

PUBLIC DISCLOSURE

May 13, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First PREMIER Bank
601 South Minnesota Avenue
Sioux Falls, South Dakota 57104
RSSD 374653

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291**

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 the safe and sound operation of the institution. This evaluation is not, nor should it 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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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Examiners evaluated the bank's Community Reinvestment Act (CRA) performance using the Large Bank CRA Examination Procedures. The following table shows the CRA performance of First PREMIER Bank, Sioux Falls, South Dakota, with respect to the Lending, Investment, and Service Tests.

Performance Levels	First PREMIER Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
*In accordance with the Large Bank CRA Examination Procedures, examiners assign more weight to the Lending Test than to the Investment and Service Tests for determining the overall rating.			

Major factors supporting the institution's rating include:

Lending Test

- The bank's lending activity shows good responsiveness to credit needs throughout the assessment areas.
- The bank originated an adequate percentage of its loans within its assessment areas.
- The distribution of loans reflects good penetration among borrowers of different income levels and businesses and farms of different sizes.
- The distribution of loans reflects good penetration throughout the assessment areas.
- The bank makes a relatively high level of community development loans.
- The bank uses flexible lending practices in serving assessment area credit needs.

Investment Test

- The level of qualified investments, primarily in the form of donations, is significant.
- Qualified investments, particularly donations, reflect good responsiveness to credit and community development needs.

Service Test

- The bank's retail services are readily accessible to the bank's geographies and individuals of different income levels in its assessment areas.
- The bank's services and hours do not vary in a way that inconveniences moderate-income geographies and low- and moderate-income individuals.
- The bank is a leader in providing community development services to community development organizations; employees often serve in leadership positions.

INSTITUTION

DESCRIPTION OF INSTITUTION

General. First PREMIER Bank is an intrastate bank with headquarters in Sioux Falls, South Dakota, with an asset size of \$2.0 billion as of December 31, 2018. The bank currently operates 17 full-service offices in South Dakota. No financial constraints or legal impediments prevent the bank from meeting the credit needs of its assessment areas. Examiners evaluated the bank under the Intermediate Small Bank Exam Procedures and assigned a Satisfactory rating at the April 7, 2014, evaluation.

Structure. First PREMIER Bank is a full-service bank headquartered in Sioux Falls, South Dakota. The bank is wholly owned by United National Corporation (UNC), Sioux Falls, South Dakota. UNC also owns PREMIER Bankcard Holding, LLC (PBH), which is a mid-tier holding company with two subsidiaries: PREMIER Bankcard, LLC, and PREMIER Nevada, LLC. The PBH subsidiaries hold credit card receivables and are responsible for marketing, underwriting, administering, and servicing the bank's credit card portfolio.

Loan Portfolio. According to the December 31, 2018, Report of Condition, the bank has total assets of \$1.8 billion. The bank's \$1.2 billion loan portfolio consists of 59.0% consumer, 25.5% commercial, 7.6% agricultural, 6.2% residential real estate, and 1.7% other loans. Since the previous evaluation, total loans increased by 62.1%. The bank had notable growth in the consumer and commercial loan segments of its loan portfolio.

Credit Products. The bank offers closed- and open-end consumer, residential real estate, commercial, and agricultural loan products to meet the credit needs of residents, businesses, and farms in its assessment areas. In addition, the bank continues to offer nationwide credit card products, mainly targeted toward individuals who have weakened or limited credit histories. The bank participates in indirect lending through a network of dealerships located in South Dakota as well as other areas of the Midwest. These loans consist primarily of installment loans secured by vehicles, boats, and motor homes. Refer to the Innovative and Flexible Lending section for additional information on loan programs.

Offices. The bank operates 16 full-service branches and one limited-service branch in South Dakota. The main office and nine branches are located in Sioux Falls; three branches are located in Watertown. The remaining branches are located in Castlewood, Wakonda, Lake Norden, and Kranzburg. The Kranzburg branch offers only deposit products. The bank has not opened or closed any offices since the previous evaluation. Lobby hours for a majority of the offices are 9:00 a.m. to 5:00 p.m. Monday through Friday. Many offices also offer Saturday lobby hours and extended weekday drive-up hours.

Alternative Delivery Methods. The bank operates 15 ATMs, 12 of which are located at bank offices in Sioux Falls and Watertown. The bank's website allows customers to make account inquiries, loan payments, and online bill payments; to transfer funds between accounts; and to apply for loans. The bank offers mobile banking, which allows customers to view current account balances and recent transactions and transfer funds between accounts. In addition, the bank's 24-hour telephone banking allows customers to check balances, transfer funds between deposit accounts, and verify account activity.

Assessment Areas. The bank has three assessment areas for CRA purposes: the Sioux Falls metropolitan assessment area as well as the Watertown and Wakonda nonmetropolitan assessment areas. The bank has not changed any assessment area delineations since the previous evaluation. However, the number of census tracts in each assessment area changed slightly and the income classifications of certain tracts

changed, based on updated census and FFIEC data. The individual full-scope assessment area evaluations include detailed descriptions of the bank's assessment areas.

SCOPE OF EVALUATION

To understand the bank's CRA performance, examiners evaluated the bank's HMDA loans for 2014, 2015, 2016, and 2017. Examiners also evaluated small business and small farm loans for 2015, 2016, and 2017.¹ Examiners compared the bank's HMDA, small business, and small farm loan data to aggregate lenders' reported loans originated or purchased in the assessment areas. Examiners reviewed a sample of consumer and credit card loans from 2018. Examiners evaluated the bank's community development loans, qualified investments, and community development services from April 7, 2014, to May 12, 2019. For the assessment area concentration analysis, examiners included 2018 consumer non-credit card loans and 2017 HMDA, small business, and small farm loans.

Examiners selected two of the bank's assessment areas for full-scope reviews after reviewing loan volume, deposit market share, branch size and location, and community development activity. The bank has an assessment area in an MSA that requires a separate analysis of the bank's performance in the MSA. A full-scope review requires examiners to evaluate the bank's quantitative and qualitative performance using the following criteria: lending activity, lending to borrowers of different income levels and to businesses and farms of different sizes, geographic distribution of loans throughout the assessment area, community development lending, flexible and/or innovative lending practices, qualified investments, retail services, and community development services. The other assessment area received a limited-scope review in which examiners analyzed quantitative data about the bank's lending, investments, and services.

Examiners performed a full-scope review of the Sioux Falls and Watertown assessment areas and a limited-scope review of the Wakonda assessment area. Combined, the Sioux Falls and Watertown assessment areas account for 96.0% of HMDA, small business, and small farm loan originations by number volume. The same assessment areas account for 98.4% of the bank's deposits. In determining the overall CRA rating, examiners placed the greatest weight on the bank's activities in its Sioux Falls metropolitan statistical area (MSA) assessment area because the majority of the bank's HMDA, small business, and small farm lending occurs there.

Examiners did not evaluate small farm loans in the Sioux Falls assessment area because the small farm portion of the sample for this assessment area was too small to provide a meaningful analysis. Similarly, examiners did not evaluate consumer and credit card loans in the Watertown assessment area because the samples for this assessment area were too small to provide a meaningful analysis.

The bank offers nationwide credit card products, which primarily target subprime borrowers. Between January 1, 2018, and December 31, 2018, the bank originated 1,223,138 credit card loans, with outstanding receivables of \$1.5 billion as of December 31, 2018. Based on this level of lending, examiners included credit cards in the scope of the Lending Test. To analyze credit card activity, examiners selected a sample of loans from all of the credit cards originated in South Dakota. The credit card sample included 97 loans originated between July 1, 2018, and December 31, 2018.

Examiners also analyzed the demographic characteristics of each assessment area as one way to measure loan demand. For HMDA loans, examiners relied on demographic information, primarily from the 2010

¹ Examiners reviewed 2014 and 2015 HMDA data, as well as 2015 small farm and 2015 small business data, for consistency with 2016 and 2017 data, but did not include the analysis in this public evaluation.

U.S. Census or 2016 and 2017 FFIEC adjusted census data, to understand the income levels and geographic locations of the families and housing units in the assessment areas. For small business and small farm loans, examiners used Dun & Bradstreet data for 2016 and 2017. Dun & Bradstreet collects and publishes data concerning the revenues and locations of local businesses and farms. The demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Rather, examiners reviewed the demographic data to provide a context for the bank's performance, along with the information obtained from bank management and community contacts.

As part of this evaluation, examiners had discussions with bank management and community contacts regarding local economic conditions, demographic characteristics, the performance of local financial institutions, and opportunities to participate in community development activities. Further, bank management provided information regarding the bank's lending activities, credit demand, and competition. Examiners considered these factors and the size and financial condition of the bank when evaluating its performance. The contacts did not identify any unmet credit needs in the bank's assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall CRA rating is Satisfactory based on the ratings for the Lending, Investment, and Service Tests.

Examiners analyzed the following criteria to determine the Lending Test rating:

- Lending activity,
- Lending inside the bank's assessment areas,
- Lending to borrowers of different income levels and to businesses and farms of different sizes,
- Geographic distribution of loans,
- Community development lending, and
- Use of innovative and/or flexible lending practices.

To evaluate the bank's performance, examiners placed the most weight on lending activity, concentration of lending in the assessment area, lending to borrowers of different income levels and to businesses and farms of different size, and the geographic distribution of loans. The bank's community development lending and use of innovative and flexible lending practices also contributed to the bank's Lending Test rating.

Examiners evaluated the bank's qualified investments and its retail and community development services under the Investment and Service Tests, respectively.

LENDING TEST

The bank's Lending Test rating is high satisfactory. Overall, the bank's lending to low- and moderate-income borrowers and to small businesses and small farms is good. The geographic distribution and dispersion of loans is good. The bank makes a relatively high level of community development loans and it uses flexible lending practices extensively. The bank's lending activity demonstrates good responsiveness to local credit and community development needs. Finally, the bank made an adequate percentage of its loans inside its assessment areas.

The bank has an assessment area in an MSA, and the regulation requires a separate analysis of the bank's performance in the MSA. Examiners evaluate the overall lending activity and the comparison of lending inside and outside the assessment areas at the institution level. The discussion of lending activity and assessment area concentration follows. For a detailed discussion of other Lending Test criteria, see the individual assessment area sections of this evaluation.

For the limited-scope assessment area, please see Appendix D for tables displaying the borrower and geographic distributions as well as demographic and aggregate lender information.

Lending Activity

The bank's lending activity demonstrates good responsiveness to the credit needs of the assessment areas. The Summary of HMDA, Small Business, and Small Farm Lending Activity table shows the bank's 2014 to 2017 HMDA-reportable loans and 2015 to 2017 CRA-reportable lending activity. In addition to the bank's HMDA, small business, and small farm lending, the bank is a very active consumer lender.

Summary of HMDA, Small Business, and Small Farm Lending Activity				
<i>Loan Type</i>	<i>#</i>	<i>%</i>	<i>\$(000)</i>	<i>%</i>
HMDA Home Purchase	1,485	58.8	251,476	64.3
HMDA Refinancing	862	34.2	126,487	32.3
HMDA Home Improvement	163	6.5	7,838	2.0
HMDA Multifamily	14	0.6	5,400	1.4
Total HMDA Related	2,524	56.0	391,201	65.8
Total Small Business	1,327	29.5	131,947	22.2
Total Small Farm	654	14.5	71,318	12.0
Total Loans	4,505	100.0	594,466	100.0

The bank's lending varies in different assessment areas, depending on the market and economic factors. For example, the bank extends a higher number of small farm loans in the Watertown assessment area and more HMDA loans in the Sioux Falls MSA.

