Sioux City MSA). FDNB included one geography each in Cedar and Knox counties as the bank does a significant amount of lending in these areas. The AAs met the requirements of the CRA and did not arbitrarily exclude any low-and moderate-income geographies. Please refer to appendix A for a complete listing of AAs, including type of review and description of AA boundaries.

The bank operates 17 full-service branches, and it does not offer any deposit-taking automated teller machines (ATM). Each of these locations offer traditional weekday hours and all branches offer drive-through services. Since the last evaluation, FDNB closed two branches, one in Lyman County and one in Union County, and opened one branch in Lincoln County. In addition to the branch locations, FDNB operates one LPO in Codington County.

According to the FDIC's June 30, 2023, Deposit Market Share report, FDNB held \$2.6 billion in deposits ranking seventh out of 82 institutions and 0.3 percent deposit market share in South Dakota.

The five largest competitors in this state include Citibank, N.A., Wells Fargo Bank, N.A., The Bancorp Bank, N.A., Pathward N.A., and First Interstate Bank. These competitors deposits total \$767.7 billion, representing 96.4 percent of total deposit market share. FDNB's deposits in South Dakota represent 100.0 percent of bank-wide deposits.

SD Non-MSA represents the bank's most significant market in terms of deposit concentration, branch distribution, and reportable loans. As of June 30, 2023, deposits in the SD Non-MSA comprised 65.4 percent of FDNB's bank-wide deposits. Additionally, 58.8 percent of the bank's branches were located in this AA and 60.6 percent of reportable loan originations were generated in this AA.

SD Non-MSA

The bank operates 10 full-service branches in this AA. There are two branch locations in Brule, one each in Charles Mix and Clay, two in Davidson, one each in Hughes and Hutchinson, and two in Yankton counties. Each of these locations offer traditional weekday hours and all branches offer drive-thru services. Since the last evaluation, FDNB closed one branch location in Lyman County.

Employment and Economic Factors

According to the "Bureau of Labor Statistics" (BLS), the unemployment rate in South Dakota peaked at 2.9 percent in January 2021, reflecting the adverse economic impact of the COVID-19 pandemic. The unemployment rate at the end of the evaluation period in December 2023 dropped to 2.1 percent, which was lower than the national annual unemployment rate of 3.6 percent.

Based on information from the June 2024 Moody's Analytics report, from 2021 to 2023, South Dakota's Gross State Product (GSP) remained stable, starting at \$55.1 billion in 2021, dipping slightly to \$55 billion in 2022, and recovering to \$56.3 billion in 2023. While manufacturing and construction remained weak contributors, unemployment stayed among the lowest in the nation, reflecting a tight labor market. The agricultural sector struggled with declining commodity prices and rising input costs, creating challenges for rural communities. Housing prices appreciated due to limited supply. Overall, the state's economy maintained stability during 2021 to 2023.

Strengths of the state include favorable business climate with low costs, no state tax on personal income, and strong labor force growth, and high housing affordability despite prices that are well above their prior peak. Weaknesses include high dependence on agriculture and exposure to volatile commodity prices and heavy reliance on cyclical tourism.

Top five employers in the area are local, state, and federal governments, Sanford Health, Avera Health, Rapid City Regional Hospital, and Ellsworth Air Force Base.

Housing

According to Table A, the median housing value of owner-occupied housing units for the SD Non-MSA was \$116,997 for 2021 (*2015 ACS*) and \$142,794 for 2022 through 2023 (*2020 U.S. Census*). Based on this data, housing values increased 22.0 percent over the evaluation period. Refer to Table A for housing data for each analysis period more detailed information.

Affordability

Based on data from the 2020 U.S. Census, low-income families within the SD Non-MSA earned less than \$3,045 and moderate-income families earned less than \$4,872, monthly. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30.0 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$914 for low-income borrowers and \$1,462 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the SD Non-MSA median housing value would be \$767. Some low-income borrowers would be challenged to afford a mortgage loan in this AA.

Based on data from the 2015 ACS, low-income families earned less than \$2,535 and moderate-income families earned less than \$4,056, monthly. This calculated to a maximum monthly mortgage, at 30 percent debt-to-income (DTI), a payment of \$761 for low-income borrowers and \$1,217 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the SD Non-MSA median housing value would be \$625. Some low-income borrowers would be challenged to afford a mortgage loan in this AA.

Community Contact

As part of the CRA evaluation, the OCC reviewed information from five community contacts. The community contacts consisted of four agriculture agency contacts and one economic development corporation in the AA. The AA has a large agriculture presence with the identified needs focusing on agriculture lending and one contact mentioning affordable housing and consumer lending as additional identified needs. The contacts identified lenders working with governmental agricultural lending programs. One contact identified affordable housing as a need in the community. They identified that the housing cost has increased reducing the housing inventory, causing affordable housing to be out of reach for many low-income communities. Another community contact identified a need for additional consumer purpose lending programs such as those for home loans or car loans as a need for the community.

SD Non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: SD Non-MSA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	2.6	10.5	71.1	15.8	0.0
Population by Geography	133,097	1.2	8.6	70.4	19.8	0.0
Housing Units by Geography	60,405	0.8	8.8	71.2	19.3	0.0
Owner-Occupied Units by Geography	36,200	0.5	6.1	71.9	21.5	0.0
Occupied Rental Units by Geography	16,669	1.5	13.7	68.0	16.8	0.0
Vacant Units by Geography	7,536	0.7	10.8	74.5	13.9	0.0
Businesses by Geography	17,861	0.3	13.0	68.1	18.6	0.0
Farms by Geography	2,774	0.3	4.5	82.8	12.4	0.0
Family Distribution by Income Level	32,807	19.0	16.7	23.1	41.3	0.0
Household Distribution by Income Level	52,869	22.0	17.0	17.3	43.7	0.0
Median Family Income Non-MSAs - NE		\$71,424	Median Housing Value			\$142,794
Median Family Income Non-MSAs - SD		\$73,083	Median Gross Rent			\$669
			Families Below Poverty Level			7.6%
<i>Source: 2020 U.S. Census and 2023 D&B 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: SD Non-MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	37	0.0	8.1	78.4	13.5	0.0
Population by Geography	131,155	0.0	5.1	80.5	14.4	0.0
Housing Units by Geography	58,203	0.0	4.0	81.5	14.5	0.0
Owner-Occupied Units by Geography	35,099	0.0	2.9	81.2	15.9	0.0
Occupied Rental Units by Geography	16,548	0.0	5.2	82.8	11.9	0.0
Vacant Units by Geography	6,556	0.0	6.6	80.2	13.1	0.0
Businesses by Geography	12,870	0.0	2.2	83.7	14.1	0.0
Farms by Geography	2,468	0.0	3.3	81.6	15.1	0.0
Family Distribution by Income Level	32,526	19.7	16.6	22.2	41.5	0.0
Household Distribution by Income Level	51,647	23.7	16.0	17.8	42.6	0.0
Median Family Income Non-MSAs - NE		\$61,457	Median Housing Value			\$116,997
Median Family Income Non-MSAs - SD		\$60,845	Median Gross Rent			\$586
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2021 D&B 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>						

