

PUBLIC DISCLOSURE

September 23, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Western Bank & Trust
900 South Broadway
Minot, North Dakota 58701
RSSD 687951

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, Minnesota 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 C at the end of this performance evaluation.

The following abbreviations may be used throughout this performance evaluation:

Assessment Area	AA
U.S. Census Bureau American Community Survey	ACS
Automated Teller Machine	ATM
U.S. Bureau of Labor Statistics	BLS
Community Reinvestment Act	CRA
Dun & Bradstreet	D&B
U.S. Department of Agriculture Farm Service Agency	FSA
Federal Deposit Insurance Corporation	FDIC
Federal Financial Institutions Examination Council	FFIEC
Federal Housing Administration	FHA
Federal Home Loan Bank	FHLB
Home Mortgage Disclosure Act	HMDA
U.S. Department of Housing and Urban Development	HUD
Low- and Moderate-Income	LMI
Metropolitan Statistical Area	MSA
Minnesota Housing Finance Agency	MHFA
North Dakota Housing Finance Agency	NDHFA
Office of Management and Budget	OMB
U.S. Small Business Administration	SBA
Department of Veterans Affairs	VA

INSTITUTION RATING

INSTITUTION'S CRA RATING: First Western Bank & Trust's rating is Satisfactory.

The following table shows the CRA performance of First Western Bank & Trust, Minot, North Dakota, with respect to the Lending, Investment, and Service Tests.

First Western Bank & Trust Performance Tests

<i>Performance Levels</i>	<i>Lending Test*</i>	<i>Investment Test</i>	<i>Service Test</i>
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The primary factors supporting the institution's rating include the following:

Lending Test

- Lending activity shows good responsiveness to credit needs throughout the bank's AAs.
- Overall, the distribution of loans reflects good dispersion among borrowers of different income levels and businesses and farms of different sizes.
- Overall, the distribution of loans throughout the AAs, including LMI census tracts, is good.
- The bank makes an adequate level of community development loans.
- The bank originated a majority of loans within its Minnesota, North Dakota, and South Dakota AAs.
- The bank uses innovative and/or flexible lending practices to serve AA credit needs.

Investment Test

- The overall level of qualified investments in the form of securities is adequate, and the level of qualified investments in the form of donations is adequate.
- The bank's qualified investments exhibit adequate responsiveness to local credit and community development needs.

Service Test

- Retail banking services are readily accessible to the bank's geographies and residents, businesses, and farms throughout the AAs. Services do not vary in a way that inconveniences LMI areas or individuals.
- Changes in the bank's network of branches did not adversely affect the accessibility of the bank's products and services.
- The bank provides a limited level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

General. First Western Bank & Trust is an interstate bank with headquarters in Minot, North Dakota, and has assets of approximately \$2.2 billion as of June 30, 2024. The bank continues to effectively meet the credit and community development needs of the residents, businesses, and farms throughout its AAs. No financial constraints or legal impediments prevent the bank from serving the credit needs of its AAs. The bank's CRA rating was Satisfactory at the previous evaluation dated March 14, 2022. The bank was evaluated using the Intermediate Small Bank CRA Examination Procedures at the previous examination. Due to asset size growth, it is now evaluated under the Large Bank CRA Examination Procedures.

Structure. First Western Bank & Trust is wholly owned by Westbrand, Inc., and both are headquartered in Minot, North Dakota.

Loan Portfolio. As of June 30, 2024, the bank's \$1.8 billion loan portfolio consists of 62.6% commercial, 13.1% residential real estate, 10.1% agriculture, 9.3% other loans, 2.8% consumer closed-end, and 2.1% consumer open-end loans.

Credit Products. The bank offers closed- and open-end consumer, residential real estate, commercial, and agricultural loan products to meet the needs of residents, businesses, and farms in its AAs. For a list of programs the bank participates in and additional information on these programs, refer to the Innovative and Flexible Lending Practices section of this report.

Offices. The bank operates a network of branches and ATMs in Minnesota, North Dakota, and South Dakota. In addition to the bank's main office in Minot, North Dakota, as of December 31, 2023, the bank operated 16 full-service branches (eight in Minnesota, seven in North Dakota, and one in South Dakota), and one limited-service office, located in West Fargo, North Dakota. One branch in Fargo, North Dakota, is new since the previous evaluation. Refer to the Retail Banking Services discussion in the Service Test section for more details on the bank's retail delivery systems.

Assessment Areas. During the evaluation period, the bank had seven AAs for CRA purposes. As shown in the following table, the bank has one AA in South Dakota, three in North Dakota, and three in Minnesota. Additional details on AAs, branches, and ATMs are in the applicable AA sections of this evaluation.

AA Information		
AA Name	# of Offices by City	Geographical Description
State of Minnesota		
Alexandria	Alexandria – 1 Carlos – 1 Miltona – 1	All of Douglas, Otter Tail, and Todd counties
Baxter	Baxter – 1 Crosslake – 1 Nisswa – 2	All of Cass and Crow Wing counties
Eden Prairie MSA	Eden Prairie – 1	All of Anoka, Dakota, Hennepin, and Ramsey counties

AA Information		
AA Name	# of Offices by City	Geographical Description
State of North Dakota		
Bismarck MSA	Bismarck – 2	All of Burleigh and Morton counties
Fargo MSA	Fargo – 2 West Fargo – 2*	All of Cass and Clay counties
Minot	Minot – 3	All of McHenry, Mountrail, Renville, and Ward counties
State of South Dakota		
Sioux Falls MSA	Sioux Falls – 1	All of Lincoln and Minnehaha counties

*Includes one administrative office.

SCOPE OF EVALUATION

Examiners selected five of the bank's AAs for full-scope reviews. To select full-scope reviews, examiners reviewed factors such as loan volume, deposit market share, branch size and location, length of time since the last full-scope review, and community development activity. For interstate banks, examiners must conduct a full-scope review of at least one AA from each state. 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 AAs, community development lending, flexible and/or innovative lending practices, qualified investments, retail services, and community development services. The other two AAs receive limited-scope reviews in which examiners analyze quantitative data about the bank's lending, investments, and services.

The AAs selected for full-scope reviews represent a majority of the bank's lending activity by number of loans and by dollar amount of loans from January 1, 2021, to December 31, 2023. Examiners conducted full-scope reviews of the following AAs:

- Baxter, Minnesota, nonmetropolitan AA
- Bismarck, North Dakota, metropolitan AA
- Fargo, North Dakota, metropolitan AA
- Minot, North Dakota, nonmetropolitan AA
- Sioux Falls, South Dakota, metropolitan AA

In determining the overall CRA rating, examiners placed the greatest weight on the bank's activities in its North Dakota AAs because most of the bank's lending occurs in these AAs. During the evaluation period, the bank extended 56.8% of its HMDA, small business, and small farm loans, by number, in the North Dakota AAs. The comparative percentages for Minnesota and South Dakota are 42.3% and 0.9%, respectively. For North Dakota, examiners placed the most weight on the Minot AA, followed by the Fargo MSA AA, and then the Bismarck MSA AA. For Minnesota and South Dakota, examiners only conducted one full-scope review, so no weighting decisions were needed.

Because of the bank's size and its branches in MSAs, HMDA requires the bank to report home purchase, refinance, home improvement, multifamily, and other purpose closed/exempt loans. The bank must also report small business, small farm, and community development loans. To understand the bank's CRA performance, examiners evaluated the bank's reported 2021, 2022, and 2023 HMDA, small business, and small farm loans. Examiners compared the bank's HMDA, small business, and small farm lending

performance to that of aggregate lenders that purchased or originated loans in the AAs over the same time period. Examiners analyzed the lending performance in each AA by focusing on the predominant loan types (HMDA, small business, and/or small farm loans) for each AA. Examiners also evaluated the bank's 2022 and 2023 community development loans, investments, and services. The information presented here pertains throughout the evaluation period unless specifically noted otherwise.

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 AAs.

Examiners also analyzed the demographic characteristics of each AA as one way to measure loan demand. For HMDA loans, examiners relied on demographic information, primarily from the U.S. Census or FFIEC to understand the income levels and geographic locations of the families and housing units in the AAs. For small business and small farm loans, examiners used D&B data for the applicable year. D&B collects and publishes this self-reported 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. Instead, 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.

The full-scope AA sections of this performance evaluation describe each AA's unique performance context. The bank has offices in both rural and metropolitan areas. The economic characteristics vary in the AAs, which affects loan demand as well as community development opportunities. Most AAs had strong economies. The bank continues to face strong competition among financial institutions in the full-scope AAs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's CRA rating is Satisfactory based on its ratings for the Lending, Investment, and Service Tests. Overall, the bank did a good job of serving the credit and community development needs of its AAs in Minnesota, North Dakota, and South Dakota.

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

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

To evaluate the bank's performance, examiners placed more weight on the criteria of borrower and geographic distribution than on lending activity and lending inside the bank's AAs. Examiners generally assigned more weight to lending to borrowers of different income levels and to businesses and farms of different sizes than to geographic distribution of loans unless there were LMI census tracts in the AA. Finally, the bank's community development lending and use of innovative and/or flexible lending practices contributed to the 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. This is based on high satisfactory Lending Test ratings for Minnesota and North Dakota and a low satisfactory rating for South Dakota. Overall, the bank's lending to LMI borrowers and to small businesses and farms is good. The geographic distribution and dispersion of loans is good. Overall, the bank makes an adequate level of community development loans, and it uses innovative and/or flexible lending practices. The bank made an adequate level of community development loans in all three states. The bank's lending activity shows good responsiveness to credit needs throughout its AAs. Finally, the bank made a majority of its loans inside its AAs.

The bank is an interstate bank. The regulation requires a separate analysis for each state in which the bank operates. This analysis must include at least one AA from each state. However, examiners evaluated the overall lending activity and the concentration of lending inside the AAs at the institution level; both criteria are discussed below. For a detailed discussion of other Lending Test criteria, see the individual AA sections of this evaluation. For the limited-scope AAs, 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 AAs. The Summary of Lending Activity table shows the bank's HMDA, small business, and small farm loans from January 1, 2022, to December 31, 2023.¹ The table shows the product volume by number and dollar amount.

Summary of Lending Activity				
<i>Loan Type</i>	<i>#</i>	<i>%</i>	<i>\$(000)</i>	<i>%</i>
Total HMDA Loans	1,207	46.7	338,675	61.6
Total Small Business Loans	1,095	42.8	179,150	32.6
Total Small Farm Loans	282	10.9	32,298	5.9
Total Loans	2,584	100.0	550,123	100.0

Overall, the bank's primary business lines are HMDA and small business lending. Loan volume varies depending on the AA. The bank's lending activities show good responsiveness to local credit needs in Minnesota and North Dakota, and adequate responsiveness in South Dakota. For detailed information regarding lending activity, see the individual AA sections.

¹ The table does not include consumer loans due to low volume.

Assessment Area Concentration

The bank extended a majority of its loans inside its AAs. The table below shows the bank's lending inside and outside its AAs from January 1, 2021, to December 31, 2023.

Loan Type - Description	Inside				Outside				Total			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Consumer-Related	120	76.4	2,854	76.0	37	23.6	902	24.0	157	100.0	3,756	100.0
Total HMDA-Related	2,207	81.7	647,038	82.9	494	18.3	133,143	17.1	2,701	100.0	780,181	100.0
Total Small Business-Related	1,095	85.7	179,150	81.2	182	14.3	41,484	18.8	1,277	100.0	220,634	100.0
Total Small Farm-Related	282	85.2	32,298	82.9	49	14.8	6,667	17.1	331	100.0	38,965	100.0
TOTAL LOANS	3,704	82.9	861,340	82.5	762	17.1	182,196	17.5	4,466	100.0	1,043,536	100.0

The bank extended 82.9% of all loans by number and 82.5% by dollar amount within its AAs. The bank's performance is generally consistent for HMDA, small business, and small farm loans. The bank's performance for consumer loans is slightly below its total lending, but the bank's consumer lending volume by number and dollar amount is very limited, with only 37 loans outside of the AAs.

Borrower and Geographic Distribution

Overall, the bank's distribution of loans among LMI borrowers and businesses and farms of different sizes is good. This conclusion is based on good distributions in Minnesota and North Dakota and adequate distribution in South Dakota. The North Dakota ratings received more weight in determining the overall rating. The bank actively originates HMDA loans to LMI borrowers. It also actively lends to farms and businesses of different sizes in its AAs.

Geographically, the bank's performance in LMI census tracts is good. The geographic distribution and dispersion in Minnesota, North Dakota, and South Dakota is good. The bank's lending patterns do not reveal any unexplained gaps in any of the AAs.

Innovative and Flexible Lending Practices

The bank uses a variety of innovative and/or flexible lending programs. These programs help meet the credit needs of LMI residents, small businesses, and small farms. The following list highlights the programs the bank participated in during the evaluation period:

- *MHFA*. The MHFA offers loan programs for first-time and repeat homebuyers as well as refinancing programs to help make owning a home more affordable. Features of the agency's loan programs include down payment and closing cost assistance.
- *NDHFA*. NDHFA offers home financing to LMI families. NDHFA offers a first-time homebuyer loan program, as well as down payment and closing cost assistance. Borrowers must meet income and purchase price limits.
- *FHLB*.
 - *Home\$tart*. This program 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.
 - *Native American Homeownership Initiative*. This program provides grants for down payment and closing cost assistance to first-time homebuyers.

- *FSA*. FSA loans have flexible underwriting criteria and are often extended to farmers who cannot qualify for conventional financing.
- *SBA*. SBA loans have flexible underwriting criteria for small businesses and often are extended to businesses that cannot qualify for conventional financing.
- *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.
- *FHA Loans*. FHA loans are designed for LMI borrowers. These loans typically require lower down payment and credit scores than conventional loans.
- *Bank of North Dakota*.
 - *Beginning Entrepreneur*. The Beginning Entrepreneur Loan Guarantee Program assists with business startup financing by providing financial institutions with guarantee of a loan not to exceed \$500,000.

During the evaluation period, the bank made 214 loans totaling \$49.6 million under innovative and flexible loan programs. Additionally, the bank made two grants totaling \$313,293 under innovative and flexible programs, including the Native American Homeownership Initiative and Home\$tart grants. The loans are included in the overall volume of loans evaluated under the Lending Test. For state-specific programs, see the state and AA sections for more details.

Community Development Lending

The bank makes an adequate level of community development loans. The bank originated eight community development loans totaling approximately \$21.5 million during the evaluation period that benefited its AAs. The bank made the highest number and dollar amount of community development loans in its Minot AA followed by the Bismarck AA.