For both assessment areas, the bank is among the top 10 HMDA and CRA lenders based on aggregate data. In the Sioux Falls assessment area, the bank is one of the top five HMDA reporters. In the Watertown assessment area, the bank is one of the top five CRA reporters. The bank faces strong competition in both assessment areas. The bank's performance in the Watertown assessment area is particularly notable given the bank's limited deposit market share in the assessment area. For detailed information regarding the bank's lending activity, refer to the individual assessment area sections.

Assessment Area Concentration

The bank originated an adequate percentage of its loans within its assessment areas, specifically, 42.5% of loans by number and 52.6% by dollar amount. The table below shows lending activity by loan type within the assessment areas.

Lending Inside and Outside of the Assessment Areas²								
Loan Category	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
HMDA Home Improvement	36	87.8	1,765	87.9	5	12.2	242	12.1
HMDA Purchase – Conventional	251	90.3	46,067	90.8	27	9.7	4,691	9.2
HMDA Purchase – FHA	113	92.6	17,432	93.2	9	7.4	1,269	6.8
HMDA Purchase – VA	24	92.3	6,289	93.3	2	7.7	449	6.7
HMDA Multifamily	4	100.0	3,039	100.0	0	0.0	0	0.0
HMDA Refinancing	209	91.7	31,865	90.7	19	8.3	3,257	9.3
Total HMDA	637	91.1	106,457	91.5	62	8.9	9,908	8.5
Consumer	5,399	38.0	55,347	22.6	8,811	62.0	189,712	77.4
Small Business	423	91.2	49,465	90.3	41	8.8	5,297	9.7
Small Farm	163	85.3	19,754	84.8	28	14.7	3,535	15.2
Total	6,622	42.5	231,023	52.6	8,942	57.5	208,452	47.4

Although the majority of consumer loans were to borrowers outside the assessment areas, this is explainable based on the bank's business strategy for consumer products. The bank has a large indirect consumer-lending portfolio, which includes indirect lending relationships with dealerships located outside the bank's assessment areas. As a result, the bank originated the majority of the consumer loans in the sample outside its assessment areas. The bank operates in a highly competitive lending environment, and community contacts did not identify any unmet credit needs in the assessment areas during the evaluation period. In addition, the bank's HMDA, small farm, and small business lending shows a commitment to serving credit needs inside the assessment areas, as those loan types have much higher percentages of loans inside the assessment areas. Based on the context, the bank's consumer lending inside the assessment areas is adequate.

Overall, the bank made an adequate percentage of its loans in its assessment areas.

Borrower and Geographic Distribution

Overall, the bank's distribution of loans among low- and moderate-income borrowers and businesses and farms of different sizes is good. The bank actively originates HMDA and consumer loans to low- and moderate-income borrowers. The bank also actively lends to farms and businesses of different sizes in its assessment areas.

Geographically, the bank's performance in moderate-income census tracts is good overall. The bank extends loans to borrowers in moderate-income census tracts within the assessment areas. The bank's lending patterns do not reveal any unexplained gaps in lending.

² Table does not include credit card originations given that product's nationwide distribution and funding source.

Innovative and Flexible Lending Practices

Overall, the bank makes use of innovative and/or flexible lending programs. The bank participates in a variety of programs to meet the credit needs of low- or moderate-income individuals, and farms. The bank is particularly active in housing programs for low- and moderate-income homebuyers and, when possible, uses multiple programs to facilitate a borrower's transaction. The following list highlights a number of the programs the bank participated in during the evaluation period:

- *South Dakota Housing Development Authority (SDHDA)* – SDHDA offers a variety of programs that assist low- and moderate-income borrowers in South Dakota. SDHDA offers low-interest-rate mortgages, closing cost and down payment assistance, and home improvement loans. Eligible borrowers must meet income limits.
- *SDHDA Tax Credit for Homeowners* – SDHDA's Tax Credit reduces the amount of federal income tax that eligible borrowers pay through the use of a mortgage credit certificate. The SDHDA Tax Credit can be used in conjunction with a fixed interest rate loan insured by the Federal Housing Administration (FHA), guaranteed by the U.S. Department of Veterans Affairs (VA) or U.S. Department of Agriculture Rural Development, or conventional loans insured by approved private mortgage insurance companies or conventional uninsured loans. Eligible borrowers must meet income limits.
- *Home\$tart Program* – This program, sponsored through the Federal Home Loan Bank of Des Moines, helps first-time homebuyers earning up to 80.0% of their area's median family income purchase a home. Borrowers use Home\$tart grants for down payments and closing cost assistance.
- *Grow South Dakota* – Grow South Dakota provides homebuyers with down payment or closing cost assistance. Eligible borrowers must meet income limits.
- *FHA Home Loans* – The FHA home loan program provides eligible borrowers with flexible down payment and underwriting guidelines for lower-income borrowers.
- *VA Home Loans* – VA home loans help eligible borrowers purchase a home at a competitive interest rate, often without requiring a down payment or private mortgage insurance. Cash-Out Refinance loans allow eligible borrowers to cash out home equity to take care of concerns like paying off debt, funding school, or making home improvements.
- *Federal Agricultural Mortgage Corporation (Farmer Mac)* – The bank is an approved lender with Farmer Mac. Farmer Mac offers flexible solutions designed to increase access to capital and reduce the cost of credit for rural America. Farmer Mac works with agricultural lenders to offer competitive interest rates and flexible loans programs not offered directly through the bank.

Community Development Lending

The bank made a relatively high level of community development loans. In addition to community development loans, the bank issued community development letters of credit. During the evaluation period, the bank extended 12 community development loans and letters of credit, totaling approximately \$10.2 million, in its assessment areas, with the majority of these loans benefitting the Sioux Falls assessment area. The loans financed organizations that provide services to low- and moderate-income individuals, help to revitalize and stabilize low- and moderate-income and underserved census tracts, and support affordable housing initiatives in the assessment areas.

Given the limited opportunities to originate community development loans and the competition in the bank's assessment areas, the bank's community development lending shows good responsiveness to community development needs.

The bank also originated four loans totaling approximately \$5.7 million that benefit a statewide area including the bank's assessment areas. The loans financed organizations that provide services to low- and moderate-income individuals. Because the bank was responsive in meeting the credit and community development needs of its assessment areas, examiners also considered one \$988,050 letter of credit with an affordable housing focus that benefited areas outside of the bank's assessment areas.

Community Development Loans and Letters of Credit by Assessment Area or Statewide Area		
Assessment Area	#	\$
Sioux Falls MSA	9	8,755,516
Watertown	1	45,145
Wakonda	2	1,360,305
Statewide Area	4	5,625,000
Total	16	15,785,966

INVESTMENT TEST

The bank's Investment Test rating is rated high satisfactory. The bank made a significant level of qualified investments, primarily in the form of donations. Qualified investments include \$1.7 million in new and prior period investments and \$3.6 million in donations. The bank did not make any new investments in the form of bonds or securities in its assessment areas. However, the bank purchased one qualified investment totaling \$500,000, which supports revitalization or stabilization of low- and moderate-income census tracts throughout South Dakota by helping companies locate in those tracts. The bank continues to hold six prior-period investments totaling approximately \$1.1 million. The investments help promote economic development and support affordable housing in the bank's assessment areas and broader regional and statewide areas. Bank management indicated there were limited opportunities to purchase new investments in the assessment areas during the evaluation period.

Donations. The bank made an excellent level of qualified investments in the form of donations. Overall, the bank made 378 donations totaling approximately \$3.3 million in its assessment areas, as well as in regional or statewide areas. In addition, the bank also made 73 donations totaling \$350,650 in areas outside of the bank's assessment areas. The substantial majority of the donations support community service needs in the bank's assessment areas. The bank's level of donations demonstrates excellent responsiveness to community development needs in its assessment areas. The bank made a majority, 68.5% by number and 72.4% by dollar, of its donations in its assessment areas, with most made in the Sioux Falls assessment area. The bank did not make donations in the Wakonda assessment area.

The bank's donations to organizations serving a statewide or regional area that includes the assessment areas solely supported community service needs for low- and moderate-income individuals. The bank's donations outside of its assessment areas were to organizations that are generally located in close proximity to where the bank has credit card operation centers. These donations mostly supported community service needs. Some of the donations also supported affordable housing needs as well as revitalization or stabilization of moderate-income areas.

SERVICE TEST

The bank's Service Test rating is outstanding, based on performance in the full-scope assessment areas. Delivery systems generally are readily accessible throughout its assessment areas, and services do not vary in a way that inconveniences geographies and individuals of different income levels. In addition, the bank is a leader in providing community development services.

Retail Banking Services

Delivery systems are readily accessible to individuals and geographies of different income levels in the bank's assessment areas. The bank provides retail services through its main office and network of 16 branches, as well as drive-up facilities, and ATMs. The bank has not made any changes to its branch locations. Business hours of operation are reasonable and do not vary widely by branch; some branches and drive-up facilities offer extended weekday and/or Saturday hours to accommodate residents in the assessment areas.

Qualified Investment Donations in the Bank's Assessment Areas		
<i>Purpose</i>	<i>#</i>	<i>\$</i>
Affordable Housing	22	131,383
Community Service	243	2,221,304
Economic Development	17	72,450
Revitalize and Stabilize Moderate-Income Tracts or Underserved or Distressed Areas	27	226,934
Total	309	2,629,072
Qualified Investment Donations Benefiting Regional or Statewide Areas		
<i>Purpose</i>	<i>#</i>	<i>\$</i>
Community Service	69	650,697
Total	69	650,697

Geographic Distribution of Branches & ATMs in South Dakota																						
Tract Category	Branches							ATMs								Demographics						
	Total Branches				Drive thrus	Extend- ed Hours	Week- end Hours	Total ATMs		Full Service ATMs				Cash only ATMs				Census Tracts		House holds	Total Businesses	
	#	%	Open	Closed				#	#	#	#	#	#	#	#							
																#	%	#	%	#	%	#
Low	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Moderate	6	35.3%	0	0	6	6	2	Total	5	45.5%	5	50.0%	0	0	0	0.0%	0	0	19	21.3%	22.6%	27.5%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Middle	9	52.9%	0	0	5	6	5	Total	5	45.5%	4	40.0%	0	0	1	100.0%	0	0	52	58.4%	58.4%	51.9%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Upper	2	11.8%	0	0	1	2	1	Total	1	9.1%	1	10.0%	0	0	0	0.0%	0	0	18	20.2%	19.1%	20.6%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Unknown	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Total	17	100.0%	0	0	12	14	8	Total	11	100.0%	10	100.0%	0	0	1	100.0%	0	0	89	100.0%	100.0%	100.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
2018 FFIEC Census Data, 2018 D&B Info, and 2015 ACS Data																						
Closed branches/ATMs are only included in "closed" columns and are not included in any other totals.																						
DTO - Drive thru only is a subset of total branches																						
SA = Stand Alone ATM is a subset of total ATMs																						

Of the bank's 17 offices, 35.3% are located in moderate-income tracts, which is well above the percentage of moderate-income census tracts in the bank's assessment areas. The geographic distribution of the bank's branches is excellent. The majority of the bank's branches are in middle-income tracts, which is reasonable because 58.4% of all tracts in the bank's assessment areas are middle income. For information on the branching structure, refer to the Assessment Area Information table in the Description of Institution section earlier in this report and the relevant full-scope and limited-scope assessment area sections of this evaluation.

The bank also provides alternative delivery systems that include remote deposit capture, night deposit, telephone banking, online banking, and mobile banking. The bank offers standardized products and services throughout its assessment areas.

Community Development Services

The bank is a leader in providing community development services.