Sioux Falls MSA

The bank operates six full-service branches in this AA. There is one branch location in McCook, three in Minnehaha, and two in Lincoln counties. Each of these locations offer traditional weekday hours and all branches offer drive-through services. Since the last evaluation, FDNB opened one branch location in Lincoln County.

Employment and Economic Factors

According to the BLS, the unemployment rate peaked at 3.2 percent in February 2021, reflecting the adverse economic impact of the Covid-19 pandemic. The unemployment rate at the end of the evaluation period in December 2023 dropped to 1.8 percent, which was lower than the statewide unemployment rate of 2.1 percent and the national annual unemployment rate of 3.6 percent.

Based on information from the June 2024 Moody's Analytics report, from 2021 to 2023, Sioux Falls' Gross Metro Product (GMP) remained stable, starting at 21 billion in 2021, dipping slightly to \$20.9 billion in 2022, and recovering to \$21.2 billion in 2023. Positive net migration during this period strengthened the labor force, with the state continuing to attract residents due to its favorable tax climates and low business costs. Other strength includes Sioux Falls being a regional hub for education and healthcare with high educational attainment for Midwest. Weakness of the area includes vulnerability to shocks due to high concentration of financial services jobs. Top five employers in the area are local government, Sanford Health, Avera Health, Smithfield Foods, and Hy-Vee Inc.

Housing

According to Table A, the median housing value of owner-occupied housing units for the Sioux Falls MSA was \$157,049 for 2021 (*2015 ACS*) and \$203,781 for 2022 through 2023 (*2020 U.S. Census*). Based on this data, housing values increased 29.8 percent over the evaluation period. Refer to Table A for housing data for each analysis period more detailed information.

Affordability

Based on data from the 2020 U.S. Census, low-income families within the Sioux Falls MSA earned less than \$3,536 and moderate-income families earned less than \$5,658, monthly. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$1,061 for low-income borrowers and \$1,697 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Sioux Falls MSA median housing value would be \$1,094. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Based on data from the 2015 ACS, low-income families earned less than \$3,040 and moderate-income families earned less than \$4,863, monthly. This calculated to a maximum monthly mortgage, at 30 percent DTI, a payment of \$912 for low-income borrowers and \$1,459 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Sioux Falls MSA median housing value would be \$843. Some low-income borrowers would be challenged to afford a mortgage loan in this AA.

Community Contact

As part of the CRA evaluation, the OCC reviewed information from two community contacts. The community contacts consisted of a small business development center and a housing and redevelopment commission.

Both contacts identified the increasing need for affordable housing in the AA. The housing market is tight, with limited inventory reducing the opportunity for low-income families to find affordable housing. Additionally, one contact identified that the need for landlords willing to accept the HUD Voucher Program is great in the community. The increase in housing cost is having the greatest impact on low-income individuals in the AA. Starter homes in the area have increased outside of an affordable price and those which are considered affordable typically are old and require a lot of work. Rental housing in the AA has very limited inventory with the cost of rental units increasing outside of affordability. The small business community contact identified the need for affordable housing and childcare, in addition to support for qualified labor in the manufacturing industry. They identified that the manufacturing industry is having to transition to more robotics due to the shortage of qualified labor.

Sioux Falls MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Sioux Falls MSA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	64	3.1	25.0	51.6	18.8	1.6
Population by Geography	276,730	1.7	22.8	54.2	20.7	0.5
Housing Units by Geography	111,182	2.8	25.8	52.8	17.6	1.0
Owner-Occupied Units by Geography	69,174	1.0	19.1	56.9	23.0	0.0
Occupied Rental Units by Geography	35,356	6.1	35.5	46.0	9.2	3.1
Vacant Units by Geography	6,652	4.0	44.5	46.1	5.4	0.0
Businesses by Geography	43,240	9.5	23.9	43.3	20.9	2.4
Farms by Geography	2,067	2.3	14.0	65.0	18.4	0.3
Family Distribution by Income Level	66,662	18.6	18.1	25.0	38.3	0.0
Household Distribution by Income Level	104,530	22.5	16.9	19.6	41.0	0.0
Median Family Income MSA - 43620 Sioux Falls, SD MSA		\$84,874	Median Housing Value			\$203,781
			Median Gross Rent			\$826
			Families Below Poverty Level			5.3%
<i>Source: 2020 U.S. Census and 2023 D&B 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>						

Table A – Demographic Information of the Assessment Area Assessment Area: Sioux Falls MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	57	0.0	29.8	49.1	21.1	0.0
Population by Geography	242,731	0.0	27.8	50.7	21.5	0.0
Housing Units by Geography	100,015	0.0	30.6	48.9	20.5	0.0
Owner-Occupied Units by Geography	63,268	0.0	20.0	55.3	24.8	0.0
Occupied Rental Units by Geography	30,682	0.0	51.0	36.5	12.5	0.0
Vacant Units by Geography	6,065	0.0	38.6	45.7	15.7	0.0
Businesses by Geography	29,601	0.0	35.1	38.1	26.7	0.0
Farms by Geography	1,669	0.0	8.6	69.0	22.4	0.0
Family Distribution by Income Level	61,621	19.0	18.1	24.4	38.5	0.0
Household Distribution by Income Level	93,950	22.0	18.1	18.9	41.0	0.0
Median Family Income MSA - 43620 Sioux Falls, SD MSA		\$72,948	Median Housing Value			\$157,049
			Median Gross Rent			\$720
			Families Below Poverty Level			7.1%
<i>Source: 2015 ACS and 2021 D&B 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>						

Scope of Evaluation in South Dakota

We conducted full-scope reviews of the SD Non-MSA and the Sioux Falls MSA, and the Sioux City MSA received a limited-scope review. For the full scope areas, regarding all performance tests, we gave more weight to the bank's performance in the SD Non-MSA. The SD Non-MSA accounted for 65.4 percent of FDNB's bank-wide deposits, 58.8 percent of the bank's branches, and 60.6 percent of reportable loan originations. Based on the high volume of Paycheck Protection Program (PPP) loans during 2021, lending performance associated with home mortgage loans and small business loans are weighted equally.