Community Development Loans by AA		
AA	#	\$
Alexandria	1	1,000,000
Bismarck MSA	2	5,339,670
Eden Prairie MSA	1	450,000
Fargo MSA	1	2,320,000
Minot	3	12,432,000
Total	8	21,541,670

The bank did not make any community development loans in the Baxter and Sioux Falls MSA AAs. This is reasonable given performance context. Community development opportunities are limited in some of the bank's rural AAs. Additionally, the bank's branch presence in the Sioux Falls MSA AA is new as of 2021. The AA is also highly competitive with numerous other financial institutions operating in the area. This could have limited opportunities for community development lending during the evaluation period.

During the evaluation period, the bank originated three community development loans totaling \$15.4 million that benefited areas outside of the bank's AAs.

INVESTMENT TEST

The Investment Test rating is low satisfactory. The overall level of qualified investments in the form of securities is adequate and the level of qualified investments in the form of donations is adequate. The investment test ratings for Minnesota, North Dakota, and South Dakota are each low satisfactory.

Investment Securities. The table below shows the list of qualified investment securities by AA or statewide area. The bank made three new investments in its AAs totaling \$2 million and continued to hold 19 prior-period investments totaling \$7 million. Overall, the level of investments shows adequate responsiveness to credit and community development needs of the AAs. The bank's investments helped provide community services to LMI individuals and families, revitalize and stabilize LMI and underserved or distressed areas, and promote affordable housing initiatives. Affordable housing is a significant need in many of the bank's AAs.

Qualified Investment Securities by AA or Regional/Statewide Area		
AA	#	\$
Eden Prairie MSA	3	2,183,606
Fargo MSA	1	749,350
Minot	10	2,418,819
Statewide MN	2	867,902
Statewide ND	6	2,817,461
Total	22	9,037,138

The bank did not make any new, or hold any existing, investment securities in four AAs (Alexandria, Baxter, Bismarck MSA, and Sioux Falls MSA). However, the bank did make five new investments totaling approximately \$4.0 million that benefited areas outside of its AAs.

Donations. The bank made an adequate level of qualified investments in the form of donations that directly benefited the bank's AAs or larger statewide/regional areas that include the bank's AAs. These donations totaled \$151,671, as shown in the table below.

Qualified Investment Donations Benefiting AAs or Regional/Statewide Area		
Purpose	#	\$
Affordable Housing	2	4,600
Community Services	96	106,596
Economic Development	12	35,350
Revitalize or Stabilize	2	2,000
Total	118	151,671

Donations primarily focus on community services to LMI individuals and families, but also address affordable housing and economic development initiatives, and help to revitalize and stabilize LMI areas. The charitable contributions show good responsiveness to community development needs. Additional details are presented in the analysis of each state and full-scope AA.

SERVICE TEST

The bank's Service Test rating is low satisfactory based on low satisfactory ratings for Minnesota, North Dakota, and South Dakota. The bank's delivery systems are readily accessible to LMI individuals and geographies in the bank's AAs. Services do not vary in a way that inconveniences LMI areas or individuals throughout the AAs. The bank provides a limited level of community development services.

Retail Banking Services

Delivery systems are readily accessible throughout the AAs, and services do not vary in a way that inconveniences LMI areas or individuals. The bank provides retail services through its network of

branches, drive-up facilities, and ATMs. Hours of operation are reasonable and do not vary widely by branch.

Of the bank's 18 offices, 11.1% are in low-income tracts, 5.6% are in moderate-income tracts, 61.1% are in middle-income tracts, and 22.2% are in upper-income census tracts. Of the bank's 56 ATMs, 3.7% are in low-income tracts, 1.9% are in moderate-income tracts, 88.9% are in middle-income tracts, and 5.6% are in upper-income tracts.

Community Development Services

Overall, the bank provided a limited level of community development services that directly benefited the bank's AAs or larger regional and statewide areas that include the bank's AAs. This conclusion reflects the bank's performance in Minnesota, North Dakota, and South Dakota.

Community Development Services	
<i>Purpose</i>	<i>#</i>
Affordable Housing	6
Community Services	38
Economic Development	10
Revitalize or Stabilize	2
Total	56

The bank did not provide any services that directly benefited the Baxter or Sioux Falls MSA AAs.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

This examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act, Regulation C – HMDA, 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.

NORTH DAKOTA

CRA Rating for North Dakota: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include the following:

- The bank's lending activity in the North Dakota AAs shows good responsiveness to local credit needs.
- Overall, the bank's lending to businesses and farms of different sizes and to LMI borrowers is good.
- Overall, the bank's geographic distribution of loans throughout the AAs is good.
- The bank made an adequate level of community development loans in its North Dakota AAs.
- The bank makes extensive use of flexible loan programs in its North Dakota AAs.
- The bank has an adequate level of qualified investments in the form of securities and charitable donations, which demonstrates an adequate responsiveness to credit and community development needs.
- Bank retail services are readily accessible to geographies and residents throughout the AAs. The bank also provides a limited level of community development services in its North Dakota AAs.

SCOPE OF EVALUATION

The scope of the CRA evaluation for North Dakota is consistent with the scope of the overall institution as described earlier in the Institution section. Examiners completed full-scope reviews of all North Dakota AAs, which include two AAs in MSAs, Bismarck and Fargo, and one AA in a nonmetropolitan area, Minot. Examiners weighted the AAs based on lending volume during the evaluation period. The Minot AA received the most weight, followed by the Fargo AA. The Bismarck AA received the least weight.

Examiners assessed the bank's performance using the following criteria: lending activity, lending to businesses and farms of different sizes and to borrowers of different income levels, geographic distribution of lending, community development lending, innovative and flexible lending practices, qualified investments, retail services, and community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH DAKOTA

Assessment Area Information. During the evaluation period, the bank had three AAs in North Dakota; two in MSAs and one in a nonmetropolitan area of the state. The bank did not add any new North Dakota AAs since the previous evaluation. Additional details are in the applicable AA sections.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank ranked 10th among the 74 FDIC-insured institutions in North Dakota, with 3.4% of the state's deposits. The bank has \$1,352,558 in deposits in North Dakota, which represents 77.1% of the bank's total deposits. The bank operates in a competitive environment in its North Dakota AAs. The AAs include competition from various types of financial institutions located in or making loans in the area, including community, regional, and national banks (including national credit card lenders); credit unions; and other entities, such as mortgage companies.

Based on 2022 and 2023 FFIEC adjusted census data, in those years, North Dakota AAs included a total of 108 census tracts: five low-, 15 moderate-, 69 middle-, and 19 upper-income tracts.² For those same years, three census tracts in Mountrail County were classified as underserved. Based on 2021 FFIEC adjusted census data, in that year, North Dakota AAs included a total of 89 census tracts: 17 moderate-, 56 middle-, and 15 upper-income tracts, as well as one unknown-income tract. In 2021, two census tracts in Mountrail County were classified as underserved.

Population Characteristics. According to the 2023 FFIEC adjusted census data, the total population of the North Dakota AAs is 468,947. The AAs have experienced population growth during the evaluation period.

General Economic and Housing Characteristics. During the evaluation period, economic conditions in the North Dakota AAs were generally strong. While there are urban areas in each of the AAs, some areas are rural. Major industries are diverse and include agriculture, technology, manufacturing, energy, healthcare, military, local government, and education.

Unemployment in the North Dakota AAs continues to be very low. The AAs generally do not have enough workforce for the jobs available.

During the evaluation period, home and rental prices in the North Dakota AAs were high, and housing affordability continues to be a significant concern. AAs have various housing market challenges, which can include workforce housing shortages, high construction costs, current interest rates, and significant rental demand, according to community contacts and bank management.

A community contact in the agricultural sector mentioned that crop, livestock, and land sale prices have declined slightly in recent years and land rents have increased. Farmers are challenged by increasing costs. In general, farm operations are getting larger as smaller operations consolidate.

According to 2023 FFIEC census data, there are 211,430 housing units in the bank's North Dakota AAs, of which 55% are owner occupied, 35.1% are rental, and 9.9% are vacant. The median housing value was \$230,685 for the North Dakota AAs; the lowest was \$119,500 in McHenry County and the highest was \$266,800 in Burleigh County. The median age of housing stock in the North Dakota AAs was 38 years; it was lowest at 30 years in Cass County and highest at 59 years in McHenry County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH DAKOTA

Examiners rated the bank's CRA performance in North Dakota based on full-scope reviews of the Bismarck, Fargo, and Minot AAs. A detailed discussion of the bank's performance in the full-scope AAs follows this section.

The overall CRA rating for North Dakota is satisfactory, based on the bank's performance under the Lending, Investment, and Service Tests.

The Lending Test rating is high satisfactory. The bank's lending activity shows good responsiveness to credit needs throughout the North Dakota AAs. Overall, the bank's distribution of HMDA, small business, and small farm by borrower income and revenue size of borrowers is good. The geographic distribution of loans is good. Additionally, the bank made an adequate level of community development

² The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimate data; it also reflects the OMB revised MSA delineations as applicable.

loans in the North Dakota AAs. Finally, the bank made extensive use of flexible loan programs to help meet credit needs.

The Investment Test rating is low satisfactory. The bank made an adequate level of qualified investments in the form of securities and charitable donations, showing adequate responsiveness to credit and community development needs.

The Service Test rating is low satisfactory. In general, delivery systems are readily accessible to the geographies of the bank's North Dakota AAs and to individuals of different income levels. The bank's business hours and services do not vary in a way that inconveniences certain individuals or areas. Additionally, the bank's new branch in a low-income tract improved the accessibility of the bank's products and services. The bank also provides a limited level of community development services.

LENDING TEST

The Lending Test rating for North Dakota is high satisfactory.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of its North Dakota AAs. The table below shows the bank's lending in its North Dakota AAs by product type for the evaluation period.

Summary of Lending Activity in the North Dakota AAs				
Loan Type	2022–2023			
	#	%	\$(000s)	%
HMDA-Reportable	613	40.2	197,723	59.1
Small Business-Reportable	590	38.7	106,880	32.0
Small Farm-Reportable	232	15.2	27,691	8.3
Consumer Optional-Reportable	90	5.9	2,137	0.6
Total Loans	1,525	100.0	334,431	100.0

The North Dakota AAs account for 59.0% by number and 60.8% by dollar amount of the bank's lending activity during the evaluation period.

Borrower and Geographic Distributions

Overall, the bank's distribution of loans among borrowers of different income levels and businesses and farms of different sizes is good. The bank extends loans to LMI borrowers and small businesses and farms throughout the North Dakota AAs. In addition, the geographic distribution and dispersion of loans is good and does not reveal any unexplained gaps or patterns. The bank extends loans throughout its AAs, including LMI tracts. During the evaluation period, the bank extensively used flexible loan programs totaling approximately \$43.8 million in its North Dakota AAs (primarily certain mortgage loan programs); these loans were included in the overall volume of loans evaluated. Refer to the Institution and AA sections for specific information.

For a detailed discussion of the borrower and geographic distribution of lending, see the Conclusions with Respect to Performance Tests section for each AA.

Community Development Loans

The bank made an adequate level of community development loans in the North Dakota AAs. During the evaluation period, the bank originated six community development loans totaling approximately \$20.1 million that benefited the Bismarck, Fargo, and Minot AAs.

North Dakota Community Development Loans		
AA/Region	Total	
	#	\$
Bismarck	2	5,339,670
Fargo	1	2,320,000
Minot	3	12,432,000
Total	6	20,091,670

Of the community development loans, three loans totaling approximately \$7.6 million supported affordable housing. In addition, one loan for \$7.2 million supported economic development. Lastly, two loans totaling approximately \$5.3 million supported revitalization and/or stabilization of a moderate-income tract.

Given this responsiveness, examiners can also consider any qualified community development loans benefiting geographies outside the bank's North Dakota AAs. The bank originated two community development loans, totaling \$2.1 million, outside the bank's North Dakota AAs. These loans supported economic development. The table above does not include these loans.

INVESTMENT TEST

The bank's Investment Test rating for North Dakota is low satisfactory. The bank has an adequate level of qualified investments in the form of securities and donations, demonstrating overall adequate responsiveness to credit and community development needs.

During the evaluation period, the bank made an adequate level of qualified investments, including one new investment for approximately \$750,000. The new investment benefited the Fargo AA and supported affordable housing for seniors. The bank also held 10 prior-period investments totaling approximately \$2.4 million that supported revitalization and/or stabilization of a distressed middle-income tract as well as community services to LMI individuals in the Minot AA. The bank also held six prior-period investments totaling \$2.8 million that benefited broader statewide areas that include the North Dakota AAs; these investments supported affordable housing and the revitalization and/or stabilization of qualified areas.

Given this responsiveness, examiners can also consider any qualified community development investments benefiting geographies outside the bank's North Dakota AAs. During the evaluation period, the bank held one prior-period investment totaling \$30,000 million that benefited an area in North Dakota outside of the bank's AAs.

Donations. The bank made an adequate level of donations in its North Dakota AAs during the evaluation period. The bank donated \$64,039 that directly benefited its AAs, as well as \$11,350 that benefited regional or statewide areas that include the AAs. The following table shows the distribution of donations by AA, as well as by regional and statewide areas.

North Dakota Qualified Investment Donations		
AA/Region	Total	
	#	\$
Bismarck	11	13,900
Fargo	17	17,689
Minot	18	32,450
Regional or Statewide Areas	13	11,350
Total	59	75,389

The bank made donations in each North Dakota AA. By number and dollar amount, the bank made the most donations in the Minot AA. Overall, most donations (90.2% by number and 66.2% by amount) supported organizations that provide community services to LMI people. For example, the bank's donations helped support school supplies, healthcare, emergency housing, and food pantries accessed by LMI individuals. The bank also made donations to organizations that supported economic development initiatives.

The bank also made a \$100 donation that benefited an area in the state outside of the bank's AAs. This donation is not included in the table above.

SERVICE TEST

The Service Test rating for North Dakota is low satisfactory. The bank's delivery systems generally are accessible to all portions of the North Dakota AAs. Branch hours are reasonable and do not vary in a way that inconveniences certain geographies or individuals. The bank opened a branch during the evaluation period, which improved the accessibility of the bank's products and services in an AA. Lastly, the bank provides a limited level of community development services to various organizations in its North Dakota AAs.

Retail Banking Services

Generally, the bank's delivery systems are readily accessible to all portions of the North Dakota AAs, and services do not vary in a way that inconveniences certain geographies or individuals. As of December 31, 2023, the bank operates its main office and seven full-service branches, as well as an administrative office in North Dakota.³ The bank added one branch in Fargo since the previous evaluation. Most locations include drive-up services and ATMs and offer extended hours. Some locations offer weekend hours. Additionally, the bank operates stand-alone ATMs at non-branch locations in the state.

³ The administrative office is represented as "LS" (limited service) in the Geographic Distribution of Branches table.

The table below shows the geographic distribution of branches in North Dakota.