Overall, bank employees provided 289 community development services. As shown in the table, bank employees provided 227 community development services that benefited its assessment areas. Bank employees also provided 41 services with a regional and South Dakota statewide focus that included the bank's assessment areas. Finally, bank employees engaged in 21 community development services outside of the bank's assessment areas.

Community Development Services in the Bank's Assessment Areas	
Purpose	#
Affordable Housing	34
Community Service	163
Economic Development	22
Revitalize or Stabilize Moderate- Income Tracts	8
Total	227

Bank officers and employees assisted numerous organizations that help low- and moderate-income individuals; economic development organizations that support growth, job creation, and small businesses; and organizations that promote affordable housing. Additionally, they provided services to organizations that help revitalize or stabilize moderate-income tracts. Bank officers and employees served in various capacities; however, most employees served in leadership roles, such as board members. The substantial majority of the bank's services benefited the Sioux Falls assessment area. Bank employees did not engage

in community development services in the Wakonda assessment area. This is reasonable, however, given the very small, rural community where the branch is located.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act, Regulation C – Home Mortgage Disclosure Act, and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs. Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints.

METROPOLITAN AREA – FULL REVIEW

DESCRIPTION OF SIOUX FALLS MSA ASSESSMENT AREA

Bank Information. The bank operates its main office and nine full-service branches in the Sioux Falls assessment area; all are located in the city of Sioux Falls. All offices have ATMs; nine of the ATMs are deposit taking. The bank operates two additional cash-dispensing-only ATMs in the assessment area. Five of the branches are located in moderate-income census tracts; the remaining offices are located in middle- and upper-income tracts. The bank has not opened or closed any branches in this assessment area since the previous evaluation.

According to the June 30, 2018, FDIC Deposit Market Share Report, the bank has approximately \$1.4 billion in deposits in the assessment area. The bank ranks fourth of 37 FDIC-insured institutions operating in the area, with less than 1.0% of the market's deposits. Of the three banks with more deposits, two are large national banks that hold 98.3% of the market's FDIC-insured deposits. The remaining bank is a regional bank. The bank's deposits in this assessment area represent 92.6% of its total deposits.

Assessment Area. The Sioux Falls MSA assessment area includes all of Lincoln, Minnehaha, McCook, and Turner counties, which constitute the Sioux Falls MSA. The bank has not changed its assessment area since the previous evaluation. Income classifications of some census tracts changed based on updates to the census data. At the time of the previous evaluation, the assessment area included 14 moderate-, 31 middle-, and 12 upper-income tracts. For this evaluation, the assessment area included 17 moderate-, 28 middle-, and 12 upper-income tracts.

The table below shows the demographic characteristics of this assessment area based on 2018 FFIEC census data and 2018 Dun & Bradstreet data.

2018 Sioux Falls MSA Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	11,693	19.0
Moderate Income	17	29.8	14,446	23.4	2,242	15.5	11,180	18.1
Middle Income	28	49.1	32,691	53.1	1,899	5.8	15,043	24.4
Upper Income	12	21.1	14,484	23.5	219	1.5	23,705	38.5
Total Assessment Area	57	100.0	61,621	100.0	4,360	7.1	61,621	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low Income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	30,611	12,629	20.0	41.3	15,640	51.1	2,342	7.7
Middle Income	48,937	34,958	55.3	71.4	11,208	22.9	2,771	5.7
Upper Income	20,467	15,681	24.8	76.6	3,834	18.7	952	4.7
Total Assessment Area	100,015	63,268	100.0	63.3	30,682	30.7	6,065	6.1

2018 Sioux Falls MSA Assessment Area Demographics								
Income Categories	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			≤ \$1 Million		> \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	4,336	34.7	3,663	32.9	652	54.8	21	15.0
Middle Income	5,244	42.0	4,821	43.2	336	28.2	87	62.1
Upper Income	2,898	23.2	2,664	23.9	202	17.0	32	22.9
Total Assessment Area	12,478	100.0	11,148	100.0	1,190	100.0	140	100.0
Percentage of Total Businesses:				89.3		9.5		1.1
Income Categories	Total Farms by Tract		Farms by Tract and Revenue Size					
			≤ \$1 Million		> \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	23	2.4	22	2.3	1	6.7	0	0.0
Middle Income	778	81.4	764	81.5	13	86.7	1	25.0
Upper Income	155	16.2	151	16.1	1	6.7	3	75.0
Total Assessment Area	956	100.0	937	100.0	15	100.0	4	100.0
Percentage of Total Farms:				98.0		1.6		0.4

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the Sioux Falls MSA for the year of loan origination. This figure was \$72,000 for 2016, \$76,800 for 2017, and \$78,700 for 2018. For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC adjusted census data median family income for the Sioux Falls MSA, which was \$66,496 for 2016 and \$72,948 for 2017 and 2018.

Population. According to 2018 FFIEC census data, the population of the assessment area is 242,731. Based on the most current census estimates, 74.9% of the assessment area population lives in the city of Sioux Falls, which is in Minnehaha County. In this assessment area, 53.4% of the population is 25 to 64 years of age, 25.9% is 17 years and younger, 8.8 % is 18 to 24 years of age, and 11.9% is 65 and older.

Economy. The Sioux Falls economy is strong. Sioux Falls has a diverse economy and serves as an economic hub for the region. The Sioux Falls area draws people from southeastern South Dakota, southwestern Minnesota, and northeastern Iowa.

Major industries include medical, food services and processing, financial services, and retail; the employers in these industries employ a large number of people. In addition, the school system also employs many people in the area. Bank management noted that numerous small manufacturers operate in the area as well. A community contact indicated that new employers are moving into the Sioux Falls area, including a robotic manufacturing business, manufacturing and tech companies, and the headquarters of online retailers. According to a community contact, the area has many jobs available. Lastly, agriculture influences the assessment area's economy.

A community contact indicated that unemployment is low in comparison to the state of South Dakota and even lower in comparison to the national rate. The 2018 non-seasonally adjusted annual unemployment rate for the Sioux Falls MSA was 2.5%, according to the Bureau of Labor Statistics. In 2018, Minnehaha and Lincoln counties, the two most populous in the Sioux Falls MSA, had non-seasonally adjusted unemployment rates of 2.6% and 2.3%, respectively. These rates were slightly below the South Dakota statewide non-seasonally adjusted annual rate of 3.0% for the same year. The unemployment rates in the

assessment area were also significantly below the national non-seasonally annual adjusted rate of 3.9% for 2018.

Housing. According to bank management and community contacts, housing availability, especially affordable housing, is a major concern in the assessment area. According to a contact, the demand for new housing grew significantly over the past five years. Single-family homes sell quickly and typically above the listed sales price. Developers focusing on new construction generally cater to higher-income individuals. The rental market faces similar issues, with new units typically priced for higher-end customers. While some affordable housing is available, those homes generally require costly repairs or updates. Community contacts noted that while wages in the area have remained steady, housing costs have increased.

According to 2018 FFIEC census data, this assessment area has 100,015 housing units: 63.3% are owner-occupied, 30.7% are rental units, and 6.1% are vacant. The median age of the housing stock is 39 years in the assessment area, compared to a median age of 40 years for the state. The median housing value for the assessment area is \$160,349 and the affordability ratio is 36.1, compared to \$140,500 and 36.3 for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater affordability. This assessment area ratio suggests that housing in this assessment area is as affordable as in other areas of the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The Lending Test performance in the Sioux Falls MSA assessment area is good. Lending levels show good responsiveness to assessment area credit needs. Overall, the distribution of loans reflects good dispersion among borrowers of different income levels and businesses of different sizes. The geographic distribution of loans reflects good dispersion throughout the assessment area. The bank makes a relatively high level of community development loans and uses flexible loan programs to help meet credit needs. Examiners assigned equal weight to consumer, small business, and HMDA loans. Small farm lending was not evaluated for this assessment area, given the low volume of such lending.

The bank's Investment Test performance in this assessment area is significant. Overall, the bank made a significant level of qualified investments, in the form of donations, that show good responsiveness to credit and community development needs.

Under the Service Test, retail services are readily accessible to all portions of the assessment area and do not vary in a way that inconveniences particular individuals or areas. The bank is a leader in providing community development services.

LENDING TEST

The bank's Lending Test performance for the Sioux Falls MSA assessment area is good.

Lending Activity

The bank's lending activity shows good responsiveness to assessment area credit needs. During the evaluation period, lending activity in this assessment area represented 70.1% of the bank's HMDA, small business, and small farm loan originations by number and 75.7% by dollar.

In 2017, the bank ranked fourth out of 205 lenders reporting HMDA data, with 5.0% of the originations and purchases in the assessment area. For small businesses and small farms, the bank ranked eighth out of

66 lenders reporting CRA data in 2017, with 5.4% of the originations and purchases in the assessment area.

In 2016, the bank ranked fifth out of 226 lenders reporting HMDA data, with 4.7% of the originations and purchases in the assessment area. For small businesses and small farms, the bank ranked seventh out of 68 lenders reporting CRA data in 2016, with 5.2% of the originations and purchases in the assessment area.

Distribution by Borrower Income Level and by Size of Business

Overall, the bank's lending to borrowers of different income levels and to businesses of different sizes is good.

Consumer and Credit Card Lending. The bank's consumer and credit card lending to low- and moderate-income borrowers is good. Income information is unknown for some consumer loans in the sample because the bank does not evaluate income for certain loan programs.

The table below shows the percentage of consumer and credit card loans originated to borrowers of different income levels.

Distribution of Consumer and Credit Card Loans by Borrower Income Level*										
Sioux Falls Assessment Area										
2018										
Loan Type Sample	Low Income		Moderate Income		Middle Income		Upper Income		Unknown Income	
	#	\$	#	\$	#	\$	#	\$	#	\$
Consumer	15.9%	11.7%	26.1%	33.6%	17.4%	23.1%	17.4%	28.5%	23.2%	3.0%
Credit Card	50.0%	27.8%	25.0%	20.3%	8.3%	40.1%	0.0%	0.0%	16.7%	11.8%
Demographic Data										
Percentage of Households**	22.0%		18.1%		18.9%		41.0%		0.0	
*Median family income for the Sioux Falls MSA was \$78,700 for 2018.										
**Based on 2018 FFIEC census data.										

By number, the bank extended 15.9% of its consumer loans to low-income borrowers, which is below demographics. According to census data, 22.0% of households in the assessment area are low income. However, the bank made 26.1% of its consumer loans to moderate-income borrowers, which is above the demographics for moderate-income households. By number, the bank's credit card lending to low-and moderate-income individuals is also above demographics. The bank's lending to borrowers of different income levels in the assessment area is good, relative to demographic data.

Small Business Lending. The distribution of small business loans among businesses of different sizes is good. The table below shows the bank's small business lending in the assessment area for 2017 and 2016. The table also includes aggregate lending data for the same years.

Small Business Lending in the Sioux Falls Assessment Area				
2017				
<i>First PREMIER Bank Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	73.2%	10.0%	16.8%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	87.7%	5.3%	7.0%	53.3%
<i>Aggregate Lending – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	84.9%	7.0%	8.2%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				53.7%
2016				
<i>First PREMIER Bank Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	74.5%	14.6%	10.9%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	90.3%	5.1%	4.5%	54.8%
<i>Aggregate Lending – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	87.4%	6.8%	5.8%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				47.9%

The bank originated 53.3% and 54.8% of its small business loans to small businesses in 2017 and 2016, respectively. According to 2017 demographic data, 87.2% of businesses in the assessment area had gross annual revenues of \$1 million or less. In 2016, 88.2% of businesses had gross annual revenues of \$1 million or less. Aggregate lenders originated 53.7% and 47.9% of loans to small businesses in 2017 and 2016, respectively. The bank is willing to lend to small businesses, with 87.7% and 90.3% of loans of \$100,000 or less going to small businesses for 2017 and 2016, respectively. This indicates a willingness to serve the credit needs of small businesses.