For the analysis of distribution of loans to geographies with different income levels, greater consideration was given to the bank's performance in moderate-income geographies due to the higher percentages of owner-occupied housing units (OOHUs), small businesses, and small farms. In addition, all three AAs of the bank had no low-income geographies in 2021.

For the borrower distribution analysis of home mortgage loans, consideration was given to the impact that income and housing costs have on limiting homeownership opportunities of low- and moderate-income individuals and families. It is difficult for many low- and moderate-income borrowers to afford a home as the area's median housing value is typically too high for conventional mortgage loan qualification. As such, more emphasis was placed on the bank's lending results to low- and moderate-income borrowers relative to the aggregate performance rather than the demographic data.

For the borrower distribution of loans to small businesses and farms, we considered the competitive market condition in the AAs. Large interstate banks, regional banks, and community banks compete for business in the AA. Given the competitive market, more emphasis was placed on the bank's lending relative to aggregate performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SOUTH DAKOTA

LENDING TEST

The bank's performance under the Lending Test in South Dakota is rated Outstanding. Performance in the limited-scope AA had a neutral effect on the overall Lending Test rating in South Dakota.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full scope reviews, the bank's performance in the SD Non-MSA is excellent and the Sioux Falls MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Full-Scope:							
SD Non-MSA	1,080	2,842	1,774	6	5,702	60.6	65.4
Sioux Falls MSA	1,326	1,677	374	12	3,389	36.0	31.6
Limited-Scope:							
Sioux City MSA	78	179	58	0	315	3.3	3.1
Total	2,484	4,698	2,206	18	9,406	100.0	100.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Due to rounding, totals may not equal 100.0%.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Full-Scope:							
SD Non-MSA	218,310	219,375	291,639	21,892	751,216	47.0	65.4
Sioux Falls MSA	468,878	257,080	58,785	19,282	804,025	50.3	31.6
Limited-Scope:							
Sioux City MSA	15,334	19,082	8,933	0	43,349	2.7	3.1
Total	702,522	495,537	359,357	41,174	1,598,590	100.0	100.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Due to rounding, totals may not equal 100.0%.

SD Non-MSA

Lending levels reflected excellent responsiveness to AA credit needs. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the FDIC's June 30, 2023, Deposit Market Share report, FDNB had \$1.7 billion in deposits with a deposit market share of 25.6 percent. The bank's deposit market share ranked first out of 32 deposit-taking institutions. FDNB is the top bank and a leader in the market, followed by Bank West, Inc., CorTrust Bank National Association, Wells Fargo Bank, NA, and First National Bank to round out the top five banks for deposit market share. These five banks had a combined deposit market share of 60.6 percent.

According to 2022 peer mortgage data, FDNB had 11.8 percent market share of home mortgage loan originations. FDNB ranked first out of 148 HMDA lenders. FDNB is the top bank and a leader in the home mortgage loan market, followed by Bankwest, Inc., Plains Commerce Bank, US Bank, N.A., and CBNA to round out the top five lenders. These five lenders had a combined home mortgage loan market share of 40.1 percent.

According to 2022 peer small business data, FDNB had 21.6 percent market share of small business loan originations. FDNB is the top bank and a leader as a small business lender in the market, followed by Bankwest, Inc., John Deere Financial, F.S.B., JPMorgan Chase Bank, NA, and Capital One, NA to round out the top five lenders. These five lenders had a combined small business loan market share of 59.1 percent.

According to 2022 peer small farm data, FDNB had 26.8 percent market share of small farm loan originations. FDNB is the top bank and a leader as a small farm lender in the market, followed by Bankwest, Inc., John Deere Financial, F.S.B., First National Bank of Omaha, and Pinnacle Bank to round out the top five lenders. These five lenders had a combined small farm loan market share of 78.2 percent.

Sioux Falls MSA

Lending levels reflected excellent responsiveness to AA credit needs. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the FDIC's June 30, 2023, Deposit Market Share report, FDNB had \$809.9 million in deposits with a deposit market share of 0.1 percent. The bank's deposit market share ranked ninth out of 42 deposit-taking institutions. FDNB's deposit market share ranked in the top 22 percent of all deposit-taking institutions within the Sioux Falls MSA. The top five banks by deposit market share were Citibank, N.A., Wells Fargo, N.A., The Bancorp Bank, N.A., Pathward, N.A., and First PREMIER Bank. These five banks had a combined deposit market share of 99 percent.

According to 2022 peer mortgage data, FDNB had 3.2 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was stronger than its deposit market share. FDNB ranked eighth out of 220 HMDA lenders, ranking it in the top 4.0 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking. The top five home mortgage lenders by number of loans and market share were Plains Commerce Bank, First Premier Bank, Levo Federal Credit Union, First

Bank & Trust Brookings, and Cortrust Bank, N.A. These five lenders had a combined home mortgage loan market share of 38.8 percent.

According to 2022 peer small business data, FDNB had 6.2 percent market share of small business loan originations. The bank's market share of small business loan originations was stronger than its deposit market share. FDNB ranked sixth out of 94 small business loan lenders, ranking it in the top 7 percent of all small business loan lenders in the AA. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking. The top five small business lenders by number of loans and market share were JPMorgan Chase Bank N.A., American Express National Bank, The First National Bank in Sioux Falls, US Bank, N.A., and Capital One, N.A. These five lenders had a combined small business loan market share of 53.9 percent.

According to 2022 peer small farm data, FDNB had 12.1 percent market share of small farm loan originations. The bank's market share of small farm loan originations was stronger than its deposit market share. FDNB ranked fourth out of 27 small farm loan lenders, ranking it in the top 15 percent of all small farm loan lenders in the AA. The bank's market share ranking of small farm loan originations was stronger than its deposit market share ranking. The top five small farm lenders by number of loans and market share were The First National Bank in Sioux Falls, First Bank & Trust, John Deere Financial, F.S.B, First Dakota National Bank, and US Bank, N.A. These five lenders had a combined small farm loan market share of 77.7 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AAs. During the 2021 analysis period, there were no low-income geographies in any of the bank's AA.