Geographic Distribution of Branches State of North Dakota 2023											
Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	1	11.1%	0	0	0	0	0			
	DTO	0		0	0	0		5	4.6%	4.1%	5.0%
	LS	0		0	0						
Moderate	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		15	13.9%	14.6%	15.5%
	LS	0		0	0						
Middle	Total	6	66.7%	0	0	6	6	4			
	DTO	0		0	0	0		69	63.9%	65.7%	65.2%
	LS	0		0	0						
Upper	Total	2	22.2%	0	0	1	1	0			
	DTO	0		0	0	0		19	17.6%	15.6%	14.4%
	LS	1		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%
	LS	0		0	0						
<i>Totals</i>	Total	9	100.0%	0	0	7	7	4			
	DTO	0		0	0	0		108	100.0%	100.0%	100.0%
	LS	1		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

As shown in the table above, overall, the bank has 11.1%, or one, of its North Dakota locations in LMI tracts; demographics show only 4.6% of tracts in the bank's North Dakota AAs are low income. The bank does not have locations in moderate-income tracts. However, in one AA, the bank has two branches near moderate-income tracts and a low-income tract, and in another AA, the bank has two branches near moderate-income tracts. The third AA does not have LMI tracts. Demographics show only 4.6% of tracts in the bank's North Dakota AAs are moderate income. Most (63.9%) of the bank's locations are in middle-income tracts. Refer to the Institution section of this evaluation for details on additional delivery services the bank offers.

Community Development Services

Overall, the bank provides a limited level of community development services in the North Dakota AAs. This conclusion primarily reflects the conclusion in the three full-scope AAs. The bank's employees provided community development services in all North Dakota AAs. Of the three AAs, employees

provided the most services in the Minot AA. In addition, employees also provided 17 services that impacted a boarder regional or statewide area of North Dakota. The table below shows the distribution of community development services by AA.

North Dakota Community Development Services	
<i>AA/Region</i>	<i>#</i>
Bismarck	4
Fargo	2
Minot	14
Regional or Statewide Areas	17
Total	37

Bank employees primarily provided their financial expertise to organizations that provide community services to LMI individuals and families. Some services also supported economic development, affordable housing, as well as revitalization and/or stabilization of distressed and/or underserved geographies. Bank employees served in a variety of roles, including board member, committee member, and instructor.

NONMETROPOLITAN AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MINOT ASSESSMENT AREA

Bank Information. The bank operates its main office and two full-service branches with drive-ups in the Minot AA, all located in the city of Minot. The main office has two cash-dispensing-only ATMs, and each branch has one cash-dispensing-only ATM. The main office and both branches have extended and weekend hours. The bank also operates numerous cash-dispensing-only ATMs at entities in the AA. See the Retail Services section for more details.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank has \$1.1 billion in deposits in the AA. The bank ranks first of 13 financial institutions operating in the area, with 24.7% of the market's deposits. The bank's deposits in this AA represent 61.8% of its total deposits.

Assessment Area Information. The Minot AA consists of the entirety of McHenry, Mountrail, Renville, and Ward counties. The delineation of the bank's Minot AA changed since the previous evaluation, when the AA only included McHenry and Ward counties. In addition, the income classification of some tracts changed based on the 2020 census changes. In 2021, the AA consisted of one moderate-income tract, 14 middle-income tracts, and four upper-income tracts. In 2022 and 2023, the AA consisted of 20 middle- and two upper-income tracts. The census tracts in Mountrail County were designated as underserved for 2021, 2022, and 2023. The main office and both branches are in middle-income tracts in Ward County. A portion of the Fort Berthold Indian Reservation is in the southwestern corner of the AA. In addition, parcels of Turtle Mountain Indian Reservation land are also located in the AA.

The following table provides demographic information for the bank's AA based on the 2023 FFIEC adjusted census data and 2023 D&B data.⁴

2023 Minot AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,493	16.3
Moderate	0	0.0	0	0.0	0	0.0	3,674	17.1
Middle	20	90.9	19,137	89.2	935	4.9	5,510	25.7
Upper	2	9.1	2,315	10.8	99	4.3	8,775	40.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22	100.0	21,452	100.0	1,034	4.8	21,452	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	38,665	19,549	88.7	50.6	12,480	32.3	6,636	17.2
Upper	4,135	2,492	11.3	60.3	974	23.6	669	16.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	42,800	22,041	100.0	51.5	13,454	31.4	7,305	17.1

⁴ The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimate data; it also reflects the OMB revised MSA delineations as applicable.

2023 Minot AA Demographics								
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	3,711	89.5	3,336	89.3	283	91.9	92	91.1
Upper	434	10.5	400	10.7	25	8.1	9	8.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,145	100.0	3,736	100.0	308	100.0	101	100.0
Percentage of Total Businesses:				90.1		7.4		2.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	523	92.6	520	92.5	2	100.0	1	100.0
Upper	42	7.4	42	7.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	565	100.0	562	100.0	2	100.0	1	100.0
Percentage of Total Farms:				99.5		0.4		0.2
<i>Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the nonmetropolitan areas of North Dakota for the year of loan origination. The table below shows the estimated income for each year and the range for low-, moderate-, middle-, and upper-income borrowers.

Borrower Income Levels Minot AA										
FFIEC Estimated Median Family Income		Low		Moderate			Middle		Upper	
		0	- 49.99%	50%	- 79.99%		80%	- 119.99%	120%	- & above
2021	\$83,900	0	- \$41,949	\$41,950	- \$67,119		\$67,120	- \$100,679	\$100,680	- & above
2022	\$93,100	0	- \$46,549	\$46,550	- \$74,479		\$74,480	- \$111,719	\$111,720	- & above
2023	\$95,700	0	- \$47,849	\$47,850	- \$76,559		\$76,560	- \$114,839	\$114,840	- & above

For the purposes of classifying census tracts by income level, this evaluation uses FFIEC's adjusted census data median family income for the nonmetropolitan areas of North Dakota, which was \$72,414 for 2021, and \$82,366 for 2022 and 2023.

Population. According to FFIEC adjusted census data, the total population of the AA is 87,355. In the AA, 50.6% of the population is 25 to 64 years of age, 24.1% is 17 and younger, 13.2% is 65 and older, and 12.2% is 18 to 24 years of age. The table below notes the population changes in the AA since 2015. The population growth from 2015 to 2020 in the Minot AA is below that of the state. Two counties in the AA experienced growth, and two counties had population loss during that timeframe.

Minot AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Minot AA	85,368	87,355	2.3%
McHenry County, ND	5,817	5,345	-8.1%
Mountrail County, ND	9,253	9,809	6.0%
Renville County, ND	2,562	2,282	-10.9%
Ward County, ND	67,736	69,919	3.2%
NonMSA North Dakota	371,134	387,773	4.5%
North Dakota	721,640	779,094	8.0%
Source: 2011-2015 ACS 2020 U.S. Census Bureau Decennial Census			

Housing Information. According to 2023 adjusted census data, the AA has 42,800 housing units: 51.5% are owner occupied, 31.4% are rental, and 17.1% are vacant. The median age of the housing stock in the AA is 43 years, which is comparable to the statewide median of 41 years. The median housing value for the AA is \$202,942, and the affordability ratio is 33, compared to \$199,900 and 32.7 for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater flexibility. This AA ratio suggests that the housing in the AA is comparably affordable to housing in other areas of the state.

According to a community contact, there is some affordable housing available in the AA due to some redevelopment and new development in the Minot area. However, according to a 2023 Minot Housing Needs and Market Study report conducted for the city of Minot, the need for affordable and workforce housing continues due to lagging incomes in comparison to housing costs. According to that report, nearly 45.0% of renter households and 22.0% of homeowners pay more than 30.0% of their income in rent or homeownership costs.

According to a community contact, affordable housing is a critical need in and around the Fort Berthold Indian Reservation. Homes for sale and rent can be high and unaffordable for many people in the area, due in part to investors charging higher rents for units since some energy industry workers can afford the rents. However, some residents that work in the industry are unable to afford the rent or buy a home, but their income is too high to qualify for housing assistance.

The table below shows the housing cost burden faced by renters and homeowners in the AA, counties in the AA, nonmetropolitan areas of North Dakota, and the state of North Dakota. The U.S. HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. In this AA, low-income homeowners and renters are significantly cost burdened. The cost burden for LMI homeowners and renters in the AA is relatively comparable to the overall burden at the state level; cost burden is highest in Ward County for low-income homeowners and renters. Moderate-income homeowners and renters in the AA are not cost burdened based on the data below.

Minot AA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Minot AA	69.3%	19.8%	34.5%	53.0%	24.2%	14.7%
McHenry County, ND	39.0%	4.0%	20.0%	44.0%	10.5%	14.2%
Mountrail County, ND	39.1%	23.8%	17.5%	30.5%	7.5%	7.8%
Renville County, ND	44.6%	20.0%	22.8%	51.6%	10.8%	11.2%
Ward County, ND	73.8%	20.1%	37.1%	59.6%	28.1%	15.8%
NonMSA North Dakota	58.2%	12.4%	28.7%	46.1%	14.8%	13.1%
North Dakota	67.7%	14.6%	34.1%	48.4%	18.0%	12.8%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i> <i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

General Economic and Business Characteristics. According to bank management and community contacts, the economy in the Minot AA is strong. Primary industries include agriculture; healthcare; energy; and government, including military and education. Major government employers include the Minot Air Force Base, as well as the public schools and Minot State University. Bank management and the community contact stated that the base is the area's largest employer and has significant impact on the economy in and around Minot. Additionally, bank management and the contact mentioned that the base is preparing for a military modernization project that will bring thousands of workers to the area. This project will likely have a considerable impact on area housing and economic conditions. Finally, a community contact also noted the Minot Intermodal Facility, which opened in late 2020 and transports North Dakota agricultural and manufactured products to international buyers via shipping containers to the West Coast, as significantly impacting the local economy.

A community contact in the agricultural sector stated that farm operations are getting larger, as smaller operations consolidate. Prices for crops, livestock, and land have come down slightly in recent years. Increasing costs have been a challenge for farmers. For example, cash rents for land continue to increase, which further narrows farmers' profitability margins if renting land.

As shown in the table below, the unemployment rate in the Minot AA was generally comparable to the state level. Bank management and community contacts agree that unemployment in the AA is low, and one contact noted a significant demand for workers.

Minot AA Unemployment Rates		
Area	2021	2022
Minot AA	3.4%	2.2%
McHenry County, ND	3.6%	3.2%
Mountrail County, ND	2.9%	1.5%
Renville County, ND	2.8%	2.0%
Ward County, ND	3.6%	2.3%
NonMSA North Dakota	3.6%	2.4%
North Dakota	3.1%	2.1%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MINOT ASSESSMENT AREA

The Lending Test performance in the Minot AA is good. Lending levels show excellent responsiveness to AA credit needs. Overall, the bank's borrower distribution of loans is good, and the geographic distribution of loans is adequate. The bank makes an adequate level of community development loans and makes extensive use of flexible loan programs, specifically residential real estate loan programs, to help meet credit needs. Examiners assigned the most weight to small business loans, followed by HMDA and small farm loans. Examiners determined this weighting based on the total number and dollar volume of loans in 2022 and 2023. Examiners did not review consumer loans based on low lending volume.

The Investment Test performance in the Minot AA is adequate. The bank made an adequate level of qualified investments, including donations, that shows adequate responsiveness to credit and community development needs.

Under the Service Test, delivery systems are accessible to all portions of the AA and do not vary in a way that inconveniences certain portions of the AA. Additionally, the bank provides an adequate level of community development services in the AA.

LENDING TEST

The bank's Lending Test performance in the Minot AA is good.

Lending Activity

The bank's lending activity reflects excellent responsiveness to AA credit needs. For 2022, the bank ranked fifth among 97 HMDA reporters, with 4.8% of originations and purchases. For the same year, the bank ranked third among 52 CRA reporters, with 12.8% of originations and purchases. For 2023, the bank ranked sixth among 91 HMDA reporters, with 6.9% of originations and purchases. During that year, the bank ranked third among 54 CRA reporters, with 11.7% of originations and purchases.

During the evaluation period, lending activity in this AA represented 32.4% by number and 26.0% by dollar amount of the bank's overall lending. Within the bank's North Dakota AAs, the lending activity in the Minot AA was 54.9% by number and 42.7% by dollar amount of the bank's total lending. This AA ranks first for loan volume, by number, out of the bank's three North Dakota AAs.

Distribution by Borrower Income Level and by Size of Businesses

The bank's distribution of loans among borrowers of different income levels and businesses and farms of different sizes is good.