The bank's percentage of loans to small businesses is below demographics, but consistent with or above aggregate lenders in the assessment area. The assessment area includes numerous large regional and national financial institutions, which heightens competition for small business loans considerably.

Residential Real Estate Lending. Overall, the bank's HMDA lending to low- and moderate-income borrowers is excellent. At the loan product level, examiners did not evaluate the bank's multifamily loans because of the bank's limited lending volume during the evaluation period. The following table shows the bank's HMDA loan data by income level and product type for 2017 and 2016. The table also includes aggregate lending data for the same years.

Sioux Falls Assessment Area										
2017 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	59	17.0	94	27.0	84	24.1	98	28.2	13	3.7
Refinance	11	6.8	44	27.2	40	24.7	51	31.5	16	9.9
Home Improvement	0	0.0	5	17.2	6	20.7	17	58.6	1	3.4
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	4	100.0
Total 2017 HDMA Loans	70	12.9	143	26.3	130	23.9	166	30.6	34	6.3
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	648	9.2	1,491	21.3	1,532	21.9	1,874	26.7	1,462	20.9
Refinance	254	7.7	576	17.5	711	21.6	909	27.6	844	25.6
Home Improvement	47	8.2	111	19.3	139	24.2	229	39.8	49	8.5
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	78	100.0
Total 2017 HMDA Loans	949	8.7	2,178	19.9	2,382	21.7	3,012	27.5	2,433	22.2
2017 FFIEC Demographic Information										
Percentage of Families by Family Income	19.0%		18.1%		24.4%		38.5%		0.0%	
2016 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	39	11.2	78	22.5	95	27.4	117	33.7	18	5.2
Refinance	18	8.7	39	18.8	53	25.5	83	39.9	15	7.2
Home Improvement	1	2.6	4	10.5	8	21.1	18	47.4	7	18.4
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	5	100.0
Total 2016 HMDA Loans	58	9.7	121	20.2	156	26.1	218	36.5	45	7.5
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	513	7.5	1,406	20.6	1,587	23.3	1,919	28.1	1,398	20.5
Refinance	254	4.8	737	14.0	1,016	19.2	1,773	33.6	1,502	28.4
Home Improvement	27	4.2	103	15.9	186	28.7	284	43.8	49	7.6
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	83	100.0
Total 2016 HMDA Loans	794	6.2	2,246	17.5	2,789	21.7	3,976	31.0	3,032	23.6
2016 FFIEC Demographic Information										
Percentage of Families by Family Income	18.0%		18.2%		26.2%		37.6%		0.0%	

In 2017, the bank extended 12.9% of all HMDA loans to low-income borrowers and 26.3% to moderate-income borrowers. The bank's performance was below demographics for low-income borrowers but above demographics for moderate-income borrowers. The bank's performance in 2017 exceeded aggregate lending to both low- and moderate-income borrowers. The bank's performance was the strongest among home purchases for low-income borrowers and home purchases and refinances for moderate-income borrowers.

In 2016, the bank extended 9.7% of all HMDA loans to low-income borrowers and 20.2% to moderate-income borrowers. The bank's performance was below demographics for low-income borrowers and generally consistent with demographics for moderate-income borrowers. The bank's lending in 2016 to low-income borrowers slightly exceeded aggregate lenders and was generally consistent with aggregate lenders for lending to moderate-income borrowers. Similar to 2017, the bank's performance was the strongest among home purchase transactions.

According to 2017 FFIEC census data, the median housing value in the assessment area is \$160,349. The Sioux Falls MSA 2017 FFIEC median family income was \$76,800. Using the assumption that a borrower can obtain a loan for approximately three times their annual income, an individual with the highest income in the low-income bracket (\$38,399) can afford a \$115,197 home, and an individual with the highest income in the moderate-income bracket (\$61,439) can afford a \$184,317 home. Therefore, it is unlikely that many low-income and some moderate-income individuals can afford to purchase a home in the assessment area.

The bank continues to offer a variety of affordable housing loan programs to help borrowers purchase homes. These loan programs have flexible credit features, such as low or no down payments, closing cost assistance, low interest rates, or reductions of federal income tax. In this assessment area, the bank extensively uses these programs to help serve the needs of low- and moderate-income borrowers.

Geographic Distribution

The geographic distribution and dispersion of the bank's HMDA, small business, and consumer loans in the assessment area is good and does not reveal any unexplained gaps in lending. The bank originated loans in each census tract in the assessment area during the evaluation period.

Consumer and Credit Card Lending. The distribution of credit cards and consumer loans throughout the assessment area is good. The table below shows the bank's distribution of these loans by census tract income level.

Geographic Distribution of Consumer Loans by Census Tract Income Level* Sioux Falls Assessment Area						
Loan Type	Moderate		Middle		Upper	
	#	\$	#	\$	#	\$
Consumer	40.6%	36.1%	40.6%	28.1%	18.8%	35.8%
Credit Card	29.2%	12.3%	62.5%	84.7%	8.3%	3.0%
Demographic Data						
Number of Census Tracts	17		28		12	
Percentage of Census Tracts	29.8%		49.1%		21.1%	
Percentage of Households	30.1%		49.1%		20.8%	
*Income classification of census tracts is based on 2018 FFIEC census data.						

The bank originated 40.6% of its consumer loans to borrowers in the moderate-income census tracts. The bank's consumer lending exceeds 2018 demographic data, which indicates that 30.1% of the households in the assessment area reside in the moderate-income tracts. Five of the bank's branches are located in moderate-income census tracts. The bank also originated 29.2% of its credit card loans to individuals in moderate-income tracts, which is consistent with the percent of moderate-income households in those tracts. The bank did not make consumer or credit card loans in two moderate-income tracts and several middle- and upper-income tracts; however, this is reasonable given the competitive banking environment. The bank actively serves consumer loan borrowers in the moderate-income census tracts.

Small Business Lending. The distribution of the bank's small business loans is good. The tables below show the distribution of the bank's small business loans by census tract income level for the years of 2016 and 2017, as well as aggregate lending data for both years.

Geographic Distribution of Small Business Loans in the Sioux Falls Assessment Area by Census Tract Income Level*						
2017						
Lender – Loan Type	Moderate Income		Middle Income		Upper Income	
	#	\$	#	\$	#	\$
First PREMIER Bank – Small Business	32.4%	51.1%	41.4%	22.7%	26.2%	26.2%
Aggregate Lenders – Small Business	36.3%	46.8%	35.9%	27.1%	25.7%	0.7%
Demographic Data						
Number of Census Tracts	17		28		12	
Percentage of Census Tracts	29.8%		49.1%		21.1%	
Percentage of Small Businesses**	33.3%		43.7%		23.0%	
*Income classification of census tracts is based on 2017 FFIEC census data.						
**Percentages are based on 2017 Dun & Bradstreet data.						

The bank's 2017 small business lending is consistent with demographics and slightly below aggregate lending data. In 2017, the bank originated 32.4% of its small business loans in moderate-income tracts. Aggregate lenders originated 36.3% of small business loans in moderate-income tracts. According to 2017 demographic data, 33.3% of small businesses in the assessment area are located in the moderate-income tracts.

Geographic Distribution of Small Business Loans in the Sioux Falls Assessment Area by Census Tract Income Level*						
2016						
Lender – Loan Type	Moderate Income		Middle Income		Upper Income	
	#	\$	#	\$	#	\$
First PREMIER Bank – Small Business	34.6%	47.8%	41.1%	29.6%	24.3%	22.6%
Aggregate Lenders – Small Business	32.3%	45.6%	41.6%	34.6%	22.3%	18.5%
Demographic Data						
Number of Census Tracts	14		31		12	
Percentage of Census Tracts	29.8%		49.1%		21.1%	
Percentage of Small Businesses**	29.9%		49.5%		20.6%	
*Income classification of census tracts is based on 2016 FFIEC census data.						
**Percentages are based on 2016 Dun & Bradstreet data.						

The bank's 2016 small business lending is consistent with aggregate lending data and exceeds demographics. In 2016, the bank originated 34.6% of small business loans in moderate-income tracts. Aggregate lenders originated 32.3% of small business loans in moderate-income tracts. According to 2016 demographic data, 29.9% of small businesses in the assessment area are located in the moderate-income tracts.

In 2016, the bank originated small business loans in all of the moderate-income tracts. In 2017, the bank did not originate small business loans in one of the moderate-income tracts, 0004.06. Many financial institutions are accessible to businesses in that moderate-income tract, resulting in strong competition for small business loans. The bank did not originate small business loans in two of the middle-income tracts in the assessment area. One tract is located in Sioux Falls. The other tract is located outside of the Sioux Falls city limits and includes the city of Canton, where other financial institutions operate.

Residential Real Estate Lending. The geographic distribution and dispersion of the bank's 2016 and 2017 HMDA loans is excellent. The bank originated a HMDA loan in each of the moderate-income tracts for both years. The table below displays the distribution of the bank's HMDA loans by census tract income level. The table also includes aggregate lending data for 2016 and 2017. At the loan product level, examiners did not evaluate the bank's multifamily loans because of the bank's limited lending volume during the evaluation period.

Sioux Falls Assessment Area						
2017 HMDA Loans by Census Tract Income Level*						
First PREMIER Bank Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	79	22.7	165	47.4	104	29.9
Refinance	28	17.3	96	59.3	38	23.5
Home Improvement	6	20.7	13	44.8	10	34.5
Multifamily	2	50.0	1	25.0	1	25.0
Total 2017 HMDA Loans	115	21.2	275	50.6	153	28.2
Aggregate Lenders Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	1,086	15.5	3,583	51.1	2,338	33.4
Refinance	549	16.7	1,897	57.6	848	25.7
Home Improvement	105	18.3	314	54.6	156	27.1
Multifamily	47	60.3	24	30.8	7	9.0
Total 2017 HMDA Loans	1,787	16.3	5,818	53.1	3,349	30.6
Number of Census Tracts	17		28		12	
Percentage of Census Tracts	29.8%		49.1%		21.1%	
Percentage of Owner-Occupied Units	20.0%		55.3%		24.8%	
Percentage of Families by Tract Income**	23.4%		53.1%		23.5%	
*Income classification of census tracts is based on 2017 FFIEC census data.						

Sioux Falls Assessment Area						
2016 HMDA Loans by Census Tract Income Level*						
First PREMIER Bank Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	63	18.2	178	51.3	106	30.5
Refinance	38	18.3	103	49.5	67	32.2
Home Improvement	6	15.8	21	55.3	11	28.9
Multifamily	3	60.0	2	40.0	0	0.0
Total 2016 HMDA Loans	110	18.4	304	50.8	184	30.8
Aggregate Lenders Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	795	11.7	3,922	57.5	2,106	30.9
Refinance	507	9.6	3,034	57.4	1,741	33.0
Home Improvement	93	14.3	364	56.1	191	29.4
Multifamily	31	37.3	39	47.0	13	15.7
Total 2016 HMDA Loans	1,426	11.1	7,359	57.3	4,051	31.6
Number of Census Tracts	14		31		12	
Percentage of Census Tracts	24.6%		54.4%		21.1%	
Percentage of Owner-Occupied Units	18.0%		58.2%		23.9%	
Percentage of Families by Tract Income**	21.5%		55.5%		23.1%	
*Income classification of census tracts is based on 2016 FFIEC census data.						