Home Mortgage Loans

Refer to Table O in the state of South Dakota section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

SD Non-MSA

The geographic distribution of home mortgage loans was adequate.

For 2022 through 2023, The bank did not originate any home mortgage loans in low-income geographies. The percentage of home mortgage loans in moderate-income geographies approximated the percentage of owner-occupied homes in those geographies and exceeded the aggregate distribution of loans.

For 2021, the bank's performance was weaker than the 2022 through 2023 performance due to the bank not originating any loans in moderate-income geographies. Since only 2.9 percent of owner-occupied housing units were located in these geographies, the bank's weaker 2021 performance had a neutral effect on the conclusion.

Sioux Falls MSA

The geographic distribution of home mortgage loans was poor.

For 2022 through 2023, the bank's percentage of home mortgage loans in low-income geographies was equal to the percentage of owner-occupied homes in those geographies and exceeded the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies was well below the percentage of owner-occupied homes in those geographies and was below the aggregate distribution of loans.

For 2021, the bank's performance was weaker than the 2022 through 2023 performance due to lower percentage of loans originated in moderate-income geographies compared to both demographic information and the aggregate distribution. The bank's weaker 2021 performance had a negative effect on the conclusion.

Small Loans to Businesses

Refer to Table Q in the state of South Dakota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

SD Non-MSA

The geographic distribution of small loans to businesses was good.

For 2022 through 2023, the bank's percentage of small loans to businesses in low-income geographies exceeded both the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies was well below the percentage of businesses in those geographies but was near to the aggregate distribution of loans.

For 2021, the bank's performance was stronger than the 2022 through 2023 performance due to higher lending rates in moderate-income geographies compared to both demographic information and aggregate distribution of loans. Included in this analysis were 1,522 PPP loans totaling \$34.1 million to businesses in the SD Non-MSA. The bank's stronger 2021 performance had a positive effect on the conclusion.

Sioux Falls MSA

The geographic distribution of small loans to businesses was adequate.

For 2022 through 2023, the bank's percentage of small loans to businesses in low-income geographies was below the percentage of businesses in those geographies but exceeded the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies was near to both the percentage of businesses in those geographies and the aggregate distribution of loans.

For 2021, the bank's performance was weaker than the 2022 through 2023 performance due to lower lending rates in moderate-income geographies compared to both demographic information and aggregate distribution of loans. Included in this analysis were 542 PPP loans totaling \$20.3 million to

businesses in the Sioux Falls MSA. The bank's weaker 2021 performance had a negative effect on the conclusion.

Small Loans to Farms

Refer to Table S in the state of South Dakota section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

SD Non-MSA

The geographic distribution of small loans to farms was good.

For 2022 through 2023, the bank's percentage of small loans to farms in low-income geographies exceeded both the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to farms in moderate-income geographies was well below the percentage of small farms in those geographies but was near to the aggregate distribution of loans.

For 2021, the bank's performance was stronger than the 2022 through 2023 performance due to higher lending rates in moderate-income geographies compared to both demographic information and aggregate distribution of loans. The bank's stronger 2021 performance had a positive effect on the conclusion.

Sioux Falls MSA

The geographic distribution of small loans to farms was poor.

For 2022 through 2023, the bank did not originate any small loans to farms in low-income geographies. The percentage of small loans to farms in moderate-income geographies was well below the percentage of small farms in those geographies but exceeded the aggregate distribution of loans.

For 2021, the bank's performance was weaker than the 2022 through 2023 performance due the bank not originating any loans in moderate-income census tracts in 2021. The bank's weaker 2021 performance had a neutral effect on the conclusion.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AAs to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed the bank'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.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

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

SD Non-MSA

The distribution of home mortgage loans to low- and moderate-income borrowers was good.

For 2022 through 2023, the bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families but exceeded the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and approximated the aggregate distribution of loans.

For 2021, the bank's performance was consistent with the 2022 through 2023 performance. The bank's 2021 performance had a neutral effect on the conclusion.

Sioux Falls MSA

The distribution of home mortgage loans to low- and moderate-income borrowers was adequate.

For 2022 through 2023, the bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families but was near the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was below both the percentage of moderate-income families and the aggregate distribution of loans.

For 2021, the bank's performance was consistent with the 2022 through 2023 performance. The bank's 2021 performance had a neutral effect in the conclusion.

Small Loans to Businesses

Refer to Table R in the state of South Dakota section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

SD Non-MSA

The distribution of loans to businesses of different sizes was excellent.

For 2022 through 2023, the bank's percentage of small loans to businesses with revenues of \$1 million or less was near the percentage of businesses with gross annual revenues of \$1 million or less and exceeded the aggregate distribution of small loans to businesses.

For 2021, the bank's performance was stronger than the 2022 through 2023 performance due to a higher percentage of the bank's small loans to businesses with gross revenues of \$1 million or less compared to demographic information and the aggregate distribution of small loans to businesses. Included in this analysis were 1,522 PPP loans (87.9 percent by number) totaling \$34.1 million to businesses in the SD Non-MSA that provided support during the COVID-19 pandemic. The bank's 2021 performance had a positive effect in the conclusion.

Sioux Falls MSA

The distribution of loans to businesses of different sizes was good.

For 2022 through 2023, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

For 2021, the bank's performance was stronger than the 2022 through 2023 performance due to a higher percentage of the bank's small loans to businesses with gross revenues of \$1 million or less compared to demographic information. Included in this analysis were 542 PPP loans (83.6 percent by number) totaling \$20.3 million to businesses in the Sioux Falls MSA that provided support during the COVID-19 pandemic. The bank's stronger 2021 performance had a positive effect on the conclusion.

Small Loans to Farms

Refer to Table T in the state of South Dakota section of 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.

SD Non-MSA

The distribution of loans to farms of different sizes was good.

For 2022 through 2023, the bank's percentage of small loans to farms with revenues of \$1 million or less was below the percentage of farms with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to farms.

For 2021, the bank's performance was consistent with the 2022 through 2023 performance. The bank's 2021 performance had a neutral effect on the conclusion.

Sioux Falls MSA

The distribution of loans to farms of different sizes was good.

For 2022 through 2023, the bank's percentage of small loans to farms with revenues of \$1 million or less was below the percentage of small farms with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

For 2021, the bank's performance was consistent with the 2022 through 2023 performance. The bank's 2021 performance had a neutral effect on the conclusion.