Residential Real Estate. The bank's HMDA lending to LMI borrowers is good. The following tables show the HMDA loan data by income level and product type for 2022 and 2023. The tables also include aggregate lending data for those years and demographics for families at various income levels.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (1 of 2) Minot AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	8	13.1	9.2	863	6.9	5.0	3	3.6	5.6	378	1.9	3.1	16.3
Moderate	9	14.8	23.3	1,297	10.3	19.5	15	17.9	21.0	2,641	13.4	16.7	17.1
Middle	15	24.6	23.9	3,207	25.6	24.5	24	28.6	24.6	5,681	28.8	25.1	25.7
Upper	15	24.6	22.0	4,425	35.3	28.5	25	29.8	28.0	7,364	37.4	34.4	40.9
Unknown	14	23.0	21.5	2,744	21.9	22.5	17	20.2	20.8	3,647	18.5	20.6	0.0
Total	61	100.0	100.0	12,536	100.0	100.0	84	100.0	100.0	19,711	100.0	100.0	100.0
Refinance Loans													
Low	1	6.7	5.9	130	4.7	3.5	0	0.0	8.4	0	0.0	3.7	16.3
Moderate	4	26.7	23.0	547	19.9	17.3	2	33.3	21.3	179	14.8	16.5	17.1
Middle	4	26.7	25.8	915	33.4	25.6	2	33.3	23.2	377	31.1	23.6	25.7
Upper	1	6.7	28.6	97	3.5	34.0	0	0.0	31.6	0	0.0	36.0	40.9
Unknown	5	33.3	16.7	1,054	38.4	19.6	2	33.3	15.5	657	54.2	20.1	0.0
Total	15	100.0	100.0	2,743	100.0	100.0	6	100.0	100.0	1,213	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.2	0	0.0	4.0	0	0.0	5.8	0	0.0	4.8	16.3
Moderate	1	33.3	10.8	175	54.3	10.6	0	0.0	20.3	0	0.0	16.3	17.1
Middle	2	66.7	27.7	147	45.7	24.9	1	50.0	23.2	30	35.3	19.0	25.7
Upper	0	0.0	44.6	0	0.0	41.8	1	50.0	37.7	55	64.7	40.0	40.9
Unknown	0	0.0	10.8	0	0.0	18.7	0	0.0	13.0	0	0.0	19.9	0.0
Total	3	100.0	100.0	322	100.0	100.0	2	100.0	100.0	85	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	10	11.9	8.5	1,025	6.1	4.7	3	3.0	5.9	378	1.7	3.2	16.3
Moderate	14	16.7	22.6	2,019	12.0	18.9	17	17.0	20.7	2,820	12.6	16.4	17.1
Middle	22	26.2	24.2	4,569	27.2	24.6	28	28.0	24.4	6,113	27.3	24.8	25.7
Upper	18	21.4	24.3	4,986	29.7	29.7	32	32.0	29.9	8,505	37.9	35.1	40.9
Unknown	20	23.8	20.4	4,198	25.0	22.0	20	20.0	19.1	4,615	20.6	20.5	0.0
Total	84	100.0	100.0	16,797	100.0	100.0	100	100.0	100.0	22,431	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (2 of 2)													
Minot AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Other Purpose LOC													
Low	0	0.0	7.7	0	0.0	7.4	0	0.0	3.7	0	0.0	1.2	16.3
Moderate	0	0.0	15.4	0	0.0	11.1	0	0.0	14.8	0	0.0	4.4	17.1
Middle	0	0.0	30.8	0	0.0	43.6	0	0.0	25.9	0	0.0	21.6	25.7
Upper	0	0.0	30.8	0	0.0	25.9	0	0.0	48.1	0	0.0	57.1	40.9
Unknown	0	0.0	15.4	0	0.0	12.0	0	0.0	7.4	0	0.0	15.7	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	1	20.0	9.5	32	2.7	2.4	0	0.0	6.5	0	0.0	2.7	16.3
Moderate	0	0.0	19.0	0	0.0	12.6	0	0.0	12.9	0	0.0	9.0	17.1
Middle	1	20.0	19.0	300	25.1	13.8	1	12.5	25.8	25	1.8	19.8	25.7
Upper	2	40.0	47.6	464	38.8	58.1	6	75.0	51.6	1,086	76.4	58.9	40.9
Unknown	1	20.0	4.8	400	33.4	13.0	1	12.5	3.2	311	21.9	9.6	0.0
Total	5	100.0	100.0	1,196	100.0	100.0	8	100.0	100.0	1,422	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	16.3
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	17.1
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	25.7
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	40.9
Unknown	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

In 2022, the bank's lending to low-income borrowers slightly exceeded aggregate lenders' performance and was below demographics, and lending to moderate-income borrowers was below aggregate lenders' performance and comparable to demographics. For 2023, the bank's lending to low-income borrowers was comparable to aggregate lenders' performance but below demographics, and lending to moderate-income borrowers was slightly below aggregate lenders' performance and comparable to demographics. According to 2023 FFIEC adjusted census data, 16.3% and 17.1% of families in the AA were LMI, respectively.

The bank's HMDA lending performance, largely based on home purchase loans given number volume for the product, is good considering performance context. The availability of housing, particularly affordable housing, continues to be a challenge in the AA as previously mentioned. In addition, the bank operates in a competitive banking environment in this AA, with various creditors, such as a credit union, regional banks, and mortgage companies, competing for mortgage loans. Lastly, like aggregate lenders in this AA, 23.8% and 20.0% of the bank's HMDA loans in 2022 and 2023, respectively, have unknown incomes based on HMDA data reporting requirements.

To meet credit needs of LMI residents in the AA, the bank made extensive use of NDHFA loan programs. The bank also made FHA and VA loans. During the evaluation period, the bank originated loans totaling approximately \$15.6 million through these programs. The bank's use of these programs demonstrates its willingness to meet the credit needs of LMI residents. For more information on these flexible lending programs, refer to the Institution section of this evaluation.

Lastly, the bank's 2021 HMDA lending was generally consistent with its 2022 and 2023 HMDA lending.

Small Business. The distribution of small business loans among businesses of different sizes is good. The following tables show the small business loan data by revenue and loan size for 2022 and 2023, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses													
Minot AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	#	%	%	\$(000)	%	\$%	
By Revenue													
\$1 Million or Less	108	58.7	53.7	10,245	32.0	46.7	82	47.7	49.7	8,726	26.2	34.8	90.1
Over \$1 Million	72	39.1		21,207	66.3		84	48.8		23,516	70.6		7.4
Revenue Unknown	4	2.2		551	1.7		6	3.5		1,080	3.2		2.4
Total	184	100.0		32,003	100.0		172	100.0		33,322	100.0		100.0
By Loan Size													
\$100,000 or Less	108	58.7	82.6	4,841	15.1	22.4	95	55.2	84.3	4,318	13.0	24.2	
\$100,001 - \$250,000	34	18.5	8.8	5,985	18.7	19.7	34	19.8	7.7	5,563	16.7	17.1	
\$250,001 - \$1 Million	42	22.8	8.6	21,177	66.2	57.9	43	25.0	8.1	23,441	70.3	58.7	
Total	184	100.0	100.0	32,003	100.0	100.0	172	100.0	100.0	33,322	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	81	75.0		3,324	32.4		62	75.6		2,591	29.7		
\$100,001 - \$250,000	17	15.7		2,881	28.1		12	14.6		1,911	21.9		
\$250,001 - \$1 Million	10	9.3		4,040	39.4		8	9.8		4,224	48.4		
Total	108	100.0		10,245	100.0		82	100.0		8,726	100.0		
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

For 2022, the bank's lending to small businesses slightly exceeded aggregate lenders' performance and was below demographics. For 2023, the bank's lending to small businesses was comparable to aggregate lenders and below demographics. According to 2022 and 2023 D&B data, 90.1% of businesses in the AA had gross annual revenues of \$1 million or less. The bank's performance against demographics can be explained through performance context, namely strong competition in the AA from many community, regional, and national financial institutions (including national credit card lenders) for small business

loans. The bank originated 58.7% and 55.2% of its small business loans in amounts of \$100,000 or less for 2022 and 2023, respectively, which shows a willingness to lend to small businesses in the AA.

To meet credit needs of small businesses in the AA, the bank made limited use of innovative and flexible lending programs. The bank originated small business loans through the Bank of North Dakota totaling \$1.2 million during the evaluation period. Additionally, the bank originated a loan for \$100,000 through the Beginning Entrepreneur Loan Guarantee Program, which assists businesses with startup financing by providing financial institutions with a loan guarantee. For more information on flexible lending programs, refer to the Institution section of this evaluation.

Small Farm. The distribution of small farm loans among farms of different sizes is excellent. The following tables show the small farm loan data by revenue and loan size for 2022 and 2023, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Farm Lending By Revenue Size of Farms													
Minot AA													
	Bank And Aggregate Loans By Year												Total Farms %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	100	87.7	52.2	11,538	83.9	61.7	93	87.7	51.9	10,717	87.7	61.4	99.5
Over \$1 Million	11	9.6		2,180	15.9		13	12.3		1,502	12.3		0.4
Revenue Unknown	3	2.6		27	0.2		0	0.0		0	0.0		0.2
Total	114	100.0		13,745	100.0		106	100.0		12,219	100.0		100.0
By Loan Size													
\$100,000 or Less	70	61.4	74.8	3,003	21.8	25.4	71	67.0	74.2	3,186	26.1	26.5	
\$100,001 - \$250,000	28	24.6	14.9	5,159	37.5	30.6	21	19.8	16.3	3,711	30.4	31.8	
\$250,001 - \$500,000	16	14.0	10.3	5,583	40.6	44.0	14	13.2	9.6	5,322	43.6	41.7	
Total	114	100.0	100.0	13,745	100.0	100.0	106	100.0	100.0	12,219	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	63	63.0		2,796	24.2		63	67.7		2,739	25.6		
\$100,001 - \$250,000	25	25.0		4,589	39.8		17	18.3		2,956	27.6		
\$250,001 - \$500,000	12	12.0		4,153	36.0		13	14.0		5,022	46.9		
Total	100	100.0		11,538	100.0		93	100.0		10,717	100.0		
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

For 2022 and 2023, the bank's lending to small farms significantly exceeded aggregate lenders' performance and was below demographics. For 2023, the bank's lending to small farms exceeded aggregate lenders' performance and was below demographics. According to 2022 and 2023 D&B data, 99.5% of farms in the AA had gross annual revenues of \$1 million or less. The bank's performance against demographics can be explained through performance context. According to bank management,

credit demand in the AA is strong. However, various creditors such as community, regional, and national financial institutions, compete for small farm loans in the AA. The bank originated 61.4% and 67.0% of its small farm loans in amounts of \$100,000 or less for 2022 and 2023, respectively, which shows a willingness to lend to small farms in the AA.

To meet credit needs of small farms in the AA, the bank made limited use of the FSA loan program. During the evaluation period, the bank originated FSA loans in the AA totaling \$420,000. For more information on flexible lending programs, refer to the Institution section of this evaluation.

Geographic Distribution

Overall, the geographic distribution and dispersion of the bank's HMDA, small business, and small farm lending in the Minot AA is adequate and does not reveal any unexplained gaps in lending. For 2022 and 2023, the AA consisted of 20 middle- and two upper-income tracts; the AA does not have any LMI tracts. The bank made loans in most of the AA's census tracts. For the census tracts without loans or without certain types of bank loans, the lack of lending is reasonable given the performance context of the tracts.

Community Development Lending

The bank makes an adequate level of community development loans in the Minot AA. During the evaluation period, the bank originated three community development loans totaling \$12.4 million: \$5.2 million financed affordable housing and \$7.2 million financed an economic development project. The affordable housing loans address housing needs in the AA, and the economic development loan support local government plans for redevelopment, making these loans particularly responsive.

INVESTMENT TEST

The bank made an adequate level of qualified investments and grants, showing adequate responsiveness to AA needs. During the evaluation period, the bank did not purchase any new investment securities. However, the bank held 10 prior-period investment securities totaling \$2.4 million that supported community services for LMI individuals and helped revitalize or stabilize distressed and/or underserved middle-income geographies.

The bank made an adequate level of qualified investments in the form of donations during the evaluation period. Donations in the AA totaled \$32,450. The bank made \$12,450 in donations to organizations that provide community services to LMI individuals and families, including school supplies, medical services, and food. The bank also made \$20,000 in donations that supported economic development.

SERVICE TEST

The bank's delivery systems are accessible to all portions of the AA. The bank's services do not vary in a way that inconveniences certain portions of the AA. Finally, the bank provides an adequate level of community development services in the AA.

Retail Services

Delivery systems in the AA are accessible to the bank's geographies and to individuals of different income levels. The bank operates its main office and two full-service branches, all with drive-ups, in the AA. The main office and branches are in middle-income tracts in Minot; this AA does not have any LMI tracts. The main office has two cash-dispensing-only ATMs, and both branches have one cash-dispensing-only ATM. All offices have extended and weekend hours. The bank also operates numerous

cash-dispensing-only ATMs at entities in the Minot AA. The bank did not open or close any offices in the AA since the previous evaluation. The bank's services do not vary in a way that inconveniences certain individuals or areas.

Community Development Services

The bank provided an adequate level of community development services in the AA. During the evaluation period, six employees provided 14 community development services to six organizations. Most services (12) benefited organizations that provide community services to LMI individuals and families, including healthcare, financial literacy courses, and emergency shelter. The remaining services benefited organizations that promote economic development initiatives. These employees served as board members, committee members, and instructors.

METROPOLITAN AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FARGO MSA ASSESSMENT AREA

Bank Information. The bank operates three full-service branches in the Fargo MSA AA. Two full-service branches are in Fargo, North Dakota, and one full-service branch is in West Fargo, North Dakota. One Fargo branch is new since the previous evaluation. The bank also has an administrative office in the AA. Two branches have cash-dispensing-only ATMs and one branch has a deposit-taking ATM. Two branches have drive-ups with extended weekday hours. See the Retail Services section for more details.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank has \$79.9 million in deposits in the AA. The bank ranks 20th of 32 financial institutions operating in the area, with 0.6% of the market's deposits. The bank's deposits in this AA represent 4.6% of its total deposits.

Assessment Area Information. The Fargo AA consists of the entirety of Cass County, North Dakota, and Clay County, Minnesota, which comprises the Fargo, ND-MN MSA. In 2021, the AA consisted of 12 moderate-income, 24 middle-income, and nine upper-income tracts, as well as one unknown-income tract, for a total of 46 tracts. In 2022 and 2023, the AA consisted of five low-, 12 moderate-, 28 middle-, and 15 upper-income tracts, for a total of 60 tracts. One branch is in a low-income tract, one is in a middle-income tract, and two are in an upper-income tract. The White Earth Reservation is located just outside and east of the AA.

The following table provides demographic information for the bank's AA based on the 2023 FFIEC adjusted census data and 2023 D&B data.⁵

2023 Fargo AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	8.3	2,247	3.9	622	27.7	10,948	18.8
Moderate	12	20.0	9,906	17.0	1,139	11.5	10,714	18.4
Middle	28	46.7	30,483	52.3	1,597	5.2	13,672	23.5
Upper	15	25.0	15,655	26.9	285	1.8	22,957	39.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	60	100.0	58,291	100.0	3,643	6.2	58,291	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	9,451	1,237	2.2	13.1	6,628	70.1	1,586	16.8
Moderate	25,057	8,264	14.5	33.0	14,350	57.3	2,443	9.7
Middle	53,779	31,407	55.2	58.4	18,545	34.5	3,827	7.1

⁵ The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimate data; it also reflects the OMB revised MSA delineations as applicable.

2023 Fargo AA Demographics								
Upper	22,117	15,971	28.1	72.2	5,320	24.1	826	3.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	110,404	56,879	100.0	51.5	44,843	40.6	8,682	7.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,143	10.6	969	10.2	164	14.9	10	5.5
Moderate	2,748	25.5	2,289	24.1	434	39.5	25	13.7
Middle	4,673	43.4	4,212	44.4	356	32.4	105	57.4
Upper	2,197	20.4	2,010	21.2	144	13.1	43	23.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	10,761	100.0	9,480	100.0	1,098	100.0	183	100.0
Percentage of Total Businesses:				88.1		10.2		1.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8	1.5	7	1.3	1	10.0	0	0.0
Moderate	20	3.6	19	3.5	1	10.0	0	0.0
Middle	451	82.0	443	82.2	7	70.0	1	100.0
Upper	71	12.9	70	13.0	1	10.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	550	100.0	539	100.0	10	100.0	1	100.0
Percentage of Total Farms:				98.0		1.8		0.2
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.								

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the Fargo, ND-MN MSA for the year of loan origination. The table below shows the estimated income for each year and the range for low-, moderate-, middle-, and upper-income borrowers.