The bank's 2017 HMDA lending performance was consistent with or below demographics and exceeded aggregate lending data for moderate-income tracts. In 2017, the bank originated 21.2% of its HMDA loans in the moderate-income tracts in the assessment area. The bank's home purchase lending is particularly notable, as it is above aggregate lending data. According to 2017 FFIEC census data, 23.4% of the families in the assessment area reside in the moderate-income tracts. In addition, 20.0% of owner-occupied units are located in these moderate-income tracts. The majority, 51.1%, of the housing in all of the moderate-income tracts are rental properties.

The bank's 2016 HMDA lending performance was also consistent with or below demographics and exceeded aggregate lending data for moderate-income tracts. In 2016, the bank originated 18.4% of its HMDA loans in the moderate-income tracts in the assessment area. The bank's home purchase lending, as well as refinance lending, in the moderate-income tracts exceeded aggregate lenders. According to 2016 FFIEC census data, 21.5% of the families in the assessment area reside in the moderate-income tracts. In addition, 18.0% of owner-occupied units are located in these moderate-income tracts. Approximately 48.4% of the housing in the moderate-income tracts are rental properties.

Community Development Lending

Community Development Loans and Letters of Credit. The bank originated a relatively high level of community development loans and letters of credit in the assessment area. The bank's community development activity includes nine loans and letters of credit totaling approximately \$8.8 million since the previous evaluation. According to bank management, competition for community development loans is strong because numerous financial institutions operate in the assessment area.

Community Development Loans and Letters of Credit in the Sioux Falls MSA		
<i>Purpose</i>	<i>#</i>	<i>\$</i>
Affordable Housing	4	4,951,839
Community Service	2	1,685,000
Revitalize or Stabilize	3	2,118,677
Total	9	8,755,516

Three of the transactions, one loan and two letters of credit, support affordable housing construction in the assessment area. One loan supports the ongoing operations of a large affordable housing complex. Two loans support the construction of facilities for organizations that primarily support low- and moderate-income individuals. The remaining three loans were to revitalize and stabilize moderate-income tracts in the city of Sioux Falls. The bank's community development lending in this assessment area demonstrates the bank's responsiveness to the needs of the community.

INVESTMENT TEST

Overall, the bank made a significant level of qualified investments and demonstrated good responsiveness to needs in the Sioux Falls MSA assessment area. The bank did not make new qualified investments in the form of bonds or securities during the evaluation period in the Sioux Falls MSA. The bank competes with many large national and regional financial institutions in the assessment area for community development opportunities. The bank, however, continues to hold one investment totaling \$10,000 that supports affordable housing in the assessment area.

The bank made an excellent level of qualified investments in the form of donations in the assessment area. The bank donated approximately \$2.1 during the evaluation period, primarily to organizations that provide community services to low- and moderate-income families and individuals. Of particular note, the bank made significant contributions to several impactful organizations in the assessment area that focus on many community services in the area, such as the provision of basic needs, youth mentorship, and health and family services.

Qualified Investment Donations in the Sioux Falls MSA Assessment Area		
<i>Purpose</i>	<i>#</i>	<i>\$</i>
Affordable Housing	18	127,383
Community Service	197	1,667,922
Economic Development	16	72,250
Revitalize or Stabilize Moderate-Income Tracts	22	225,650
Total	253	2,093,205

SERVICE TEST

The bank's retail service activities are readily accessible to residents and businesses throughout the assessment area. Hours and services do not vary in a way that inconveniences low- or moderate-income geographies or individuals in its assessment area. The bank is a leader in providing community development services in the assessment area.

Retail Services

Delivery systems in the assessment area are readily accessible to the bank's geographies and to individuals of different income levels. The bank operates its main office and nine full-service branches in the communities throughout Sioux Falls.

The bank's retail services and hours do not vary in a way that inconveniences low- or moderate-income geographies or individuals in its assessment area. Half of the bank's offices are located in moderate-income tracts. The bank's distribution of retail services in moderate-income tracts exceeds demographics. All branches have ATMs, extended hours, and all but one branch have drive-up facilities. The majority of locations have Saturday hours.

Additional delivery services include online, mobile, and telephone banking. The bank offers reasonable service hours and provides reasonable means for customers to complete many types of banking activities outside of normal service hours.

The following table shows the geographic distribution of branches and ATMs in this assessment area³.

Geographic Distribution of Branches & ATMs in the Sioux Falls MSA																						
Tract Category	Branches							ATMs										Demographics				
	Total Branches			Drive thru	Extend- ed Hours	Week- end Hours	Total ATMs		Full Service ATMs				Cash only ATMs				Census Tracts		House holds	Total Businesses		
			Open				Closed					Open	Closed			Open	Closed					
	#	%	#	#	#	#	#	#	%	#	%	#	#	#	%	#	#	#	%	%	%	
Low	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0	0			
Moderate	5	50.0%	0	0	5	5	2	Total	5	50.0%	5	55.6%	0	0	0	0.0%	0	0	17	29.8%	30.1%	34.7%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Middle	4	40.0%	0	0	3	4	4	Total	4	40.0%	3	33.3%	0	0	1	100.0%	0	0	28	49.1%	49.1%	42.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Upper	1	10.0%	0	0	1	1	1	Total	1	10.0%	1	11.1%	0	0	0	0.0%	0	0	12	21.1%	20.8%	23.2%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Unknown	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
Total	10	100.0%	0	0	9	10	7	Total	10	100.0%	9	100.0%	0	0	1	100.0%	0	0	57	100.0%	100.0%	100.0%
DTO	0		0	0				SA	0		0		0	0	0		0	0				
2018 FFIEC Census Data, 2018 D&B Info and 2015 ACS Data Closed branches/ATMs are only included in "closed" columns and are not included in any other totals. DTO - Drive thru only is a subset of total branches SA = Stand Alone ATM is a subset of total ATMs																						

³ One of the bank's offices located in a middle-income census tract has two cash-only ATMs; for the purpose of retail services, the table shows one cash-only ATM for the office.

Community Development Services

The bank is a leader in providing community development services in the assessment area. During the evaluation period, 44 bank employees performed 212 community development services for 31 organizations. These employees primarily served organizations that provide a variety of services to low- and moderate-income individuals. In addition, the employees served organizations that promote economic development, focus on affordable housing, and revitalize or stabilize moderate-income tracts in the Sioux Falls assessment area. Of particular note is the high percentage of bank employees serving as leaders, such as board members, in the organizations.

Community Development Services in the Sioux Falls MSA Assessment Area	
<i>Purpose</i>	#
Affordable Housing	34
Community Services	151
Economic Development	19
Revitalize or Stabilize Moderate- Income Tracts	8
Total	212

NONMETROPOLITAN AREA – FULL REVIEW

DESCRIPTION OF WATERTOWN ASSESSMENT AREA

Bank Information. The bank operates five full-service offices in the Watertown assessment area, one of which has a deposit-taking ATM. The bank also operates a sixth office in this assessment area, which offers deposit services only. The bank has not opened or closed any branches in this assessment area since the previous evaluation. Five branches are located in middle-income census tracts. Due to census tract changes, one Watertown branch is now located in a moderate-income tract.

According to the June 30, 2018, FDIC Deposit Market Share Report, the bank has \$86.7 million in deposits in the assessment area. The bank ranks ninth of 22 financial institutions operating in the area, with 2.5% of the market's deposits. The bank's deposits in this assessment area represent 5.8% of its total deposits.

Assessment Area. The Watertown assessment area consists of Codington, Deuel, Hamlin, Kingsbury, Brookings, Lake, and Moody counties. The bank has not changed its assessment area since the previous evaluation. North-central Codington County includes part of the Lake Traverse Indian Reservation. This area of the reservation is primarily tribal farmland and contains the Dakota Sioux Casino & Hotel. For 2018, the FFIEC classified the census tracts in Deuel, Hamlin, and Moody counties as underserved and both census tracts in Kingsbury County as distressed and underserved. Finally, due to census tract changes, the assessment area includes two moderate-income census tracts for 2017 and 2018.

The table below provides detailed data about the demographic characteristics of this assessment area based on 2018 FFIEC census data and 2018 Dun & Bradstreet data.

2018 Watertown Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	3,875	16.3
Moderate Income	2	8.3	2,035	8.6	262	12.9	4,078	17.2
Middle Income	17	70.8	16,529	69.6	1,125	6.8	5,451	23.0
Upper Income	5	20.8	5,175	21.8	210	4.1	10,335	43.5
Total Assessment Area	24	100.0	23,739	100.0	1,597	6.7	23,739	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low Income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	5,409	2,006	7.7	37.1	2,713	50.2	690	12.8
Middle Income	28,819	17,828	68.8	61.9	8,341	28.9	2,650	9.2
Upper Income	8,217	6,078	23.5	74.0	1,099	13.4	1,040	12.7
Total Assessment Area	42,445	25,912	100.0	61.0	12,153	28.6	4,380	10.3

2018 Watertown Assessment Area Demographics								
<i>Income Categories</i>	<i>Total Businesses by Tract</i>		<i>Businesses by Tract and Revenue Size</i>					
	#	%	<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
			#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	858	18.0	780	18.6	70	15.9	8	6.1
Middle Income	3,035	63.7	2,633	62.8	309	70.4	93	71.0
Upper Income	869	18.2	779	18.6	60	13.7	30	22.9
Total Assessment Area	4,762	100.0	4,192	100.0	439	100.0	131	100.0
Percentage of Total Businesses:				88.0		9.2		2.8
<i>Income Categories</i>	<i>Total Farms by Tract</i>		<i>Farms by Tract and Revenue Size</i>					
	#	%	<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
			#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	6	0.6	4	0.4	2	8.0	0	0.0
Middle Income	747	75.1	729	75.2	17	68.0	1	100.0
Upper Income	242	24.3	236	24.4	6	24.0	0	0.0
Total Assessment Area	995	100.0	969	100.0	25	100.0	1	100.0
Percentage of Total Farms:				97.4		2.5		0.1

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the Watertown assessment area for the year of loan origination. This figure was \$58,500 for 2016, \$64,700 for 2017, and \$66,600 for 2018. For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC adjusted census data median family income for the nonmetropolitan areas of South Dakota, which was \$54,734 for 2016 and \$60,961 for 2017 and 2018.

Population. According to 2018 FFIEC census data, the population of the assessment area is 94,751. The majority (64.2%) of the population lives in Brookings and Codington County. Brookings County includes the town of Brookings and Watertown is located in Codington County. The majority of the population, 47.1%, in the assessment area is 25 to 64 years of age. The remaining population by age is 22.5 % for residents 17 years and younger, 15.7% for residents aged 18 to 24 years, and 14.7% for residents 65 years and older.

Economy. The strength of the local economy was mixed during the evaluation period. The economy has seen growth in the medical, educational, and manufacturing sectors, but other sectors have been struggling – most notably the agriculture and retail sectors. The economy in the assessment area is diverse for being largely rural and smaller-sized communities. Agriculture, manufacturing, recreational, retail, medical, and secondary education highlight the major sectors in the area. The trade school in Watertown and the university in Brookings significantly affect their respective economies.

The agricultural economy in the area includes numerous challenges. Producers are experiencing low prices for their products while also having significant expenses, including relatively high lease and land rental prices. Community contacts indicated that producers are facing decreased cash flows, many producers are operating on very tight margins, and some have negative cash flows. The agricultural industry in the area includes large-scale dairy operations, cash-crop farmers, and livestock operations. Commodity producers in the area grow corn, soybeans, and a little wheat. Input costs for these commodities remain high.