Community Development Lending

The institution has made a relatively high level of CD loans. CD lending had a positive effect on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

SD Non-MSA

During the evaluation period, the bank made six CD loans totaling \$21.9 million, which represented 12.4 percent of the allocated tier 1 capital. CD loans primarily supported community services to low- and moderate-income individuals and economic development. By dollar volume, 57.6 percent of these loans funded community services targeted to low- and moderate-income individuals and 42.4 percent funded economic development.

Examples of CD loans include:

- The bank originated two USDA loans for a total of \$12.6 million to a behavioral health service organization that primarily serves low-income individuals. The two loans allow the organization to construct a new facility that will expand the services provided to the community.
- The bank originated two SBA 504 loans for a total of \$6.9 million to a business to construct and purchase equipment for a hotel. SBA 504 loan program supports economic development within the community.
- The bank originated one PPP loan to an organization for \$1.3 million during the COVID-19 pandemic. PPP loan program provided a direct incentive for small businesses to keep workers on the payroll during COVID-19 pandemic when businesses were closed.

Sioux Falls MSA

The bank made 12 CD loans totaling \$19.3 million, which represented 22.6 percent of the allocated tier 1 capital. All the bank's CD loans supported economic development.

Examples of CD loans include:

- The bank originated two SBA 504 loans totaling \$3.5 million to assist in the purchase of an apple orchard. The financing promoted business growth and job creation within the Sioux Falls MSA.
- The bank originated two PPP loans totaling \$2.2 million to a lodging business located in a moderate-income census tract in Sioux Falls.
- The bank originated a \$1.5 million SBA 504 loan to assist in the purchase of a commercial property for a digital marketing agency located in Sioux Falls.

Product Innovation and Flexibility

Within South Dakota, the institution uses innovative and/or flexible lending practices in order to serve AA credit needs.

PPP Loans

FDNB demonstrated use of responsive, flexible lending during the COVID-19 pandemic by originating loans to stabilize small businesses and communities under the PPP which ended May 31, 2021. During the evaluation period, the bank originated 2,531 PPP loans totaling \$68.1 million.

This activity received a positive consideration as it provided stabilization of small businesses and communities.

Small Business Loan Programs

FDNB actively participates in SBA programs including the 504-loan program, 7A loan program, and the Express program. A total of eight loans, amounting to \$28.4 million, were originated under these programs within the AAs during the evaluation period.

Grow SD

FDNB offers a Grow South Dakota program that provides down payment and closing cost assistance (DPA) program, typically be provided in the form of a 0.0 percent deferred loan. DPA can be used in conjunction with the purchase of a primary owner-occupied, 1–4-unit property along with a first mortgage loan product. During the evaluation period, five loans were originated under this program totaling \$35,200.

HomeReady

HomeReady is a program designed to assist low-income borrowers. The program provides lower standard mortgage insurance coverage requirements for loans with loan-to-value (LTV) higher than 90 percent up to 97 percent. The program also allows for innovative underwriting flexibilities including rental unit and boarder income and expanded access to credit responsibility. The bank originated 43 HomeReady loans totaling \$8.3 million during the evaluation period.

HomeStart

HomeStart is available to first-time homebuyers and can be used anywhere a member does business. The grant amount per household for this program is \$15,000. Eligible uses of the grant include down payment and closing costs for the purchase of a residence and Counseling/Homebuyer Education costs related to the purchase up to \$250. During the assessment period the bank originated 12 HomeStart loans totaling \$97,500.

South Dakota Housing Development Authority (SDHDA) Preferred

SDHDA is a program that assists South Dakota first-time homebuyers by providing low interest rate mortgage loans. SDHDA partners with participating lending institutions throughout the state including FDNB to help borrowers build a new or purchase an existing home. During the evaluation period FDNB originated 55 SDHDA loans totaling \$11.1 million.

Broader Statewide and Regional Lending

Because FDNB was responsive to community development needs and opportunities in its AA, examiners considered CD loans in the broader statewide and regional areas that include the bank's AA but do not have a purpose, mandate, or function to specifically serve the AA. CD lending in the broader state area consisted of one PPP loan in the amount of \$1.8 million. The loan contributed for economic development of the area by allowing the business to stay viable and retain its employees. This CD loan had a neutral effect and supported the Lending Test conclusion for the state of South Dakota.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Sioux City MSA is weaker than the bank's overall performance under the Lending Test in the full-scope areas. The weaker performance due to the bank not making any CD loans in the Sioux City MSA. Performance in the limited-scope AA had a neutral effect on the overall Lending Test rating in South Dakota.

Refer to Tables O through V in the state of South Dakota section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in South Dakota is rated High Satisfactory.

Conclusions for Receiving Full-Scope Reviews

Based on full scope reviews, the bank's performance in the SD Non-MSA is adequate and the Sioux Falls MSA is excellent.

The institution has a significant level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits good responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
SD Non-MSA	7	1,117	65	3,693	72	58.5	4,810	32.1	0	0
Sioux Falls MSA	11	5,904	37	4,118	48	39.0	10,022	66.8	0	0
Limited-Scope:										
Sioux City MSA	1	16	2	158	3	2.4	174	1.2	0	0
Total	19	7,037	103	7,969	123	100.0	15,006	100.0	0	0

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

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

SD Non-MSA

The bank had an adequate level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits adequate responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives.

The dollar volume of current- and prior-period investments represented 2.7 percent of tier 1 capital allocated to the AA. There were no unfunded commitments during the current evaluation period.

FDNB had 18 qualified investments and grants totaling \$2.9 million related to affordable housing, six qualified investments and grants totaling \$1.3 million related to revitalization and stabilization efforts, 46 qualified investments and grants totaling \$568,521 to community service organizations, and two qualified investments and grants totaling \$2,000 to economic development that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- The bank made a \$1.7 million investment into a Fannie Mae Delegated Underwriting and Servicing program to support multifamily affordable housing in the community. This investment helps meet the affordable housing needs of the community. This bond supports Project based Section 8 housing ensuring that 100 percent of units are rent restricted.
- The bank made three investments totaling \$690,000 to support revitalization and stabilization in the community. The investments are made to a local school district where the majority of the counties are identified as distressed and underserved throughout the evaluation period.
- The bank made five donations totaling \$215,065 to a local progressive growth organization focused on providing affordable housing and building a strong workforce in the community. The organization has planned with local developers to develop 250 affordable housing units in the community. Additionally, the organization focuses on talent attraction, retention, and development to build and maintain a strong workforce for the businesses in the community.