Borrower Income Levels Fargo, ND-MN MSA											
FFIEC Estimated Median Family Income		Low		Moderate			Middle			Upper	
		0	- 49.99%	50%	-	79.99%	80%	-	119.99%	120%	- & above
2021	\$91,300	0	- \$45,649	\$45,650	-	\$73,039	\$73,040	-	\$109,559	\$109,560	- & above
2022	\$100,500	0	- \$50,249	\$50,250	-	\$80,399	\$80,400	-	\$120,599	\$120,600	- & above
2023	\$104,100	0	- \$52,049	\$52,050	-	\$83,279	\$83,280	-	\$124,919	\$124,920	- & above

For the purposes of classifying census tracts by income level, this evaluation uses FFIEC's adjusted census data median family income for the Fargo MSA, which was \$75,010 for 2021 and \$90,450 for 2022 and 2023.

Population. According to FFIEC adjusted census data, the total population of the AA is 249,843. In the AA, 49.2% of the population is 25 to 64 years of age, 22.4% is 17 and younger, 14.0% is 18 to 24 years of age, and 12.0% is 65 and older. The table below notes the population changes in the AA since 2015. The population growth from 2015 to 2020 in the Fargo AA exceeds that of the states of Minnesota and North Dakota and exceeds population growth in the nonmetropolitan areas of the state. A community contact indicated that the area has experienced and is projected to continue having significant population growth.

Fargo AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Fargo AA	223,379	249,843	11.8%
Clay County, MN	60,879	65,318	7.3%
Cass County, ND	162,500	184,525	13.6%
Minnesota	5,419,171	5,706,494	5.3%
North Dakota	721,640	779,094	8.0%
Source: 2011-2015 ACS 2020 U.S. Census Bureau Decennial Census			

Housing Information. According to 2023 adjusted census data, the AA has 110,404 housing units: 51.5% are owner occupied, 40.6% are rental, and 7.9% are vacant. Bank management stated that there is high demand for rental housing with several colleges in the area. The median age of the housing stock in the AA is 37 years, which is lower than the statewide median of 41 years. The median housing value for the AA is \$225,623, and the affordability ratio is 29, compared to \$199,900 and 32.7 for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater flexibility. This AA ratio suggests that housing in the AA is slightly less affordable than housing in other areas of the state.

Bank management and a community contact noted that the housing conditions and market in the AA are good. However, the community contact stated housing supply is insufficient to meet demand and home rental and purchase prices are high. In the area, there is a need for more affordable workforce housing for

individuals who provide essential services, such as nurses and teachers. The contact noted housing affordability, inflation, and high interest rates are significant concerns in the AA.

The table below shows the housing cost burden faced by renters and homeowners in the AA. HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Overall, the cost burden for renters and homeowners in the AA is generally comparable to the state's cost burden, with cost burden being highest for renters. As shown in the table, low-income renters and homeowners face significant cost burden that exceeds HUD's threshold.

Fargo AA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Fargo AA	74.9%	15.7%	39.6%	61.1%	23.9%	12.5%
Clay County, MN	73.3%	16.6%	50.0%	58.9%	29.2%	15.8%
Cass County, ND	75.4%	15.5%	37.2%	62.5%	21.2%	11.2%
Minnesota	71.3%	25.6%	40.7%	59.4%	26.7%	16.7%
North Dakota	67.7%	14.6%	34.1%	48.4%	18.0%	12.8%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i> <i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

General Economic and Business Characteristics. According to bank management and a community contact, the local economy is strong and diverse and has experienced growth. Primary industries in the AA include healthcare, manufacturing, technology, energy, food, agriculture, and education. Bank management and the contact noted that the industry diversification is a strength and helps to protect the area from the impacts of recessions.

According to the contact, most of the business growth is from the expansion of existing businesses. Businesses in the area are challenged by the limited amount of labor force for the plentiful number of jobs available. The contact stated that companies have increased wages to compete for employees.

As shown in the table below, the unemployment rate in the Fargo AA was slightly lower than the state level. According to bank management and a community contact, there is significant demand for workers.

Fargo AA Unemployment Rates		
Area	2021	2022
Fargo AA	2.6%	1.9%
Clay County, MN	3.0%	2.2%
Cass County, ND	2.4%	1.8%
Minnesota	3.8%	2.7%
North Dakota	3.1%	2.1%
<i>Source: BLS, Local Area Unemployment Statistics</i>		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FARGO MSA ASSESSMENT AREA

The Lending Test performance in the Fargo AA is good. Lending levels show good responsiveness to AA credit needs. Overall, the bank's borrower distribution of loans and the geographic distribution of loans are good. The bank makes an adequate level of community development loans and makes extensive use of flexible loan programs, specifically residential real estate programs, to help meet credit needs. Examiners assigned the most weight to HMDA loans, followed by small business loans. Examiners determined this weighting based on the total number and dollar volume of loans during 2022 and 2023. Examiners did not review small farm and consumer loans due to low lending volume.

The Investment Test performance in the Fargo AA is adequate. The bank made an adequate level of qualified investments, including donations, that show adequate responsiveness to credit and community development needs.

Under the Service Test, the bank's delivery systems are readily accessible to all portions of the AA and do not vary in a way that inconveniences certain portions of the AA. Additionally, the bank opened a branch in a low-income census tract in the AA during the evaluation period, which improved the accessibility of the bank's products and services. Finally, the bank provides a limited level of community development services in the AA.

LENDING TEST

The bank's Lending Test performance in the Fargo AA is good.

Lending Activity

The bank's lending activity reflects good responsiveness to AA credit needs. For 2022, the bank ranked ninth among 198 HMDA reporters, with 2.5% of originations and purchases. For the same year, the bank ranked 19th among 69 CRA reporters, with 1.3% of originations and purchases. For 2023, the bank ranked 11th among 171 HMDA reporters, with 2.6% of originations and purchases. For the same year, the bank ranked 19th among 74 reporters, with 1.0% of originations and purchases.

During the evaluation period, lending activity in this AA represented 17.9% by number and 21.5% by dollar amount of the bank's overall lending. Within the bank's North Dakota AAs, the lending activity in the Fargo AA was 30.3% by number and 35.3% by dollar amount of the bank's total lending.

Distribution by Borrower Income Level and by Size of Businesses

The bank's distribution of loans among borrowers of different income levels and businesses of different sizes is adequate.

Residential Real Estate. The bank's HMDA lending to LMI borrowers is adequate. The following tables show the HMDA loan data by income level and product type for 2022 and 2023, as well as aggregate lending and demographic data.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (1 of 2)
Fargo AA

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	8	5.3	8.9	1,317	3.7	5.1	2	1.8	8.5	346	1.2	4.7	18.8
Moderate	30	19.9	23.5	6,510	18.4	18.7	12	10.8	22.5	2,275	7.9	17.9	18.4
Middle	30	19.9	23.3	8,589	24.3	23.1	23	20.7	23.2	5,712	19.9	22.5	23.5
Upper	25	16.6	25.5	9,080	25.6	35.8	18	16.2	26.3	6,248	21.8	36.3	39.4
Unknown	58	38.4	18.8	9,911	28.0	17.4	56	50.5	19.6	14,070	49.1	18.5	0.0
Total	151	100.0	100.0	35,407	100.0	100.0	111	100.0	100.0	28,651	100.0	100.0	100.0
Refinance Loans													
Low	1	7.7	10.5	180	6.5	6.7	1	10.0	7.0	97	4.0	4.7	18.8
Moderate	7	53.8	22.9	1,326	47.7	17.4	1	10.0	16.2	110	4.5	11.3	18.4
Middle	0	0.0	19.1	0	0.0	17.0	3	30.0	23.3	464	19.0	18.0	23.5
Upper	2	15.4	29.9	524	18.9	35.6	3	30.0	33.6	925	37.8	40.2	39.4
Unknown	3	23.1	17.5	748	26.9	23.4	2	20.0	19.8	848	34.7	25.8	0.0
Total	13	100.0	100.0	2,778	100.0	100.0	10	100.0	100.0	2,444	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	7.2	0	0.0	4.1	1	20.0	7.0	75	9.4	4.5	18.8
Moderate	0	0.0	15.5	0	0.0	10.9	0	0.0	16.3	0	0.0	11.1	18.4
Middle	1	33.3	24.3	218	53.0	20.2	0	0.0	26.4	0	0.0	17.9	23.5
Upper	1	33.3	45.2	20	4.9	56.0	1	20.0	40.4	200	25.2	52.3	39.4
Unknown	1	33.3	7.9	173	42.1	8.8	3	60.0	9.8	520	65.4	14.1	0.0
Total	3	100.0	100.0	411	100.0	100.0	5	100.0	100.0	795	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	9	5.3	8.9	1,497	3.9	5.4	4	3.1	7.9	518	1.6	4.7	18.8
Moderate	38	22.5	22.0	7,842	20.3	17.9	14	10.9	20.3	2,415	7.6	16.7	18.4
Middle	32	18.9	22.5	8,907	23.0	21.7	26	20.3	23.5	6,176	19.3	21.6	23.5
Upper	28	16.6	29.6	9,624	24.9	37.1	23	18.0	30.7	7,399	23.2	38.2	39.4
Unknown	62	36.7	17.0	10,832	28.0	18.0	61	47.7	17.6	15,438	48.3	18.9	0.0
Total	169	100.0	100.0	38,702	100.0	100.0	128	100.0	100.0	31,946	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (2 of 2)
Fargo AA

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	##%	##%	#	##%	##%	\$(000)	##%	##%	
Other Purpose LOC													
Low	0	0.0	4.2	0	0.0	1.7	0	0.0	8.2	0	0.0	4.8	18.8
Moderate	0	0.0	12.2	0	0.0	7.0	0	0.0	12.3	0	0.0	6.2	18.4
Middle	0	0.0	17.8	0	0.0	15.4	0	0.0	19.8	0	0.0	12.7	23.5
Upper	0	0.0	57.1	0	0.0	69.0	0	0.0	49.3	0	0.0	63.0	39.4
Unknown	0	0.0	8.7	0	0.0	6.9	0	0.0	10.4	0	0.0	13.1	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	9.2	0	0.0	7.0	0	0.0	4.6	0	0.0	2.1	18.8
Moderate	1	50.0	15.8	6	5.7	9.4	1	50.0	20.0	30	53.6	14.8	18.4
Middle	1	50.0	30.4	100	94.3	23.2	0	0.0	25.7	0	0.0	21.5	23.5
Upper	0	0.0	38.3	0	0.0	52.9	1	50.0	43.6	26	46.4	54.2	39.4
Unknown	0	0.0	6.3	0	0.0	7.5	0	0.0	6.1	0	0.0	7.5	0.0
Total	2	100.0	100.0	106	100.0	100.0	2	100.0	100.0	56	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	18.8
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	18.4
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	23.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	39.4
Unknown	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

In 2022 and 2023, the bank's lending to low-income borrowers was below aggregate lenders' performance and demographics. In 2022, the bank's lending to moderate-income borrowers was consistent with aggregate lenders and slightly exceeded demographics. In 2023, the bank's lending to moderate-income borrowers was below aggregate lenders' performance and demographics. According to 2023 FFIEC adjusted census data, 18.8% of families in the AA were low income and 18.4% were moderate income.

According to a community contact, housing supply, including affordable housing, is insufficient for demand. Home prices are high, and housing affordability is a significant concern in the AA. According to 2023 FFIEC adjusted census data, the median housing value in the AA is \$225,623. Further, bank management noted that the average home price was \$350,000 in 2023. Using the assumption that a

borrower can obtain a loan for approximately three times the borrower's annual income, based on the 2023 FFIEC estimated median family income of \$104,100 for the Fargo MSA, an individual with the highest income in the low-income bracket (\$52,049) could afford a \$156,147 home. Using the same assumption, borrowers with the highest income in the moderate-income bracket (\$83,279) could afford a \$249,837 home. This data suggests that homeownership would likely not be affordable for many low-income borrowers and some moderate-income borrowers. Bank management also noted that the bank operates in a very competitive banking market. Lastly, 36.7% and 47.7% of the bank's HMDA loans in 2022 and 2023, respectively, have unknown incomes based on HMDA data reporting requirements; aggregate lenders also reported such loans.

The bank made extensive use of flexible loan programs, specifically the MHFA and NDHFA loan programs, in the AA. The bank also made FHA and VA loans in this AA. During the evaluation period, the bank originated loans totaling approximately \$19.7 million through these programs. The bank's use of these programs demonstrates its willingness to meet the credit needs of LMI borrowers.

Lastly, the bank's 2021 HMDA lending was generally consistent with that of 2022 and 2023.

Small Business. The distribution of small business loans among businesses of different sizes is excellent. The following table shows the small business loan data by revenue and loan size for 2022 and 2023, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses Fargo AA														
	Bank And Aggregate Loans By Year												Total Businesses %	
	2022						2023							
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg		
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%		
By Revenue														
\$1 Million or Less	63	71.6	48.2	9,825	60.1	35.6	31	54.4	49.7	5,465	52.1	35.7	88.1	
Over \$1 Million	24	27.3		6,517	39.9		24	42.1		4,870	46.4		10.2	
Revenue Unknown	1	1.1		5	0.0		2	3.5		150	1.4		1.7	
Total	88	100.0		16,347	100.0		57	100.0		10,485	100.0		100.0	
By Loan Size														
\$100,000 or Less	44	50.0	82.0	2,245	13.7	20.5	31	54.4	85.2	1,632	15.6	24.5		
\$100,001 - \$250,000	27	30.7	9.3	5,425	33.2	20.4	16	28.1	7.4	2,958	28.2	18.2		
\$250,001 - \$1 Million	17	19.3	8.7	8,677	53.1	59.2	10	17.5	7.4	5,895	56.2	57.3		
Total	88	100.0	100.0	16,347	100.0	100.0	57	100.0	100.0	10,485	100.0	100.0		

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses Fargo AA												
By Loan Size and Revenues \$1 Million or Less												
\$100,000 or Less	36	57.1		1,746	17.8		19	61.3		997	18.2	
\$100,001 - \$250,000	19	30.2		3,739	38.1		7	22.6		1,488	27.2	
\$250,001 - \$1 Million	8	12.7		4,340	44.2		5	16.1		2,980	54.5	
Total	63	100.0		9,825	100.0		31	100.0		5,465	100.0	
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS												
Note: Percentages may not total 100.0 percent due to rounding.												

For 2022, the bank's lending to small businesses significantly exceeded aggregate lenders and was below demographics. For 2023, the bank's lending to small businesses slightly exceeded aggregate lenders and was below demographics. According to 2022 and 2023 D&B data, 88.2% and 88.1% of businesses in the AA had gross annual revenues of \$1 million or less. The bank originated 50.0% and 54.5% of its small business loans in amounts of \$100,000 or less for 2022 and 2023, respectively, which shows a willingness to lend to small businesses in the AA. The bank's performance against demographics can be explained through performance context, namely strong competition in the AA from many community, regional, and national financial institutions for small business loans. Several of the national banks are well-known credit card lenders with more significant lending activity than other small business reporters in this AA.