The 2018 non-seasonally adjusted annual unemployment rate was 3.0% in Codington County and 3.1% in Hamlin County, according to the Bureau of Labor Statistics. The bank has branches in those two counties. Brookings County, the other county with a large population, had a 2018 non-seasonally adjusted annual

unemployment rate of 2.8%. These rates are consistent with the South Dakota statewide non-seasonally adjusted annual rate of 3.0% for the same year. The unemployment rates in the assessment area were also significantly below the national non-seasonally annual adjusted rate of 3.9% for 2018.

Housing Characteristics. According to 2018 adjusted census data, this assessment area has 42,445 housing units: 61.0% are owner-occupied, 28.6% are rental units, and 10.3% are vacant. The median age of the housing stock is 48 years, which is somewhat higher than the statewide median of 40 years. In the assessment area, the median housing value is \$140,232 and the affordability ratio is 36.3. The median housing value in the state is \$140,500 and the affordability ratio for the state is also 36.3. The affordability ratio is the median household income divided by the median housing value; a higher ratio indicates greater affordability.

Community contacts noted that the overall housing supply is a concern in the assessment area, for all income levels. Of particular concern is the limited supply of affordable, single-family homes. Affordable rental options are also an issue, given the need for student and collegiate housing in Watertown and Brookings. Prices for single-family houses are higher than demographic values suggest. Community contacts stated that it is unlikely that a home listed near the median housing value will sell for that price; most buyers are willing to pay above the asking price. The increase in housing prices, along with rising interest rates, makes homeownership difficult for some individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's Lending Test performance in the Watertown assessment area is good. Lending levels show good responsiveness to assessment area credit needs. The distribution of loans reflects excellent dispersion among borrowers of different income levels and businesses and farms of different sizes. Overall, the geographic distribution of loans reflects good dispersion throughout the assessment area. The bank made an adequate level of community development loans. The bank uses flexible loan programs to help meet credit needs of consumers.

The bank's Investment Test performance in this assessment area is significant. Overall, the bank's qualified investment securities are adequate and show adequate responsiveness to community needs. The bank's community development investment donations are excellent and demonstrate excellent responsiveness to credit and community development needs.

Under the Service Test, retail services are readily accessible to all geographies and individuals of different income levels in the assessment area. The services do not vary in a way that would inconvenience particular individuals or areas. The bank provides an adequate level of community development services.

LENDING TEST

The bank's Lending Test performance in the Watertown assessment area is good.

Lending Activity

The bank's lending activity shows good responsiveness to assessment area credit needs. During the evaluation period, lending activity in this assessment area represented 25.9% of the bank's HMDA, small business, and small farm loan originations by number and 21.2% by dollar.

In 2017, the bank ranked eighth out of 122 lenders reporting HMDA data, with a 4.2% market share. The bank ranked fourth out of 54 lenders reporting CRA data in 2017, with a 6.5% market share.

In 2016, the bank ranked seventh out of 134 lenders reporting HMDA data, with 4.8% of the market share. The bank ranked third out of 48 lenders reporting CRA data, with 9.7% of the market share.

Distribution by Borrower Income Level and by Size of Businesses and Farms

Overall, the bank's lending to borrowers of different income levels and to farms and businesses of different sizes is excellent.

Small Farm Lending. The bank's lending to small farms in the assessment area reflects excellent penetration among farms of different sizes. The table below shows the bank's small farm lending for 2017 and 2016.

Small Farm Lending in the Watertown Assessment Area				
2017				
<i>First PREMIER Bank – Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$500,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	57.4%	32.2%	10.4%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less	58.3%	31.3%	10.4%	83.5%
<i>Aggregate Lending – Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$500,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	69.2%	19.2%	11.6%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less				67.6%
2016				
<i>First PREMIER Bank -- Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$500,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	60.6%	27.7%	11.6%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less	65.2%	27.8%	7.0%	74.2%
<i>Aggregate Lending – Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$500,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	65.6%	20.9%	13.5%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less				64.1%

In 2017, the bank originated 83.5% of its small farms loans to small farms and 74.2% of small farm loans in 2016. According to 2017 demographic data, 97.6% of farms in the assessment area have gross annual revenues of \$1 million or less. In 2016, 97.9% of farms had gross annual revenues of \$1 million or less. Although the bank's lending is below demographics, the bank's performance exceeds aggregate lender data for both years. Aggregate lenders originated 67.6% and 64.1% of loans to small farms in 2017 and 2016, respectively. The bank is willing to lend to small farms, with 58.3% and 65.2% of loans of \$100,000 or less going to small farms for 2017 and 2016, respectively. This indicates a willingness to serve the credit needs of small farms.

Small Business Lending. The bank's small business lending in the assessment area is excellent. The table below shows the bank's small business lending and aggregate lending data for 2016 and 2017.

Small Business Lending in the Watertown Assessment Area				
2017				
<i>First PREMIER Bank – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	83.5%	9.3%	7.2%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	88.5%	7.7%	3.8%	80.4%
<i>Aggregate Lending – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	85.8%	8.5%	5.7%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				59.0%
2016				
<i>First PREMIER Bank – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	82.8%	13.1%	4.0%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	87.3%	11.4%	1.3%	79.8%
<i>Aggregate Lending – Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Business Loans	90.4%	6.0%	3.6%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				52.8%

In 2017, the bank originated 80.4% of its small business loans to small businesses and 79.8% of small business loans in 2016. According to 2017 demographic data, 86.6% of businesses in the assessment area have gross annual revenues of \$1 million or less. In 2016, 88.0% of businesses had gross annual revenues of \$1 million or less. Although the bank's lending is below demographics, the bank's performance exceeds aggregate lender data for both years. Aggregate lenders originated 59.0% and 52.0% of loans to small businesses in 2017 and 2016, respectively. The bank is willing to lend to small businesses, with 88.5% and 87.3% of loans of \$100,000 or less going to small businesses for 2017 and 2016, respectively. This indicates a willingness to serve the credit needs of small businesses.

Residential Real Estate Lending. Overall, the bank's HMDA lending to low- and moderate-income borrowers is good. The following table shows the bank's HMDA loan data by income level and product type for 2016 and 2017. At the loan product level, examiners did not evaluate the bank's home improvement or multifamily loans because of the bank's limited lending volume during the evaluation period.

Borrower Distribution of HMDA Loans in the Watertown Assessment Area										
2017 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	3	8.8	12	35.3	8	23.5	9	26.5	2	5.9
Refinance	5	11.1	6	13.3	7	15.6	27	60.0	0	0.0
Home Improvement	1	14.3	0	0.0	5	71.4	1	14.3	0	0.0
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total 2017 HMDA Loans	9	10.5	18	20.9	20	23.3	37	43.0	2	2.3
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	81	6.5	229	18.4	279	22.4	414	33.3	240	19.3
Refinance	41	6.2	96	14.5	112	16.9	264	39.9	148	22.4
Home Improvement	4	3.4	23	19.3	36	30.3	43	36.1	13	10.9
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	16	100.0
Total 2017 HMDA Loans	126	6.2	348	17.1	427	20.9	721	35.4	417	20.5
2017 FFIEC Demographic Data										
Percentage of Families by Family Income	16.3%		17.2%		23.0%		43.5%		0.0%	
2016 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	0	0.0	10	27.8	9	25.0	12	33.3	5	13.9
Refinance	0	0.0	9	17.3	13	25.0	27	51.9	3	5.8
Home Improvement	0	0.0	2	18.2	5	45.5	4	36.4	0	0.0
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total 2016 HMDA Loans	0	0.0	21	21.2	27	27.3	43	43.4	8	8.1
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	40	3.6	183	16.7	242	22.0	408	37.2	225	20.5
Refinance	19	2.3	87	10.6	127	15.5	374	45.5	215	26.2
Home Improvement	8	6.6	13	107	33	27.3	63	52.1	4	3.3
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	13	100.0
Total 2016 HMDA Loans	67	3.3	283	13.8	402	19.6	845	41.1	457	22.2
2016 FFIEC Demographic Data										
Percentage of Families by Family Income	15.3%		16.3%		24.7%		43.8%		0.0%	

In 2017, the bank extended 10.5% of all HMDA loans to low-income borrowers and 20.9% to moderate-income borrowers. The bank's performance was below demographics for low-income borrowers and slightly above demographics for moderate-income borrowers. The bank's lending to both low- and moderate-income borrowers in 2017 exceeded aggregate lenders. The bank's performance was the strongest among refinances for low-income borrowers and home purchases for moderate-income borrowers.

In 2016, the bank extended 21.2% of its HMDA loans to moderate-income borrowers, but made no loans to low-income borrowers. The bank's performance was above demographics and aggregate lenders for moderate-income borrowers. Although the bank did not make any loans to low-income borrowers in 2016, the performance is reasonable. Aggregate lenders only made 3.3% of (or 67 total) loans to low-income borrowers in the same year. In addition, the supply of affordable homes in the assessment area is a concern. According to 2010 FFIEC census data, the median housing value in the assessment area is \$115,844. In 2016, the median family income for the nonmetropolitan areas of South Dakota was \$58,500. Using the assumption that a borrower can obtain a loan for approximately three times their annual income, an individual with the highest income in the low-income bracket (\$29,249) can afford an \$87,747 home. Therefore, it is unlikely that many low-income and some moderate-income individuals can afford to purchase a home in the assessment area.

The bank continues to offer a variety of affordable housing loan programs to help borrowers purchase homes. These loan programs have flexible credit features, such as low or no down payments, closing cost assistance, low interest rates, or reductions of federal income tax. In this assessment area, the bank uses these programs to help serve the needs of low- and moderate-income borrowers.

Geographic Distribution

The geographic distribution and dispersion of the bank's HMDA, small business, and small farm loans in the assessment area is good and does not reveal any unexplained gaps in lending. The bank originated loans in most of the tracts in the assessment area. The bank has one branch in a moderate-income tract. There were no low- or moderate-income census tracts in 2016; therefore, the narrative in this section focuses on 2017 lending.

Small Farm Lending. The geographic distribution and dispersion of the bank's small farm loans is adequate. The table below shows the distribution of the bank's small farm loans by census tract income level as well as aggregate lending data for 2017.

Geographic Distribution of Small Farm Loans in the Watertown Assessment Area by Census Tract Income Level*						
2017						
Lender – Loan Type	Moderate Income		Middle Income		Upper Income	
	#	\$	#	\$	#	\$
First PREMIER Bank – Small Farm	0.0%	0.0%	95.7%	92.9%	4.3%	7.1%
Aggregate Lenders – Small Farm	0.6%	0.8%	73.1%	72.9%	26.2%	26.3%
Demographic Data						
Number of Census Tracts	2		17		5	
Percentage of Census Tracts	8.3%		70.8%		20.8%	
Percentage of Small Farms**	0.5%		75.2%		24.3%	
*Income classification of census tracts is based on 2017 FFIEC census data.						
**Percentages are based on 2017 Dun & Bradstreet data.						

The bank did not originate a small farm loan in either moderate-income tract in the assessment area, but the distribution of small farms in the assessment area explains the bank's performance. According to demographic data, less than one percent of the assessment area's small farms are located in the two moderate-income tracts. The moderate-income tracts in the assessment area are located in the cities of Watertown and Brookings, which do not provide opportunity for the bank to originate small farm loans. The bank's lack of lending is generally consistent with aggregate lenders, which only made 0.6% of loans in those tracts.

Small Business Lending. The geographic distribution and dispersion of the bank's small business loans is good. The table below shows the distribution of the bank's 2017 small business loans by census tract income level.