Sioux Falls MSA

The bank had an excellent level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits excellent responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

The dollar volume of current- and prior-period investments represented 11.8 percent of tier 1 capital allocated to the AA. There were no unfunded commitments during the current evaluation period. FDNB had 24 qualified investments and grants totaling \$9.9 million related to affordable housing, 19 qualified investments and grants totaling \$69,285 to community service organizations, and five qualified investments and grants totaling \$40,500 related to economic development.

Examples of qualified investments in the AA include:

- The bank made a \$1.9 million investment in a Fannie Mae mortgage-backed security (MBS) that consists of low- and moderate-income home loans. This MBS consists of 12 loans in the Sioux Falls MSA that focuses the community needs of affordable housing.
- The bank made a \$1 million investment into a LIHTC housing fund to support rehabilitation of low- and moderate-income apartments in the Sioux Falls MSA.
- The bank made a \$25,000 donation to a non-profit organization that provides adoption and foster care services. The organization also provides essential programs for low- and moderate-income families and children including emergency shelter, abuse prevention, and special education.

Broader Statewide or Regional Investments

Because the bank was responsive to community development needs and opportunities in its AA, examiners considered investments in the broader statewide and regional areas that include the bank's AA but do not have a purpose, mandate, or function to specifically serve the AA. These investments included two MBS outstanding from prior periods totaling \$965,000. These investments had a neutral effect and supported the Investment Test conclusion for the state of South Dakota.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Investment Test in the Sioux City MSA is weaker than the bank's overall performance under the Investment Test in the full-scope areas. The weaker performance is due to the lower percentage of qualified CD investments as compared to allocated tier 1 capital in the AA. Performance in the limited-scope AA had a neutral effect on the overall Investment Test rating in South Dakota.

SERVICE TEST

The bank's performance under the Service Test in South Dakota is rated High Satisfactory.

Conclusions for Areas Receiving Full Scope Reviews

Based on full-scope reviews, the bank's performance in the SD Non-MSA and the Sioux Falls MSA is good.

Retail Banking Services

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full-Scope:											
SD Non-MSA	65.4	10	58.8	0.0	10.0	70.0	20.0	1.2	8.6	70.4	19.8
Sioux Falls MSA	31.6	6	35.3	16.7	0.0	33.3	33.3	1.7	22.8	54.2	20.7
Limited-Scope:											
Sioux City MSA	3.1	1	5.9	0.0	0.0	0.0	100.0	0.0	0.0	25.6	74.4

SD Non-MSA

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

The bank's distribution of branches in low-income geographies was significantly below, but in moderate-income geographies exceeded the percentage of the population living within those geographies. Examiners considered the impact of the 2020 U.S. Census updates in the SD Non-MSA.

The bank's South Coteau St. branch changed from middle-income to moderate under the 2020 census data.

FDNB had several alternative delivery systems including debit cards, cash-dispensing only ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. The bank has partnered with a third-party ATM network provider to extend access to cash for their customers.

Sioux Falls MSA

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

The bank's distribution of branches in low-income geographies exceeded, but in moderate-income geographies was significantly below the percentage of the population living within those geographies. Examiners considered the impact of the 2020 U.S. Census updates in the Sioux Falls MSA. The bank's South Louise Ave. branch was in a moderate-income tract, but the tract is now designated as unknown, and the income tract of the North Main Ave. branch changed from moderate to low under the 2020 census data. As a result, the bank lost two moderate-income branches, but gained one low-income branch.

FDNB had several alternative delivery systems including debit cards, cash-dispensing only ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. The bank has partnered with a third-party ATM network provider to extend access to cash for their customers.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Full-Scope:						
SD Non-MSA	0	1	0	0	-1	0
Sioux Falls MSA	1	0	0	0	+1	0
Limited-Scope:						
Sioux City MSA	0	1	0	0	-1	0

SD Non-MSA

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed one branch in a middle-income census tract during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. FDNB offered traditional

banking products and services at all branch locations in the AA. Business hours at the branches were Monday through Friday, opening at 8:30 a.m. or 9:00 a.m. and closing between 3:30 p.m. and 5:00 p.m. All branches offered extended drive-up hours Monday through Friday providing an additional hour or two hours of access to banking. Four branches offered Saturday drive up hours opening at 8:00 a.m. or 9:00 a.m. and closing at 12:00 p.m.

Sioux Falls MSA

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed one branch in a middle-income census tract during the evaluation period.

On October 23, 2023, the bank relocated its Beresford branch from South 3rd St. to West Cedar St. This relocation affected its branch distribution in both the Sioux Falls MSA and the Sioux City MSA. The new branch is now in Lincoln County (Sioux Falls MSA), but it was previously in Union County (Sioux City MSA).

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. FDNB offered traditional banking products and services at all branch locations in the AA. Business hours were 8:00 a.m. to 4:30 p.m., Monday through Friday, and from 9:00 a.m. to 12:00 p.m., on Saturdays at two locations. All locations with drive-thru facilities are operating under similar hours.

Community Development Services

The institution is a leader in providing CD services.

SD Non-MSA

During the evaluation period, 21 bank employees conducted 2,110 total hours of community services in coordination with 22 different organizations. The bank employees served in leadership roles by participating on boards and committees for six organizations supporting affordable housing, 10 organizations that provide community services to low- and moderate-income individuals, four organizations that support economic development, and two organizations supporting revitalization and stabilization efforts in the AA.

Examples of CD services in the AA include:

- A bank employee served on the board of a nonprofit organization that provides economic development resources to a distressed and underserved community in the AA. The organization's mission is to connect entrepreneurs and community members with opportunities to stimulate economic growth in the community. The organization offers a loan program for businesses and start-ups to gain access to financial funding when unable to obtain traditional funding.
- A bank employee provided 200 hours of leadership to a nonprofit economic development organization in an underserved community. The organization's mission is to assist in the growth of economic activity in the region which includes underserved areas. The organization has a revolving

loan fund which provides access to financial for businesses in the community to assist in the growth of economic activity.

- A bank employee provided 25 hours of leadership to a local housing authority. The entity ensures that fair market rents for those who qualify for low-income rental housing are set in accordance with HUD guidelines and program standards. The entity has secured over 1,000 low-income apartments and over 900 housing vouchers for rental assistance.