To help meet credit needs of small businesses in the AA, the bank made use of the SBA loan program. During the evaluation period, the bank originated SBA loans in the AA totaling \$473,500. For more information on flexible lending programs, refer to the Institution section of this evaluation.

Geographic Distribution

Overall, the geographic distribution and dispersion of the bank's HMDA and small business lending in the Fargo AA is good and does not reveal any unexplained gaps in lending. For 2022 and 2023, the AA consisted of five low-, 12 moderate-, 28 middle-, and 15 upper-income tracts.

Residential Real Estate. The bank's geographic distribution of HMDA loans is good. The tables below show the distribution of the bank's 2022 and 2023 HMDA loans by census tract income level. The tables also include aggregate lending data for each year and demographics.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (Table 1 of 2) Fargo AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	#	#%	#%	\$(000)	%	\$%	
Home Purchase Loans													
Low	3	2.0	3.5	450	1.3	2.7	3	2.7	3.4	307	1.1	2.4	2.2
Moderate	18	11.9	12.0	2,556	7.2	7.9	9	8.1	12.3	1,282	4.5	8.4	14.5
Middle	62	41.1	44.3	12,630	35.7	40.3	44	39.6	44.8	9,844	34.4	41.0	55.2
Upper	68	45.0	40.2	19,771	55.8	49.0	55	49.5	39.6	17,218	60.1	48.1	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (Table 1 of 2)
Fargo AA

Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	151	100.0	100.0	35,407	100.0	100.0	111	100.0	100.0	28,651	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	3.6	0	0.0	2.5	0	0.0	2.6	0	0.0	2.2	2.2
Moderate	2	15.4	13.0	242	8.7	8.5	1	10.0	9.2	390	16.0	7.4	14.5
Middle	6	46.2	49.4	844	30.4	46.8	4	40.0	52.8	611	25.0	46.9	55.2
Upper	5	38.5	34.0	1,692	60.9	42.3	5	50.0	35.4	1,443	59.0	43.4	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	13	100.0	100.0	2,778	100.0	100.0	10	100.0	100.0	2,444	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	2.4	0	0.0	2.2	0	0.0	2.1	0	0.0	1.5	2.2
Moderate	2	66.7	9.4	193	47.0	7.7	0	0.0	10.2	0	0.0	8.4	14.5
Middle	1	33.3	48.5	218	53.0	44.6	1	20.0	54.3	75	9.4	49.9	55.2
Upper	0	0.0	39.6	0	0.0	45.6	4	80.0	33.4	720	90.6	40.3	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	3	100.0	100.0	411	100.0	100.0	5	100.0	100.0	795	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	14.7	0	0.0	20.9	1	33.3	28.4	2,320	43.3	39.0	16.0
Moderate	1	14.3	22.0	120	0.8	15.8	0	0.0	19.4	0	0.0	13.7	33.9
Middle	4	57.1	46.8	5,566	36.8	33.8	2	66.7	43.3	3,040	56.7	40.5	39.4
Upper	2	28.6	16.5	9,435	62.4	29.5	0	0.0	9.0	0	0.0	6.8	10.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	15,121	100.0	100.0	3	100.0	100.0	5,360	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	3	1.7	3.4	450	0.8	5.9	4	3.1	3.2	2,627	7.0	6.1	2.2
Moderate	24	13.6	12.0	3,117	5.8	9.4	10	7.6	11.4	1,672	4.5	8.8	14.5
Middle	74	42.0	46.0	19,358	36.0	40.2	52	39.7	47.8	13,600	36.5	42.0	55.2
Upper	75	42.6	38.6	30,898	57.4	44.5	65	49.6	37.6	19,407	52.0	43.1	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	176	100.0	100.0	53,823	100.0	100.0	131	100.0	100.0	37,306	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

**Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (Table 2 of 2)
Fargo AA**

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Other Purpose LOC													
Low	0	0.0	0.7	0	0.0	0.7	0	0.0	0.7	0	0.0	1.1	2.2
Moderate	0	0.0	7.3	0	0.0	4.3	0	0.0	7.8	0	0.0	5.3	14.5
Middle	0	0.0	44.6	0	0.0	39.4	0	0.0	49.6	0	0.0	43.8	55.2
Upper	0	0.0	47.4	0	0.0	55.7	0	0.0	41.8	0	0.0	49.9	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	2.1	0	0.0	2.8	0	0.0	1.4	0	0.0	0.8	2.2
Moderate	1	50.0	11.7	6	5.7	7.7	0	0.0	9.3	0	0.0	6.9	14.5
Middle	1	50.0	50.8	100	94.3	42.4	1	50.0	58.6	30	53.6	50.4	55.2
Upper	0	0.0	35.4	0	0.0	47.1	1	50.0	30.7	26	46.4	41.9	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	106	100.0	100.0	2	100.0	100.0	56	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	6.7	0	0.0	6.4	0	0.0	7.7	0	0.0	4.1	2.2
Moderate	0	0.0	6.7	0	0.0	4.0	0	0.0	23.1	0	0.0	17.3	14.5
Middle	0	0.0	73.3	0	0.0	77.2	0	0.0	46.2	0	0.0	43.8	55.2
Upper	0	0.0	13.3	0	0.0	12.5	0	0.0	23.1	0	0.0	34.7	28.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

For 2022, the bank's HMDA lending in LMI tracts was consistent with aggregate lenders and demographics. For 2023, the bank's HMDA lending in low-income tracts was consistent with aggregate lenders and demographics. For 2023, the bank's HMDA lending to moderate-income borrowers was slightly below aggregate lenders' performance and below demographics.

Over 2022 and 2023, the bank made HMDA loans in most tracts in the AA, except for one low-, one moderate-, and three upper-income tracts. The lack of lending in certain tracts is reasonable as those tracts are primarily in rural, agricultural, or commercial areas or have several multifamily housing units. As previously mentioned, the banking environment in the AA is competitive.

Lastly, the bank's 2021 HMDA lending was generally consistent with that of 2022 and 2023.

Small Business. The bank's geographic distribution of small business loans is adequate. The table below shows the distribution of the bank's 2022 and 2023 small business loans by census tract income level, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography													
Fargo AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	2	2.3	9.5	140	0.9	8.7	2	3.5	9.9	1,260	12.0	11.2	10.6
Moderate	21	23.9	25.1	3,907	23.9	34.7	11	19.3	23.2	1,529	14.6	32.6	25.5
Middle	27	30.7	38.5	5,837	35.7	29.9	20	35.1	40.1	3,794	36.2	29.7	43.4
Upper	38	43.2	26.2	6,463	39.5	26.6	24	42.1	26.2	3,902	37.2	26.4	20.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.6	0	0.0	0.1	0	0.0	0.6	0	0.0	0.1	
Total	88	100.0	100.0	16,347	100.0	100.0	57	100.0	100.0	10,485	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

For both years, the bank's small business lending in low-income tracts was below aggregate lenders and demographics. For 2022, the bank's small business lending in moderate-income tracts was consistent with aggregate lenders and demographics. For 2023, small business lending in moderate-income tracts was slightly below aggregate lenders and demographics. According to 2023 D&B data, 10.6% of small businesses were in low-income tracts and 25.5% of businesses were in moderate-income tracts; 2022 demographics are similar.

Over 2022 and 2023, the bank made HMDA loans in most tracts in the AA, except two low-, five moderate-, and some middle- and upper-income tracts. The tracts with no loans are primarily in residential, agricultural, or rural areas or have a presence of large chain retailers, which makes the lack of small business lending in those tracts reasonable. As previously mentioned, the banking environment in the AA is competitive.

Community Development Lending

The bank makes an adequate level of community development loans in the Fargo AA. During the evaluation period, the bank originated one community development loan in the amount of \$2.3 million that provided financing for the purchase of an affordable housing complex, which is a critical need in the AA.

INVESTMENT TEST

The bank made an adequate level of qualified investments and grants, showing adequate responsiveness to AA needs. During the evaluation period, the bank purchased one new investment security for approximately \$749,350 that helped support affordable housing for seniors in the Fargo AA, which is a need in the AA.

The bank made an adequate level of qualified investments in the form of donations during the evaluation period. Donations in the AA totaled \$17,689 and were made to organizations that provide community services to LMI individuals and families. Of those donations, the bank made donations totaling \$8,460 to an organization focused on fighting poverty, homelessness, and food insecurity in the AA and donations totaling \$3,000 to another organization focused on addressing homelessness. The bank's donations also supported the provision of food (including school lunches and snacks), as well as school supplies for children, and other needs such as emergency shelter and transitional housing.

SERVICE TEST

The bank's delivery systems are readily accessible to all portions of the AA. The bank's services do not vary in a way that inconveniences certain portions of the AA. Additionally, the bank opened a branch in one of the AA's low-income tracts during the evaluation period, which improved the accessibility of the bank's products and services. Finally, the bank provides a limited level of community development services.

Retail Services

Delivery systems in the AA are readily accessible to the bank's geographies and to individuals of different income levels. The bank operates two full-service branches in Fargo, as well as one full-service branch in West Fargo. The bank operates an administrative office in West Fargo.⁶ The bank opened one of the two Fargo branches during the evaluation period; this branch is in a low-income census tract and is less than a mile from two other low-income tracts and two moderate-income tracts. The remaining branches are in middle- and upper-income tracts; however, the West Fargo branch is under a mile away from one moderate-income and one low-income tract. In addition, the Fargo branch located in a middle-income tract is approximately one mile from the nearest moderate-income tract. Two full-service branches have cash-dispensing-only ATMs. The West Fargo full-service branch has a deposit-taking ATM. Two full-service branches have a drive-up with extended weekday hours. The bank's new Fargo branch improved the accessibility of its products and services. Finally, the bank's services do not vary in a way that inconveniences certain individuals or areas.

⁶ The administrative office is represented as "LS" (limited service) in the Geographic Distribution of Branches table.

The following table shows the geographic distribution of branches in this AA.

Geographic Distribution of Branches Fargo AA 2023											
Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	1	25.0%	0	0	0	0				
	DTO	0		0	0	0		5	8.3%	7.7%	10.2%
	LS	0		0	0						
Moderate	Total	0	0.0%	0	0	0	0				
	DTO	0		0	0	0		12	20.0%	22.2%	24.5%
	LS	0		0	0						
Middle	Total	1	25.0%	0	0	1	1	0			
	DTO	0		0	0	0		28	46.7%	49.1%	45.3%
	LS	0		0	0						
Upper	Total	2	50.0%	0	0	1	1	0			
	DTO	0		0	0	0		15	25.0%	20.9%	20.1%
	LS	1		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%
	LS	0		0	0						
<i>Totals</i>	Total	4	100.0%	0	0	2	2	0			
	DTO	0		0	0	0		60	100.0%	100.0%	100.0%
	LS	1		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

Community Development Services

The bank provided a limited level of community development services in the AA. During the evaluation period, two employees provided one service each to an organization that provides community services to LMI children in the AA, specifically fitness programs; these employees served as board members.

METROPOLITAN AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BISMARCK MSA ASSESSMENT AREA

Bank Information. The bank operates two full-service branches in the AA, both in Bismarck. The bank also operates five cash-dispensing-only ATMs in the AA; two of the ATMs are located at Bismarck entities. Both branches have drive-ups with extended weekday hours, and one branch has Saturday drive-up hours. See the Retail Services section for more details.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank has \$189.4 million in deposits in the Bismarck AA, representing 10.8% of the bank's total deposits. The bank ranks 10th of 18 financial institutions operating in the area, with 3.3% of the market's deposits. According to bank management, the bank primarily competes with regional banks and a credit union with offices in the AA. CRA data reporting information also shows large national banks, including credit card lenders, originating a notable market share of small business loans in the AA.

Assessment Area Information. The Bismarck AA consists of Burleigh and Morton counties, which comprise a portion of the Bismarck, ND MSA. The bank has not changed the AA since the previous evaluation; however, the income classification and delineation of some tracts changed based on the 2020 census changes. For the 2021 analysis year, the AA consisted of 24 census tracts: four moderate income, 18 middle income, and two upper income. For the 2022 and 2023 analysis years, the AA consisted of three moderate-, 21 middle-, and two upper-income tracts, for a total of 26 tracts. Both branches are in middle-income tracts. The Standing Rock Indian Reservation is south of the AA, with part of its northern border contiguous to the southern border of Morton County.

The following table provides demographic information for the bank's AA based on the 2023 FFIEC adjusted census data and 2023 D&B data.⁷

2023 Bismarck AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,068	17.9
Moderate	3	11.5	2,767	8.1	137	5.0	6,127	18.0
Middle	21	80.8	27,140	79.9	1,294	4.8	8,667	25.5
Upper	2	7.7	4,070	12.0	0	0.0	13,115	38.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	33,977	100.0	1,431	4.2	33,977	100.0

⁷ The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimate data; it also reflects the OMB revised MSA delineations as applicable.

2023 Bismarck AA Demographics								
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,937	2,846	7.6	47.9	2,353	39.6	738	12.4
Middle	47,185	29,959	80.1	63.5	13,222	28.0	4,004	8.5
Upper	5,104	4,576	12.2	89.7	351	6.9	177	3.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	58,226	37,381	100.0	64.2	15,926	27.4	4,919	8.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	810	11.9	695	11.4	109	20.2	6	4.0
Middle	5,432	79.7	4,900	80.0	397	73.5	135	89.4
Upper	571	8.4	527	8.6	34	6.3	10	6.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,813	100.0	6,122	100.0	540	100.0	151	100.0
Percentage of Total Businesses:				89.9		7.9		2.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	3.3	12	3.3	0	0.0	0	0.0
Middle	330	90.4	326	90.3	4	100.0	0	0.0
Upper	23	6.3	23	6.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	365	100.0	361	100.0	4	100.0	0	0.0
Percentage of Total Farms:				98.9		1.1		0.0
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.								

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the Bismarck, ND MSA for the year of loan origination. The table below shows the estimated income for each year and the range for low-, moderate-, middle-, and upper-income borrowers.

Borrower Income Levels Bismarck, ND MSA											
FFIEC Estimated Median Family Income		Low		Moderate			Middle			Upper	
		0	- 49.99%	50%	-	79.99%	80%	-	119.99%	120%	- & above
2021	\$94,200	0	- \$47,099	\$47,100	-	\$75,359	\$75,360	-	\$113,039	\$113,040	- & above
2022	\$102,600	0	- \$51,299	\$51,300	-	\$82,079	\$82,080	-	\$123,119	\$123,120	- & above
2023	\$109,000	0	- \$54,499	\$54,500	-	\$87,199	\$87,200	-	\$130,799	\$130,800	- & above

For the purposes of classifying census tracts by income level, this evaluation uses FFIEC's adjusted census data median family income for the Bismarck, ND MSA, which was \$80,768, and \$93,359 for 2022 and 2023, respectively.