Geographic Distribution of Small Business Loans in the Watertown Assessment Area by Census Tract Income Level*						
2017						
Loan Type	Moderate Income		Middle Income		Upper Income	
	#	\$	#	\$	#	\$
First PREMIER Bank – Small Business	18.6%	21.8%	76.3%	76.2%	5.2%	2.0%
Aggregate Lenders – Small Business	17.9%	22.7%	61.3%	56.2%	18.6%	20.1%
Demographic Data						
Number of Census Tracts	2		17		5	
Percentage of Census Tracts	8.3%		70.8%		20.8%	
Percentage of Small Businesses**	19.1%		63.2%		17.6%	
*Income classification of census tracts is based on 2017 FFIEC census data.						
**Percentages are based on 2017 Dun & Bradstreet data.						

By number, the bank originated 18.6% of its small business loans in moderate-income census tracts. The bank's lending was comparable to aggregate lenders, which originated 17.9% of loans in those tracts. According to demographic data, 19.1% of small businesses in the assessment area are in the moderate-income tracts. The bank's lending is consistent with this demographic data, despite strong competition for

commercial loans in the assessment area. The bank originated a small business loan in each moderate-income tract, despite not having a branch in both tracts.

Residential Real Estate Lending. The geographic distribution and dispersion of the bank's HMDA loans is good. The table below displays the distribution of the bank's 2017 HMDA loans by census tract income level.

Watertown Assessment Area						
2017 HMDA Loans by Census Tract Income Level*						
First PREMIER Bank Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	4	11.8	22	64.7	8	23.5
Refinance	4	8.9	35	77.8	6	13.3
Home Improvement	2	28.6	4	57.1	1	14.3
Multifamily	0	0.0	0	0.0	0	0.0
Total 2017 HMDA Loans	10	11.6	61	70.9	15	17.4
Aggregate Lenders Loan Type	Moderate		Middle		Upper	
	#	%	#	%	#	%
Home Purchase	102	8.2	748	60.2	393	31.6
Refinance	49	7.4	472	71.4	140	21.2
Home Improvement	11	9.2	81	68.1	27	22.7
Multifamily	4	25.0	11	68.8	1	6.3
Total 2017 HMDA Loans	166	8.1	1,312	64.3	561	27.5
Number of Census Tracts	2		17		5	
Percentage of Census Tracts	8.3%		70.8%		20.8%	
Percentage of Families by Tract Income**	8.6%		69.6%		21.8%	
Percentage of Owner-Occupied Units**	7.7%		68.8%		23.5%	
*Income classification of census tracts is based on 2017 FFIEC census data.						
**Percentages are based on 2017 FFIEC census data.						

The bank's lending slightly exceeded or was consistent with demographics and was slightly above the aggregate lending data. The bank originated 11.6% of HMDA loans in moderate-income tracts. Aggregate lenders originated 8.2% of HMDA loans in moderate-income tracts. According to 2017 census data, 8.6% of families reside in moderate-income tracts. Owner-occupied units account for 7.7% of the moderate-income housing units in moderate-income tracts. The bank did not originate loans in one of the two moderate-income tracts; however, this is reasonable. The moderate-income tract is located in Brookings and several other financial institutions are located in close proximity. The bank does not have a branch in this tract.

Community Development Lending

The bank makes an adequate level of community development loans in the Watertown assessment area. The bank originated one community development loan for \$45,145 in this assessment area during the evaluation period. The loan helped to revitalize and stabilize an underserved middle-income census tract by financing essential infrastructure needs. As noted, community development lending opportunities in the assessment area are limited.

Community Development Lending in the Watertown Assessment Area		
<i>Purpose</i>	#	\$
Revitalize or Stabilize Underserved or Distressed Tracts	1	45,145
Total	1	45,145

INVESTMENT TEST

Overall, the bank made a significant level of qualified investments and demonstrated good responsiveness to needs in the Watertown assessment area. The bank did not make qualified investments in the form of bonds or securities during the evaluation period in the Watertown assessment area because of the limited opportunities and competition among area financial institutions.

Qualified Investment Donations in the Watertown Assessment Area		
<i>Purpose</i>	#	\$
Affordable Housing	4	4,000
Community Service	46	530,382
Revitalize or Stabilize Underserved or Distressed Tracts	5	1,284
Economic Development	1	200
Total	56	535,866

The bank made an excellent level of qualified investments in the form of donations in the assessment area. The bank donated \$535,866 during the evaluation period. The bank's donations primarily support organizations that provide community services to low- and moderate-income families and individuals. Of particular note, the bank made significant contributions to two impactful organizations in the assessment area that facilitate many community services in the area, such as the provision of basic needs, youth mentorship, and health and family services.

SERVICE TEST

The bank's retail service activities are readily accessible to residents, businesses, and farms throughout the assessment area. Hours and services do not vary in a way that inconveniences low- or moderate-income geographies or individuals in its assessment area. The bank provided an adequate level of community development services.

Retail Services

Delivery systems in the assessment area are readily accessible to the bank's geographies and to individuals of different incomes. The bank operates six full-service branches: three in Watertown and one in Castlewood, Kranzburg, and Lake Norden.

The bank's retail services and hours do not vary in a way that inconveniences low- or moderate-income geographies or individuals in its assessment area. One of the bank's Watertown branches is located in a moderate-income census tract. The remaining two Watertown branches are in close proximity to the same moderate-income tract, with the farthest branch 1.5 miles from that tract. The majority of the branches are

located in middle-income census tracts, which aligns with the population density and census tract distribution in the assessment area. One branch in Watertown has a deposit-taking ATM. All Watertown branches have drive-up facilities and extended hours, with one Watertown location having Saturday hours.

Additional delivery services include online, mobile, and telephone banking. The bank offers reasonable service hours and provides reasonable means for customers to complete many types of banking activities outside of normal service hours.

The following table shows the geographic distribution of branches and ATMs in this assessment area.

Geographic Distribution of Branches & ATMs in the Watertown Assessment Area																						
Tract Category	Branches							ATMs								Demographics						
	Total Branches		Open	Closed	Drive thrus	Extend Hours	Week- end Hours	Total ATMs		Full Service ATMs				Cash only ATMs				Census Tracts		House holds	Total Businesses	
	#	%						#	%	#	%	Open	Closed	#	%	Open	Closed	#	%			
	#	%	#	#	#	#	#	#	%	#	%	#	#	#	%	#	#	#	%	%	%	
Low DTO	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
	0		0	0				SA	0		0		0	0	0		0	0				
Moderate DTO	1	16.7%	0	0	1	1	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	2	8.3%	12.4%	18.0%
	0		0	0				SA	0		0		0	0	0		0	0				
Middle DTO	5	83.3%	0	0	2	2	1	Total	1	100.0%	1	100.0%	0	0	0	0.0%	0	0	17	70.8%	68.7%	63.7%
	0		0	0				SA	0		0		0	0	0		0	0				
Upper DTO	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	5	20.8%	18.9%	18.2%
	0		0	0				SA	0		0		0	0	0		0	0				
Unknown DTO	0	0.0%	0	0	0	0	0	Total	0	0.0%	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0.0%	0.0%
	0		0	0				SA	0		0		0	0	0		0	0				
Total DTO	6	100.0%	0	0	3	3	1	Total	1	100.0%	1	100.0%	0	0	0	0.0%	0	0	24	100.0%	100.0%	100.0%
	0		0	0				SA	0		0		0	0	0		0	0				
2018 FFIEC Census Data, 2018 D&B Info and 2015 ACS Data Closed branches/ATMs are only included in "closed" columns and are not included in any other totals. DTO - Drive thru only is a subset of total branches SA = Stand Alone ATM is a subset of total ATMs																						

Community Development Services

The bank provided an adequate level of community development services in the assessment area. During the evaluation period, three bank employees provided community development services to three organizations. These organizations provide services to low- and moderate-income individuals and promote economic development. Bank staff provided financial expertise by serving as board members.

Community Development Services in the Watertown Assessment Area	
Purpose	#
Community Services	12
Economic Development	3
Total	15

NONMETROPOLITAN AREA – LIMITED REVIEW

DESCRIPTION OF WAKONDA ASSESSMENT AREA

Examiners conducted a limited-scope review of the bank's Wakonda assessment area. Examiners determined that the bank's lending performance is consistent with the performance in the full-scope nonmetropolitan assessment area. The investment and service performance in this assessment area is below the nonmetropolitan assessment area, primarily due to lack of investments and services. However, this conclusion does not change the conclusion for the nonmetropolitan portion of the state. Examiners analyzed the bank's small farm loans but did not evaluate the bank's consumer, HMDA, or small business lending because these products are not material business lines in this assessment area.

During the evaluation period, lending activity in this assessment area represented 4.0% of the bank's HMDA, small business, and small farm loan originations by number and 3.1% by dollar. The bank's activity in this assessment area accounts for 1.6% of total deposits. According to the June 30, 2018, FDIC Deposit Market Share Report, the bank ranks eighth of 10 financial institutions with FDIC-insured deposits in the assessment area, with 2.0% of the deposit market share.

The Wakonda assessment area includes Clay and Yankton counties. Based on FFIEC census data, the Wakonda assessment area consists of seven middle-income census tracts and one upper-income tract. The FFIEC classified two census tracts in Clay County as distressed. The bank has one branch, located in Wakonda, and no ATMs in this assessment area. The bank has not opened or closed any offices or ATMs in this assessment area since the previous evaluation. The table below provides additional information about the assessment area using 2018 FFIEC census data.

Demographic Information for the Wakonda Assessment Area				
Income Type	Tract		Percentage of Population by Tract	Percentage of Families by Income Level
	#	%		
Low Income	0	0.0	0.0	21.6
Moderate Income	0	0.0	0.0	16.0
Middle Income	7	87.5	92.0	20.8
Upper Income	1	12.5	8.0	41.7
Total	8	100.0	100.0	100.0

Lending Activity in the Wakonda Assessment Area			
Loan Type	2016	2017	2018
Small Business	12	5	-
Small Farm	41	30	-
HMDA	10	8	-
Consumer	-	-	4
Total	63	43	4

The bank's community development lending in this assessment area is notable. The bank issued two community development letters of credit in the Wakonda assessment area. The two letters of credit were for affordable housing projects in the assessment area, totaling approximately \$1.4 million.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NONMETROPOLITAN AREAS OF SOUTH DAKOTA

The facts and data examiners reviewed, including performance and demographic information, are in the Appendix accompanying this report. In addition, the Institution section of the report shows the bank's community development lending for each assessment area. The Institution section of the report also shows qualified investments in the form of securities and donations, and community development services, for each assessment area. The table below shows the conclusions regarding performance of the limited-scope assessment area. The ratings below did not affect the overall rating.

Performance in the Limited-Scope Review Nonmetropolitan South Dakota Assessment Area			
<i>Assessment Area</i>	<i>Lending Test</i>	<i>Investment Test</i>	<i>Service Test</i>
Wakonda	Consistent	Below	Below

APPENDIX A

Scope of Evaluation

SCOPE OF EVALUATION FOR LENDING ACTIVITY April 8, 2014, through December 31, 2019	
<i>FINANCIAL INSTITUTION</i>	<i>PRODUCTS REVIEWED</i>
First PREMIER Bank	<ul style="list-style-type: none"> • Small business loans (2015-2017) • Small farm loans (2015-2017) • HMDA loans (2014-2017) • Consumer Loans (2018 only) • Credit Cards (2018 only)
<i>AFFILIATES</i>	<i>PRODUCTS REVIEWED</i>
None	Not applicable
SCOPE OF EVALUATION FOR COMMUNITY DEVELOPMENT ACTIVITY April 7, 2014, through May 13, 2019	

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
<i>ASSESSMENT AREA</i>	<i>TYPE OF EVALUATION</i>	<i>BRANCHES VISITED</i>	<i>OTHER INFORMATION</i>
Sioux Falls, SD MSA	Full scope	None	
Watertown	Full scope	None	
Wakonda	Limited scope	None	

APPENDIX B

Summary of State Ratings

<i>State Name</i>	<i>Lending Test Rating</i>	<i>Investment Test Rating</i>	<i>Service Test Rating</i>	<i>Overall State Rating</i>
South Dakota	High Satisfactory	High Satisfactory	Outstanding	Satisfactory

APPENDIX C

Glossary of Common CRA Terms

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan statistical area/assessment area.