Sioux Falls MSA

During the evaluation period, nine bank employees conducted 558 total hours of community services in coordination with eight different organizations. Seven bank employees spent 404 hours serving in leadership roles by participating on boards and committees for six different CD organizations. In addition, one bank employee conducted two financial education events totaling 10 hours in coordination with one organization. These events included financial literacy for elementary students. More than 50 percent of the students at the school are on the free or reduced lunch program. Finally, three employees provided 144 hours of technical expertise for three different CD organizations that provides services to low- and moderate-income individuals and families.

Examples of CD services in the AA include:

- Two bank employees provided a total of 99 hours of technical expertise for an organization that provides a wide variety of services and assistance to people in the greater Sioux Falls area targeting low- and moderate-income individuals. The employees reviewed grant requests and made recommendations for award amounts.
- A bank employee served a total of 69 hours as the treasurer/executive board member of an organization that provides affordable, safe housing solutions for low- and moderate-income individuals and families.
- A bank employee provided two financial literacy classes at an elementary school for a total of 10 hours through partnership with an educational organization. The organization provides lessons in financial literacy to positively impact the lives of young people. More than 50 percent of the students at the elementary school are eligible for a free or reduced lunch program.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Sioux City MSA is weaker than the bank's overall performance under the Service Test in the full-scope areas. The weaker performance is due to the bank's limited branch distribution within the Sioux City MSA. Performance in the limited-scope AA had a neutral effect on the overall Service Test rating in South Dakota.

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 MSAs and Non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	(01/01/2021 to 12/31/2023)	
Bank Products Reviewed:	Home mortgage, small business, small farm loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of South Dakota		
SD Non-MSA	Full-Scope	South Dakota: Counties of Aurora, Bon Homme, Brule, Buffalo, Charles Mix, Clay, Davison, Douglas, Hanson, Hughes, Hutchinson, Hyde, Lyman, Stanley, Sully, and Yankton Nebraska: Partial Counties of Cedar and Knox
Sioux Falls MSA	Full-Scope	Counties of Lincoln, McCook, Minnehaha, and Turner
Sioux City MSA	Limited-Scope	Union County

Appendix B: Summary of MMSA and State Ratings

RATINGS: FIRST DAKOTA NATIONAL BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Dakota National Bank	Outstanding	High Satisfactory	High Satisfactory	Outstanding
MMSA or State:				
State of South Dakota	Outstanding	High Satisfactory	High Satisfactory	Outstanding

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

Low-Income - Individual 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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5

million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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 aggregate 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 (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2022-2023
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	
Full-Scope:																				
SD Non-MSA	556	114,249	46.5	1,598	0.5	0.0	0.1	6.1	5.8	5.6	71.9	76.8	66.4	21.5	17.4	27.9	0.0	0.0	0.0	
Sioux Falls MSA	601	230,960	50.3	7,018	1.0	1.0	0.7	19.1	12.3	17.1	56.9	52.1	59.3	23.0	34.6	22.8	0.0	0.0	0.0	
Limited-Scope:																				
Sioux City MSA	38	7,750	3.2	381	0.0	0.0	0.0	0.0	0.0	0.0	29.2	68.4	22.3	70.8	31.6	77.7	0.0	0.0	0.0	
Total	1,195	352,959	100.0	8,997	0.8	0.5	0.6	14.0	8.9	14.3	60.7	64.1	59.0	24.5	26.5	26.0	0.0	0.0	0.0	

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%
 First Dakota National Bank (10000002068) excluded from Aggregate.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2021
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	
Full-Scope:																				
SD Non-MSA	524	104,061	40.7	3,702	0.0	0.0	0.0	2.9	0.0	0.5	81.2	87.8	76.7	15.9	12.2	22.8	0.0	0.0	0.0	
Sioux Falls MSA	725	237,918	56.2	17,572	0.0	0.0	0.0	20.0	9.0	15.3	55.3	44.1	52.7	24.8	46.9	32.0	0.0	0.0	0.0	
Limited-Scope:																				
Sioux City MSA	40	7,584	3.1	702	0.0	0.0	0.0	0.0	0.0	0.0	48.7	82.5	38.2	51.3	17.5	61.8	0.0	0.0	0.0	
Total	1,289	349,563	100.0	21,976	0.0	0.0	0.0	13.3	5.0	12.3	63.8	63.1	56.3	22.9	31.9	31.4	0.0	0.0	0.0	

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%
 First Dakota National Bank (10000002068) excluded from Aggregate.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-2023		
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		
Full-Scope:																					
SD Non-MSA	556	114,249	46.5	1,598	19.0	7.7	6.5	16.7	21.8	21.9	23.1	24.5	22.1	41.3	31.3	30.5	0.0	14.7	19.0		
Sioux Falls MSA	601	230,960	50.3	7,018	18.6	5.8	7.6	18.1	14.0	21.5	25.0	18.1	25.0	38.3	50.3	31.5	0.0	11.8	14.5		
Limited-Scope:																					
Sioux City MSA	38	7,750	3.2	381	15.7	10.5	4.5	14.9	15.8	7.9	16.5	31.6	18.1	52.8	34.2	54.6	0.0	7.9	15.0		
Total	1,195	352,959	100.0	8,997	18.6	6.9	7.3	17.5	17.7	21.0	24.0	21.5	24.2	39.9	40.9	32.3	0.0	13.1	15.3		
<i>Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> <i>First Dakota National Bank (10000002068) excluded from Aggregate</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021		
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		
Full-Scope:																					
SD Non-MSA	524	104,061	3.1	702	8.9	2.5	4.7	15.3	22.5	11.8	19.9	15.0	19.7	55.9	52.5	52.8	0.0	7.5	11.0		
Sioux Falls MSA	725	237,918	56.2	17,572	19.0	5.9	7.2	18.1	15.2	20.5	24.4	17.0	21.0	38.5	55.6	32.3	0.0	6.3	19.1		
Limited-Scope:																					
Sioux City MSA	40	7,584	3.1	742	8.9	2.5	4.6	15.3	22.5	12.4	19.9	15.0	19.4	55.9	52.5	52.8	0.0	7.5	10.8		
Total	1,289	349,563	100.0	21,976	18.8	5.4	6.7	17.5	17.5	19.9	23.5	19.2	20.8	40.2	50.3	33.0	0.0	7.6	19.6		
<i>Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> <i>First Dakota National Bank (10000002068) excluded from Aggregate</i>																					