Population. According to FFIEC adjusted census data, the total population of the AA is 131,749. In the AA, 49.9% of the population is 25 to 64 years of age, 22.2% is 17 and younger, 15.6% is 65 and older, and 8.5% is 18 to 24 years of age. The population growth from 2015 to 2020 in the Bismarck AA is comparable to that of the Bismarck MSA and exceeds the statewide population growth, as shown in the table below.

Bismarck AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Bismarck AA	117,208	131,749	12.4%
Burleigh County, ND	88,223	98,458	11.6%
Morton County, ND	28,985	33,291	14.9%
Bismarck, ND MSA	119,027	133,626	12.3%
North Dakota	721,640	779,094	8.0%
<i>Source: 2011-2015 ACS 2020 U.S. Census Bureau Decennial Census</i>			

Housing Information. According to 2023 adjusted census data, the AA has 58,226 housing units: 64.2% are owner occupied, 27.4% are rental, and 8.5% are vacant. The median age of the housing stock in the AA is 38 years, which is comparable to the median in the Bismarck, ND MSA of 37 years. The median housing value for the AA is \$255,664, and the affordability ratio is 28.4, compared to \$254,870 and 28.6 for the MSA, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater flexibility. This AA ratio suggests that the affordability of housing in the AA is comparable to housing in the Bismarck, ND MSA.

According to bank management, a new construction starter home in the AA is around \$400,000, which many individuals and families cannot afford. A community contact stated that the average home in the AA is between 30 and 40 years old. The area also has some newly constructed housing in response to steady population growth over the past 15 years. According to the contact, there is some affordable housing in the AA. Bank management noted that older one-bedroom rentals are the most affordable in the AA, costing between \$700 and \$800 per month. Bank management noted that as real estate taxes and insurance costs increase, landlords typically pass this cost along to renters through increased rental rates. The contact stated that some rental prices have come down slightly in recent years.

According to the contact, the challenge in coming years will be ensuring the building of starter homes keeps pace with population growth to help limit major price increases.

The table below shows the housing cost burden faced by renters and homeowners in the AA, counties comprising the AA, the Bismarck, ND MSA, and the state of Minnesota. HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. The overall burden for renters in the Bismarck AA is 37.1%, which is comparable to the overall burden for renters in the MSA of 37.2% and slightly higher than the overall burden for renters in statewide North Dakota of 34.1%. Overall, the cost burden for renters and homeowners in the AA is generally comparable to the state's cost burden, with cost burden being highest for homeowners. As shown in the table, low-income renters and homeowners face cost burden that exceeds HUD's threshold.

Bismarck AA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Bismarck AA	71.9%	11.1%	37.1%	45.7%	22.1%	13.3%
Burleigh County, ND	71.2%	10.4%	36.6%	43.8%	26.2%	13.6%
Morton County, ND	73.9%	13.2%	38.6%	50.0%	10.9%	12.4%
Bismarck, ND MSA	71.9%	11.1%	37.2%	45.6%	21.8%	13.3%
North Dakota	67.7%	14.6%	34.1%	48.4%	18.0%	12.8%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

General Economic and Business Characteristics. According to a community contact, the local economy in Bismarck is strong. Bank management described the economy as steady with some softness in the market recently. Primary industries in the AA include manufacturing, government, healthcare, and education. The contact noted that the manufacturing industry and the school system are strengths in the local economy. However, the contact noted that the manufacturing is concentrated in the energy and agriculture sectors; general lack of diversity in the economy, specifically manufacturing, is a drawback.

According to the community contact, unemployment in the AA is very low and has been steady for the past decade. Bank management noted that businesses are looking for workers; however, in the housing industry, some subcontractors are seeking work. As shown in the table below, the unemployment rate in the Bismarck AA was generally comparable to the MSA and state levels.

Bismarck AA Unemployment Rates		
Area	2021	2022
Bismarck AA	2.8%	2.1%
Burleigh County, ND	2.6%	1.9%
Morton County, ND	3.2%	2.5%
Bismarck, ND MSA	2.8%	2.1%
North Dakota	3.1%	2.1%
<i>Source: BLS, Local Area Unemployment Statistics</i>		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BISMARCK MSA ASSESSMENT AREA

The Lending Test performance in the Bismarck AA is good. Lending levels show good responsiveness to AA credit needs. Overall, the bank's borrower and geographic distribution of loans are good. The bank makes an adequate level of community development loans and makes use of flexible loan programs to help meet credit needs. Examiners assigned the most weight to HMDA loans, followed by small business loans. Examiners determined this weighting based on the total number and dollar volume of loans during 2022 and 2023. Examiners did not review small farm and consumer loans due to low lending volume.

The Investment Test performance in the Bismarck AA is adequate. The bank made an adequate level of qualified investments and donations that show adequate responsiveness to credit and community development needs.

Under the Service Test, the bank's delivery systems are readily accessible to all portions of the Bismarck AA and do not vary in a way that inconveniences certain portions of the AA. Additionally, the bank provides a limited level of community development services in the AA.

LENDING TEST

The bank's Lending Test performance in the Bismarck AA is good.

Lending Activity

The bank's lending activity reflects good responsiveness to AA credit needs. For 2022, the bank ranked 17th among 140 HMDA reporters, with 1.6% of originations and purchases. For 2023, the bank ranked 10th among 114 HMDA reporters, with 2.4% of originations and purchases. For 2022, the bank ranked 15th among 63 CRA reporters, with 1.4% of originations and purchases. For 2023, the bank ranked 14th among 58 reporters, with 1.6% of originations and purchases.

During the evaluation period, lending activity in this AA represented 8.8% by number and 13.3% by dollar amount of the bank's overall lending. Within the bank's North Dakota AAs, the lending activity in the Bismarck AA was 14.8% by number and 21.9% by dollar amount of the bank's total lending. This AA ranks third for loan volume, by number, out of the bank's three North Dakota AAs.

Distribution by Borrower Income Level and by Size of Businesses

The bank's distribution of loans among borrowers of different income levels and businesses of different sizes is good.

Residential Real Estate. The bank's HMDA lending to LMI borrowers is adequate. The following tables show the HMDA loan data by income level and product type for 2022 and 2023, as well as aggregate lending and demographic data.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (1 of 2) Bismarck AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	5	12.2	11.0	872	7.9	6.2	3	6.5	10.3	533	3.8	5.5	17.9
Moderate	10	24.4	23.7	2,281	20.6	18.5	3	6.5	23.2	647	4.7	18.0	18.0
Middle	11	26.8	25.4	2,889	26.1	26.2	9	19.6	24.6	2,346	16.9	24.5	25.5
Upper	9	22.0	25.2	3,758	33.9	35.6	19	41.3	26.3	7,750	55.8	37.2	38.6
Unknown	6	14.6	14.6	1,271	11.5	13.5	12	26.1	15.5	2,624	18.9	14.8	0.0
Total	41	100.0	100.0	11,071	100.0	100.0	46	100.0	100.0	13,900	100.0	100.0	100.0
Refinance Loans													
Low	1	10.0	9.8	45	1.3	5.6	0	0.0	12.1	0	0.0	7.4	17.9
Moderate	2	20.0	22.1	561	16.6	17.5	1	14.3	16.9	66	4.0	12.0	18.0
Middle	0	0.0	22.6	0	0.0	22.5	2	28.6	24.2	501	30.1	22.6	25.5
Upper	6	60.0	28.6	2,131	63.1	36.0	0	0.0	29.8	0	0.0	33.4	38.6
Unknown	1	10.0	16.9	641	19.0	18.2	4	57.1	17.1	1,100	66.0	24.6	0.0
Total	10	100.0	100.0	3,378	100.0	100.0	7	100.0	100.0	1,667	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.2	0	0.0	4.0	0	0.0	5.2	0	0.0	2.2	17.9
Moderate	0	0.0	13.8	0	0.0	12.3	0	0.0	15.5	0	0.0	15.1	18.0
Middle	1	50.0	25.2	40	30.8	19.3	0	0.0	27.3	0	0.0	26.4	25.5
Upper	0	0.0	49.0	0	0.0	57.6	0	0.0	48.3	0	0.0	54.0	38.6
Unknown	1	50.0	5.9	90	69.2	6.9	0	0.0	3.7	0	0.0	2.3	0.0
Total	2	100.0	100.0	130	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	6	10.9	9.8	917	6.1	5.9	3	5.7	9.6	533	3.4	5.5	17.9
Moderate	12	21.8	22.0	2,842	19.0	17.9	4	7.5	21.3	713	4.6	17.0	18.0
Middle	13	23.6	24.5	2,966	19.8	25.0	11	20.8	24.7	2,847	18.3	24.1	25.5
Upper	16	29.1	30.0	6,229	41.6	37.0	19	35.8	31.2	7,750	49.8	38.1	38.6
Unknown	8	14.5	13.7	2,002	13.4	14.2	16	30.2	13.2	3,724	23.9	15.2	0.0
Total	55	100.0	100.0	14,956	100.0	100.0	53	100.0	100.0	15,567	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (2 of 2) Bismarck AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Other Purpose LOC													
Low	0	0.0	5.9	0	0.0	2.7	0	0.0	7.4	0	0.0	3.3	17.9
Moderate	0	0.0	17.0	0	0.0	10.6	0	0.0	20.7	0	0.0	10.7	18.0
Middle	0	0.0	22.2	0	0.0	19.9	0	0.0	24.0	0	0.0	22.4	25.5
Upper	0	0.0	49.6	0	0.0	62.5	0	0.0	40.5	0	0.0	58.3	38.6
Unknown	0	0.0	5.2	0	0.0	4.2	0	0.0	7.4	0	0.0	5.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	4.8	0	0.0	4.8	0	0.0	7.2	0	0.0	5.9	17.9
Moderate	0	0.0	19.3	0	0.0	16.0	0	0.0	21.6	0	0.0	16.8	18.0
Middle	1	50.0	22.8	37	9.8	21.1	0	0.0	24.0	0	0.0	19.1	25.5
Upper	1	50.0	50.3	340	90.2	55.9	0	0.0	45.7	0	0.0	55.3	38.6
Unknown	0	0.0	2.8	0	0.0	2.2	0	0.0	1.4	0	0.0	2.9	0.0
Total	2	100.0	100.0	377	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	20.0	0	0.0	15.3	0	0.0	0.0	0	0.0	0.0	17.9
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	18.0
Middle	0	0.0	20.0	0	0.0	15.4	0	0.0	0.0	0	0.0	0.0	25.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	38.6
Unknown	0	0.0	60.0	0	0.0	69.2	0	0.0	100.0	0	0.0	100.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

In 2022, the bank's lending to LMI borrowers was consistent with aggregate lenders' performance. During that year, the bank's lending to low-income borrowers was below demographics, and its lending to moderate-income borrowers slightly exceeded demographics. In 2023, the bank's lending to LMI borrowers was below aggregate lenders' performance and demographics. According to 2023 FFIEC adjusted census data, 17.9% and 18.0% of families in the AA were low and moderate income, respectively.

The bank's HMDA lending to LMI borrowers is adequate given performance context. According to a community contact and bank management, the cost of homes is a challenge in the AA. According to 2023 FFIEC adjusted census data, the median housing value in the AA is \$255,664. Further, bank management noted that a newly constructed starter home in the area is approximately \$400,000. Using the assumption that a borrower can obtain a loan for approximately three times the borrower's annual income, based on the 2023 FFIEC estimated median family income of \$109,000 for the Bismarck MSA, an individual with the highest income in the low-income bracket (\$54,499) could afford a \$163,497 home. Using the same assumption, borrowers with the highest income in the moderate-income bracket (\$87,199) could afford a \$261,597 home. This data suggests that homeownership would likely not be affordable for many low-income borrowers and some moderate-income borrowers.

The bank also faces significant competition for HMDA loans from other financial institutions operating in the AA. In addition, some creditors offer very competitive pricing, terms, and conditions for HMDA loans. Interest rates rose over the evaluation period as well, which can lower affordability for potential borrowers. Lastly, 14.5% and 30.2% of the bank's HMDA loans in 2022 and 2023, respectively, have unknown incomes based on HMDA data reporting requirements; aggregate lenders also reported such loans.

The bank made use of flexible lending programs, which include VA, FHA, NDHFA, and FHLB of Des Moines Native American Homeownership Initiative programs. During the evaluation period, the bank originated loans totaling approximately \$5.9 million through these programs. The bank's use of these programs demonstrates its willingness to meet the credit needs of LMI borrowers. For more information on these flexible lending programs, refer to the Institution section of this evaluation.

Lastly, the bank's 2021 HMDA lending was generally consistent with that of 2022 and 2023.

Small Business. The bank's distribution of small business loans among businesses of different sizes is excellent. The following table shows the small business loan data by revenue and loan size for 2022 and 2023, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses													
Bismarck AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	29	67.4	54.3	4,037	48.4	43.8	32	69.6	56.8	4,560	71.4	45.8	89.9
Over \$1 Million	13	30.2		4,046	48.6		13	28.3		1,580	24.7		7.9
Revenue Unknown	1	2.3		250	3.0		1	2.2		250	3.9		2.2
Total	43	100.0		8,333	100.0		46	100.0		6,390	100.0		100.0
By Loan Size													
\$100,000 or Less	24	55.8	87.7	1,153	13.8	25.9	33	71.7	88.1	1,313	20.5	28.4	
\$100,001 - \$250,000	9	20.9	5.7	1,743	20.9	16.5	6	13.0	6.1	919	14.4	17.9	
\$250,001 - \$1 Million	10	23.3	6.6	5,437	65.2	57.6	7	15.2	5.8	4,158	65.1	53.7	
Total	43	100.0	100.0	8,333	100.0	100.0	46	100.0	100.0	6,390	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	19	65.5		831	20.6		24	75.0		922	20.2		
\$100,001 - \$250,000	5	17.2		978	24.2		3	9.4		390	8.6		
\$250,001 - \$1 Million	5	17.2		2,228	55.2		5	15.6		3,248	71.2		
Total	29	100.0		4,037	100.0		32	100.0		4,560	100.0		
Source: 2023 FFIEC Census Data													
2023 D&B Data													
2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

For both years, the bank's lending to small businesses significantly exceeded aggregate lenders and was below demographics. According to 2022 and 2023 D&B data, 89.9% of businesses in the AA had gross annual revenues of \$1 million or less. The bank originated 55.8% and 71.7% of its small business loans in amounts of \$100,000 or less for 2022 and 2023, respectively, which demonstrates the bank's willingness to lend to small businesses in the AA. Though the bank's performance is below demographics, it can be explained through performance context, primarily competition in the AA for small business loans from local, regional, and national financial institutions. Several national banks reporting small business loans are well-known credit card lenders with significant lending activity in this AA.