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

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; or (5) Neighborhood Stabilization Program (NSP)-eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and census tracts.

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

Distressed nonmetropolitan middle-income census tract: A middle-income, nonmetropolitan census tract will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% or more over the 5-year period preceding the most recent census.

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 nonrelatives 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 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., responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (i.e., approved, denied, or withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

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 is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments).

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 metropolitan statistical area/assessment area.

Metropolitan statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA 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 as measured through commuting.

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

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

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

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

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

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

Rated area: A rated area is a state or multistate MSA. 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 multistate MSA, the institution will receive a rating for the multistate metropolitan area.

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

Small loan to farm: 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 classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income census tract: A middle-income, nonmetropolitan census tract will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper income: Individual income that is more than 120 percent of the area median income or a median family income that is more than 120 percent, in the case of geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 28.12.)

APPENDIX D

Lending and Demographic Tables for the Limited-Scope Review

Distribution of Consumer and Credit Card Loans by Borrower Income Level* Wakonda Assessment Area										
Loan Type Sample	Low Income		Moderate Income		Middle Income		Upper Income		Unknown Income	
	#	\$	#	\$	#	\$	#	\$	#	\$
Consumer	33.3	1.2	33.3	59.0	0.0	0.0	33.3	39.8	0.0	0.0
Credit Card	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
Demographic Data										
Percentage of Households**	28.4%		16.2%		16.2%		39.3%		0.0%	
*Median family income for the Sioux Falls MSA was \$66,600 for 2018.										
**Based on 2018 FFIEC census data.										

Small Business Lending in the Wakonda Assessment Area				
2017				
First PREMIER Bank Small Business Loan Originations	≤ \$100,000	> \$100,000 to ≤ \$250,000	> \$250,000 to ≤ \$1,000,000	Total Originations
Percentage of Small Business Loans	80.0%	0.0%	20.0%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	100.0%	0.0%	0.0%	80.0%
Aggregate Lending – Small Business Loan Originations	≤ \$100,000	> \$100,000 to ≤ \$250,000	> \$250,000 to ≤ \$1,000,000	Total Originations
Percentage of Small Business Loans	84.5%	8.5%	7.0%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				59.3%
2016				
First PREMIER Bank Small Business Loan Originations	≤ \$100,000	> \$100,000 to ≤ \$250,000	> \$250,000 to ≤ \$1,000,000	Total Originations
Percentage of Small Business Loans	83.3%	8.3%	8.3%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	88.9%	11.1%	0.0%	75.0%
Aggregate Lending – Small Business Loan Originations	≤ \$100,000	> \$100,000 to ≤ \$250,000	> \$250,000 to ≤ \$1,000,000	Total Originations
Percentage of Small Business Loans	92.4%	4.9%	2.7%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less				43.5%

Wakonda Assessment Area										
2017 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	0	0.0	1	16.7	2	33.3	2	33.3	1	16.7
Refinance	0	0.0	1	50.0	0	0.0	1	50.0	0	0.0
Home Improvement	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total 2017 HDMA Loans	0	0.0	2	25.0	2	25.0	3	37.5	1	12.5
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	29	4.7	130	20.9	97	15.6	205	33.0	160	25.8
Refinance	14	6.8	34	16.4	27	13.0	86	41.5	46	22.2
Home Improvement	2	4.0	10	20.0	11	22.0	5	10.0	0	0.0
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	11	100.0
Total 2017 HMDA Loans	45	5.1	174	19.6	135	15.2	313	35.2	222	25.0
2017 FFIEC Demographic Information										
Percentage of Families by Family Income	21.6%		16.0%		20.8%		41.7%		0.0%	
2016 HMDA Loans by Income Level of Borrower										
First PREMIER Bank – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	1	12.5	3	37.5	1	12.5	3	37.5	0	0.0
Refinance	0	0.0	0	0.0	1	50.0	1	50.0	0	0.0
Home Improvement	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total 2016 HMDA Loans	1	10.0	3	30.0	2	20.0	4	40.0	0	0.0
Aggregate Lenders – Loan Type	Low		Moderate		Middle		Upper		Unknown	
	#	%	#	%	#	%	#	%	#	%
Home Purchase	18	3.6	113	22.6	116	23.2	166	33.3	86	17.2
Refinance	4	1.4	28	9.9	61	21.5	130	45.8	61	21.5
Home Improvement	5	9.1	10	18.2	12	21.8	27	49.1	1	1.8
Multifamily	0	0.0	0	0.0	0	0.0	0	0.0	14	100.0
Total 2016 HMDA Loans	27	3.2	151	17.7	189	22.2	323	37.9	162	19.0
2016 FFIEC Demographic Information										
Percentage of Families by Family Income	15.9%		14.8%		23.1%		46.3%		0.0%	

Small Farm Lending in the Wakonda Assessment Area				
2017				
<i>First PREMIER Bank Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	63.3%	30.0%	6.7%	100.0
Percentage of Loans to Farms with Revenues of \$1 Million or Less	50.0%	40.9%	9.1%	73.3%
<i>Aggregate Lending – Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	65.6%	23.7%	10.7%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less				68.2%
2016				
<i>First PREMIER Bank Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	63.4%	29.3%	7.3%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less	48.1%	40.7%	11.1%	65.9%
<i>Aggregate Lending – Small Farm Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	59.8%	29.3%	10.9%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less				58.7%

Geographic Distribution of Consumer Loans by Census Tract Income Level* Wakonda Assessment Area				
Loan Type	Middle		Upper	
	#	\$	#	\$
Consumer	33.3%	39.8%	66.7%	60.2%
Credit Card	100.0%	100.0%	0.0%	0.0%
Demographic Data				
Number of Census Tracts	7		1	
Percentage of Census Tracts	87.5%		12.5%	
Percentage of Households	91.6%		8.4%	
*Income classification of census tracts is based on 2018 FFIEC census data.				

Geographic Distribution of Small Business Loans in the Wakonda Assessment Area by Census Tract Income Level*				
2017				
Lender – Loan Type	Middle Income		Upper Income	
	#	\$	#	\$
First PREMIER Bank – Small Business	0.0%	0.0%	100.0%	100.0%
Aggregate Lenders – Small Business**	88.2%	94.0	8.7%	5.4%
Demographic Data				
Number of Census Tracts	7		1	
Percentage of Census Tracts	87.5%		12.5%	
Percentage of Small Businesses***	91.1%		8.9%	
*Income classification of census tracts is based on 2017 FFIEC census data.				
**Percentages do not add up to 100.0% due to suspected reporting errors.				
*** Percentages are based on 2017 Dun & Bradstreet data.				

Geographic Distribution of Small Business Loans in the Wakonda Assessment Area by Census Tract Income Level*				
2016				
Lender – Loan Type	Middle Income		Upper Income	
	#	\$	#	\$
First PREMIER Bank – Small Business	8.3%	23.5%	91.7%	76.5%
Aggregate Lenders – Small Business**	75.5%	76.2%	20.8%	22.3%
Demographic Data				
Number of Census Tracts	6		2	
Percentage of Census Tracts	75.0%		25.0%	
Percentage of Small Businesses***	80.7%		19.3%	
*Income classification of census tracts is based on 2016 FFIEC census data.				
**Percentages do not add up to 100.0% due to suspected reporting errors.				
***Percentages are based on 2016 Dun & Bradstreet data.				

Wakonda Assessment Area				
2017 HMDA Loans by Census Tract Income Level*				
<i>First PREMIER Bank Loan Type</i>	<i>Middle</i>		<i>Upper</i>	
	#	%	#	%
Home Purchase	4	66.7	2	33.3
Refinance	1	50.0	1	50.0
Home Improvement	0	0.0	0	0.0
Multifamily	0	0.0	0	0.0
Total 2017 HMDA Loans	5	62.5	3	37.5
<i>Aggregate Lenders Loan Type</i>	<i>Middle</i>		<i>Upper</i>	
	#	%	#	%
Home Purchase	590	95.0	31	5.0
Refinance	173	83.6	34	16.4
Home Improvement	43	86.0	7	14.0
Multifamily	11	100.0	0	0.0

Wakonda Assessment Area				
2017 HMDA Loans by Census Tract Income Level*				
Total 2017 HMDA Loans	817	91.9	72	8.1
Number of Census Tracts	7		1	
Percentage of Census Tracts	87.5%		12.5%	
Percentage of Owner-Occupied Units	88.3%		11.7%	
Percentage of Families by Tract Income*	89.8%		10.2%	
*Income classification of census tracts is based on 2017 FFIEC census data.				
2016 HMDA Loans by Census Tract Income Level*				
First PREMIER Bank Loan Type	Middle		Upper	
	#	%	#	%
Home Purchase	4	50.0	4	50.0
Refinance ⁴	1	50.0	1	50.0
Home Improvement	0	0.0	0	0.0
Multifamily	0	0.0	0	0.0
Total 2016 HMDA Loans	5	50.0	5	50.0
Aggregate Lenders Loan Type	Middle		Upper	
	#	%	#	%
Home Purchase	420	84.2	79	15.8
Refinance	210	73.9	73	25.7
Home Improvement	43	78.2	12	21.8
Multifamily	13	91.9	1	7.1
Total 2016 HMDA Loans	686	80.5	165	19.4
Number of Census Tracts	6		2	
Percentage of Census Tracts	75.0%		25.0%	
Percentage of Owner-Occupied Units	78.5%		21.5%	
Percentage of Families by Tract Income*	80.8%		19.2%	
*Income classification of census tracts is based on 2016 FFIEC census data.				

⁴ The table does not include one refinance loan reported in an unknown-income census tract. The assessment area does not have an unknown-income tract.

Geographic Distribution of Small Farm Loans in the Wakonda Assessment Area by Census Tract Income Level*				
2017				
Lender – Loan Type	Middle Income		Upper Income	
	#	\$	#	\$
First PREMIER Bank – Small Farm	3.3%	7.8%	96.7%	92.2%
Aggregate Lenders – Small Farm	62.0%	60.1%	38.0%	39.9%
Demographic Data				
Number of Census Tracts	7		1	
Percentage of Census Tracts	87.5%		12.5%	
Percentage of Small Farms**	64.1%		35.9%	
*Income classification of census tracts is based on 2017 FFIEC census data.				
**Percentages are based on 2017 Dun & Bradstreet data.				

Geographic Distribution of Small Farm Loans in the Wakonda Assessment Area by Census Tract Income Level*				
2016				
Lender – Loan Type	Middle Income		Upper Income	
	#	\$	#	\$
First PREMIER Bank – Small Farm	12.2%	9.4%	87.8%	90.6%
Aggregate Lenders – Small Farm	49.5%	50.0%	50.5%	50.0%
Demographic Data				
Number of Census Tracts	6		2	
Percentage of Census Tracts	75.0%		25.0%	
Percentage of Small Farms**	58.5%		41.5%	
*Income classification of census tracts is based on 2016 FFIEC census data.				
**Percentages are based on 2016 Dun & Bradstreet data.				