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2022-2023																		
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																			
Full-Scope:																																						
SD Non-MSA	835	119,031	52.5	2,346	0.3	1.2	0.1	13.0	7.3	8.1	68.1	78.8	72.2	18.6	12.7	16.5	0.0	0.0	3.1																			
Sioux Falls MSA	696	135,467	43.7	6,781	9.5	6.6	4.7	23.9	21.0	23.7	43.3	48.6	47.3	20.9	20.3	21.8	2.4	3.6	2.6																			
Limited-Scope:																																						
Sioux City MSA	60	11,114	3.8	479	0.0	0.0	0.0	0.0	0.0	0.0	19.1	50.0	13.4	80.9	50.0	85.1	0.0	0.0	1.5																			
Total	1,591	265,612	100.0	9,606	6.5	3.5	3.4	19.8	13.0	18.9	49.1	64.5	51.4	23.0	17.4	23.8	1.6	1.6	2.6																			
<i>Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate</i>																																						

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2021																	
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																		
Full-Scope:																																					
SD Non-MSA	2,007	100,344	64.6	4,165	0.0	0.0	0.0	2.2	1.9	1.1	83.7	87.9	86.0	14.1	10.2	10.7	0.0	0.0	2.2																		
Sioux Falls MSA	981	121,613	31.6	8,462	0.0	0.0	0.0	35.1	21.3	30.7	38.1	51.8	39.3	26.7	26.9	29.3	0.0	0.0	0.7																		
Limited-Scope:																																					
Sioux City MSA	119	7,968	3.8	430	0.0	0.0	0.0	0.0	0.0	0.0	31.4	79.8	29.9	68.6	20.2	67.0	0.0	0.0	3.1																		
Total	3,107	229,925	100.0	13,057	0.0	0.0	0.0	23.9	8.0	23.0	51.0	76.2	49.7	25.1	15.8	26.2	0.0	0.0	1.1																		
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate.</i>																																					

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-2023	
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	
Full-Scope:												
SD Non-MSA	835	119,031	52.5	2,346	85.5	73.4	55.8	3.3	25.0	11.1	1.6	
Sioux Falls MSA	696	135,467	43.7	6,781	90.6	59.2	52.1	2.7	39.2	6.7	1.6	
Limited-Scope:												
Sioux City MSA	60	11,114	3.8	479	89.0	68.3	52.2	3.7	31.7	7.3	0.0	
Total	1,591	265,612	100.0	9,606	89.1	67.0	52.9	2.9	31.5	8.0	1.5	
<i>Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021	
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	
Full-Scope:												
SD Non- MSA	2,007	100,344	64.6	4,165	80.4	85.3	56.2	4.8	11.4	14.8	3.4	
Sioux Falls MSA	981	121,613	31.6	8,462	87.0	77.3	50.5	4.1	21.4	8.9	1.3	
Limited-Scope:												
Sioux City MSA	119	7,968	3.8	430	86.0	69.7	49.2	5.0	7.6	9.0	22.7	
Total	3,107	229,925	100.0	13,057	85.0	82.1	51.7	4.3	14.4	10.6	3.5	
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate.</i>												

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022-2023	
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	
Full-Scope:																				
SD Non-MSA	1,168	195,212	81.3	1,971	0.3	0.6	0.4	4.5	2.9	3.2	82.8	86.0	87.6	12.4	10.4	8.5	0.0	0.0	0.3	
Sioux Falls MSA	228	34,742	15.9	941	2.3	0.0	0.2	14.0	8.8	6.7	65.0	87.7	83.1	18.4	3.5	9.9	0.3	0.0	0.1	
Limited-Scope:																				
Sioux City MSA	40	5,979	2.8	78	0.0	0.0	0.0	0.0	0.0	0.0	44.8	22.5	42.6	55.2	77.5	57.4	0.0	0.0	0.0	
Total	1,436	235,932	100.0	2,990	1.1	0.5	0.4	8.1	3.8	4.3	73.7	84.5	85.0	17.0	11.2	10.2	0.1	0.0	0.2	
<i>Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> <i>First Dakota National Bank (10000002068) excluded from Aggregate</i>																				

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2021	
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	
Full-Scope:																				
SD Non-MSA	606	96,427	78.7	1,761	0.0	0.0	0.0	3.3	3.0	2.5	81.6	84.0	84.5	15.1	13.0	12.7	0.0	0.0	0.3	
Sioux Falls	146	24,043	19.0	1,364	0.0	0.0	0.0	8.6	0.0	0.9	69.0	89.0	80.7	22.4	11.0	18.4	0.0	0.0	0.0	
Limited-Scope:																				
Sioux City MSA	18	2,954	2.3	79	0.0	0.0	0.0	0.0	0.0	0.0	66.8	83.3	73.8	33.2	16.7	26.2	0.0	0.0	0.0	
Total	770	123,425	100.0	3,204	0.0	0.0	0.0	5.2	2.3	1.7	76.1	84.9	82.5	18.8	12.7	15.6	0.0	0.0	0.2	
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> <i>First Dakota National Bank (10000002068) excluded from Aggregate.</i>																				

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022-2023	
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	
Full-Scope:												
SD Non-MSA	1,168	195,212	81.3	1,971	98.0	81.5	59.5	1.4	18.0	0.6	0.5	
Sioux Falls MSA	228	34,742	15.9	941	98.5	82.0	64.9	0.9	11.4	0.6	6.6	
Limited-Scope:												
Sioux City MSA	40	5,979	2.8	78	100.0	90.0	44.3	0.0	7.5	0.0	2.5	
Total	1,436	235,932	100.0	2,990	98.3	81.8	60.9	1.1	16.6	0.6	1.5	
<i>Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate</i>												

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2021	
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	
Full-Scope:												
SD Non-MSA	606	96,427	78.7	1,761	97.8	85.5	59.3	1.5	14.0	0.6	0.5	
Sioux Falls MSA	146	24,043	19.0	1,364	98.0	91.8	74.4	1.3	8.2	0.7	0.0	
Limited-Scope:												
Sioux City MSA	18	2,954	2.3	79	99.0	100.0	47.5	0.5	0.0	0.5	0.0	
Total	770	123,425	100.0	3,204	97.9	87.0	65.9	1.4	12.6	0.7	0.4	
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% First Dakota National Bank (10000002068) excluded from Aggregate.</i>												