To meet credit needs of small businesses in the AA, the bank made use of the SBA's loan programs. During the evaluation period, the bank originated SBA loans totaling \$530,600 in the AA. For more information on flexible lending programs, refer to the Institution section of this evaluation.

Geographic Distribution

The geographic distribution and dispersion of the bank's HMDA and small business lending in the Bismarck AA is good and does not reveal any unexplained gaps in lending. For 2022 and 2023, the AA consisted of three moderate-, 21 middle-, and two upper-income tracts.

Residential Real Estate. The bank's geographic distribution of HMDA loans is good. The tables below show the distribution of the bank's 2022 and 2023 HMDA loans by census tract income level. The tables also include aggregate lending data for each year and demographics.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (1 of 2) Bismarck AA

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	8	19.5	7.9	1,522	13.7	5.6	3	6.5	7.8	759	5.5	5.9	7.6
Middle	24	58.5	76.7	6,409	57.9	72.9	33	71.7	80.5	9,245	66.5	76.6	80.1
Upper	9	22.0	15.4	3,140	28.4	21.4	10	21.7	11.6	3,896	28.0	17.5	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	41	100.0	100.0	11,071	100.0	100.0	46	100.0	100.0	13,900	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	10.0	6.7	45	1.3	4.8	0	0.0	6.7	0	0.0	4.4	7.6
Middle	4	40.0	78.2	779	23.1	73.3	7	100.0	80.9	1,667	100.0	80.5	80.1
Upper	5	50.0	15.1	2,554	75.6	21.8	0	0.0	12.4	0	0.0	15.0	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	10	100.0	100.0	3,378	100.0	100.0	7	100.0	100.0	1,667	100.0	100.0	100.0

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (1 of 2)
Bismarck AA

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	5.6	0	0.0	4.6	0	0.0	5.2	0	0.0	4.6	7.6
Middle	2	100.0	80.1	130	100.0	75.9	0	0.0	80.8	0	0.0	78.7	80.1
Upper	0	0.0	14.4	0	0.0	19.5	0	0.0	14.0	0	0.0	16.6	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	130	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	13.6	0	0.0	10.2	0	0.0	4.0	0	0.0	35.6	10.2
Middle	4	100.0	86.4	25,334	100.0	89.8	1	100.0	96.0	850	100.0	64.4	88.6
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	1.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	25,334	100.0	100.0	1	100.0	100.0	850	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	9	15.3	7.1	1,567	3.9	5.9	3	5.6	6.9	759	4.6	10.4	7.6
Middle	36	61.0	77.3	33,029	82.0	75.1	41	75.9	80.7	11,762	71.6	75.1	80.1
Upper	14	23.7	15.6	5,694	14.1	19.0	10	18.5	12.4	3,896	23.7	14.5	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	59	100.0	100.0	40,290	100.0	100.0	54	100.0	100.0	16,417	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (2 of 2)
Bismarck AA

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Other Purpose LOC													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.0	0	0.0	2.0	0	0.0	4.1	0	0.0	3.3	7.6
Middle	0	0.0	72.6	0	0.0	67.4	0	0.0	80.2	0	0.0	76.3	80.1
Upper	0	0.0	24.4	0	0.0	30.7	0	0.0	15.7	0	0.0	20.3	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.4	0	0.0	2.9	0	0.0	3.8	0	0.0	2.4	7.6
Middle	2	100.0	74.5	377	100.0	76.4	0	0.0	80.3	0	0.0	78.2	80.1
Upper	0	0.0	22.1	0	0.0	20.7	0	0.0	15.9	0	0.0	19.4	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	377	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	16.7	0	0.0	9.6	7.6
Middle	0	0.0	80.0	0	0.0	67.4	0	0.0	83.3	0	0.0	90.4	80.1
Upper	0	0.0	20.0	0	0.0	32.6	0	0.0	0.0	0	0.0	0.0	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

For 2022, the bank's HMDA lending in moderate-income tracts in the AA exceeded aggregate lenders' performance and demographics. In 2023, the bank's HMDA lending in moderate-income tracts was consistent with aggregate lenders' performance and demographics. Over these two years, the bank made loans in all moderate-income tracts, as well as the upper-income tracts and most middle-income tracts; however, the bank did not originate HMDA loans in three middle-income tracts. These tracts with no loans are located in rural areas of the AA where there is likely limited HMDA loan demand. Additionally, the bank faces significant competition in the AA for HMDA loans from other institutions.

Lastly, the bank's 2021 HMDA lending was generally consistent with its 2022 and 2023 HMDA lending.

Small Business. The bank's geographic distribution of small business loans is good. The table below shows the distribution of the bank's 2022 and 2023 small business loans by census tract income level, as well as aggregate lending for each year and demographic data.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Bismarck AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	5	11.6	13.0	687	8.2	16.7	6	13.0	13.2	2,526	39.5	17.5	11.9
Middle	31	72.1	74.7	6,483	77.8	73.6	36	78.3	75.5	3,637	56.9	70.6	79.7
Upper	7	16.3	11.2	1,163	14.0	9.6	4	8.7	10.6	227	3.6	11.8	8.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.2	0	0.0	0.2	0	0.0	0.6	0	0.0	0.1	
Total	43	100.0	100.0	8,333	100.0	100.0	46	100.0	100.0	6,390	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

For both years, the bank's small business lending in moderate-income tracts was consistent with aggregate lenders' performance and demographics. According to 2022 and 2023 D&B data, 11.8% and 11.9%, respectively, of small businesses were in moderate-income tracts. Over these two years, the bank made small business loans in all the moderate- and upper-income tracts and most of the middle-income tracts. The middle-income tracts with no loans are generally rural in nature or located in Bismarck where borrowers have access to numerous creditors. As mentioned, the bank faces competition for small business loans in the AA from local, regional, and national financial institutions.

Community Development Lending

The bank makes an adequate level of community development loans in the Bismarck AA. During the evaluation period, the bank originated two community development loans totaling approximately \$5.3 million. These loans helped finance the land acquisition and construction of a building for a new company that would bring jobs for LMI individuals to the area. These loans helped revitalize and stabilize a moderate-income geography in the AA that was designated as needing economic development. The bank's financing for this project was responsive to community needs.

INVESTMENT TEST

The bank made an adequate level of qualified investments and grants, showing adequate responsiveness to AA needs. The bank did not purchase any new investment securities and did not hold any prior-period investment securities during the evaluation period. Investment opportunities in the AA can be limited by the rural nature of portions of the AA and the number of financial institutions operating in and competing for investments in the AA.

The bank made an adequate level of qualified investments in the form of donations during the evaluation period. Donations in the AA totaled \$13,900 and were made to organizations that provide community services to LMI individuals and families and promote economic development initiatives. The community service-related donations helped support education, provide food, and assist qualified homeowners with ensuring their homes provide adequate shelter.

SERVICE TEST

The bank's delivery systems are readily accessible to all portions of the Bismarck AA. The bank's services do not vary in a way that inconveniences certain portions of the AA. Finally, the bank provides a limited level of community development services.

Retail Services

Delivery systems in the AA are readily accessible to the bank's geographies and to individuals of different income levels. The bank did not open or close any offices in the AA since the previous evaluation. The bank operates two full-service branches in the AA, both in Bismarck. The bank operates five cash-dispensing-only ATMs in the AA. One branch has two ATMs, the other branch has one, and the remaining two are located at Bismarck businesses. Both branches have a drive-up with extended weekday hours, and one branch also has Saturday drive-up hours. Both branches are in middle-income tracts; however, one branch is less than a mile from two of the three moderate-income tracts and the other branch is approximately a mile from the third moderate-income tract. The bank's services do not vary in a way that inconveniences certain individuals or areas.

The following table shows the geographic distribution of branches in this AA.

Geographic Distribution of Branches Bismarck AA											
Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0			0	0.0%	0.0%	0.0%
	LS	0		0	0						
Moderate	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0			3	11.5%	9.8%	11.5%
	LS	0		0	0						
Middle	Total	2	100.0%	0	0	2	2	1	80.8%	81.0%	80.3%
	DTO	0		0	0			21	80.8%	81.0%	80.3%
	LS	0		0	0						
Upper	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0			2	7.7%	9.2%	8.3%
	LS	0		0	0						

**Geographic Distribution of Branches
Bismarck AA**

Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Unknown	Total	0	0.0%	0	0	0	0	0	0	0.0%	0.0%
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%
	LS	0		0	0						
<i>Totals</i>	Total	2	100.0%	0	0	2	2	1	26	100.0%	100.0%
	DTO	0		0	0	0					
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

Community Development Services

The bank provided a limited level of community development services in the AA. During the evaluation period, two employees provided four services to organizations that serve the AA by promoting economic development and providing community services to LMI individuals. The employees served as board members; one also served as a presenter.

MINNESOTA

CRA Rating for Minnesota: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include the following:

- The bank's lending activity in the Minnesota AAs shows good responsiveness to local credit needs.
- Overall, the lending to businesses of different sizes and to LMI borrowers is good.
- Overall, the geographic distribution of loans throughout the AAs is good.
- The bank made an adequate level of community development loans in its Minnesota AAs.
- The bank uses flexible loan programs in its Minnesota AAs.
- The bank has an adequate level of qualified investments in the form of securities and charitable donations, which demonstrates an adequate responsiveness to credit and community development needs.
- Bank retail services are accessible to geographies and residents throughout the AAs. The bank also provides a limited level of community development services in its Minnesota AAs.

SCOPE OF EVALUATION

The scope of the CRA evaluation for Minnesota is consistent with the scope of the overall institution as described earlier in the Institution section. Examiners completed a full-scope review of the Baxter AA and limited-scope reviews of the remaining Minnesota AAs.

Examiners assessed the bank's performance using the following criteria: lending activity, lending to businesses of different sizes and to borrowers of different income levels, geographic distribution of lending, community development lending, innovative and flexible lending practices, qualified investments, retail services, and community development services.

Examiners conducted limited-scope reviews for the Alexandria AA and Eden Prairie MSA AA. Examiners evaluated whether the bank's performance in the nonmetropolitan limited-scope AA (Alexandria) was consistent with its performance in the nonmetropolitan full-scope AA (Baxter). The limited-scope MSA AA (Eden Prairie MSA) was compared against the bank's performance in the state of Minnesota.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNESOTA

Assessment Area Information. During the evaluation period, the bank had three AAs in Minnesota; one in an MSA and two in nonmetropolitan areas of the state. The bank did not add any new Minnesota AAs since the previous evaluation; however, the delineations of the Eden Prairie AA and Alexandria AA broadened. Additional details are in the applicable AA sections.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank ranked 65th among the 309 FDIC-insured institutions in Minnesota, with 0.1% of the state's deposits. The bank has approximately \$396.0 million in deposits in Minnesota, which represents 22.6% of the bank's total deposits.

Two large national banks have 51.9% of the deposit market share in the state. The bank's Minnesota AAs have various types of creditors competing for deposits and loans, including community banks, regional

and national banks, mortgage companies, and credit unions. Credit union deposits are not included in the FDIC Deposit Market Share Report.

Based on 2023 FFIEC adjusted census data, the Minnesota AAs include a total of 736 census tracts: 49 low-, 174 moderate-, 315 middle-, 189 upper-, and nine unknown-income tracts. For 2023, there were no census tracts that were classified as distressed or underserved. A portion of the Leech Lake Reservation is in the bank's Baxter AA.

Population Characteristics. According to the 2023 FFIEC adjusted census data, the total population of the AAs in Minnesota (2,858,224) is 50.1% of the state's population (5,706,494). FFIEC adjusted census data also shows that 70.6% of the households and 74.0% of the families in the AAs live in middle- and upper-income census tracts. Approximately 9.1% of households and 5.9% of families in the AAs are below the poverty level. Most (52.7%) residents in the Minnesota AAs are between the ages of 25 to 64 years old. The remaining age groups are as follows: 22.3% for residents 17 years and younger, 14.5% for residents 65 years and older, and 8.2% for residents aged 18 to 24 years.

General Economic and Housing Characteristics. The economic and housing characteristics of the bank's Minnesota AAs vary. The bank's Baxter and Alexandria AAs include some urban areas but are comprised of significant rural land and lakes. The bank's Eden Prairie AA is urban and part of the Minneapolis-St. Paul-Bloomington, MN-WI MSA. During the evaluation period, economic conditions in the Baxter AA, the full-scope AA, were generally good; unemployment remains low, and businesses need workers. During the evaluation period, home and rental prices in the Baxter AA have remained high. According to a community contact, affordable housing is difficult to obtain. This AA has a notable amount of second homes and vacation properties.

According to 2023 FFIEC census data, there are 1,201,125 housing units in the bank's Minnesota AAs, of which 62.2% are owner occupied, 30.2% are rental, and 7.6% are vacant. The median housing value was \$265,222 for Minnesota AAs; the lowest was \$151,800 in Todd County and the highest was \$292,100 in Hennepin County. The median age of housing stock in Minnesota AAs was 50 years; it was lowest at 33 years in Cass County and highest at 56 years in Ramsey County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

Examiners based the bank's CRA performance in Minnesota on a full-scope review of the Baxter AA and limited-scope reviews of the remaining Minnesota AAs. A detailed discussion of the bank's performance in the full-scope AA and a shorter discussion of the limited-scope AA reviews follow this section. For the limited-scope AAs, Appendix D provides additional information regarding borrower and geographic distribution of loans.

The overall CRA rating for Minnesota is satisfactory based on the bank's performance under the Lending, Investment, and Service Tests. The ratings below primarily reflect the bank's performance in the full-scope AA.

The Lending Test rating is high satisfactory. The bank's lending activity shows good responsiveness to credit needs throughout the bank's Minnesota AAs. Overall, the bank's distribution of HMDA and small business loans by borrower income and revenue size is good. Overall, the geographic distribution of loans is good. Additionally, the bank made an adequate level of community development loans in the Minnesota AAs. Finally, the bank makes use of flexible loan programs in its AAs.

The Investment Test rating is low satisfactory. The bank made an adequate level of qualified investments in the form of securities and charitable donations, showing adequate responsiveness to credit and community development needs.

The Service Test rating is low satisfactory. Delivery systems are accessible to the geographies of the bank's Minnesota AAs and to individuals of different income levels. The bank's business hours and services do not vary in a way that inconveniences certain individuals or areas. Overall, the bank provides a limited level of community development services.

LENDING TEST

The Lending Test rating for Minnesota is high satisfactory.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of its Minnesota AAs. The table below shows the bank's lending in its Minnesota AAs by product type for the evaluation period.

Summary of Lending Activity in the Minnesota AAs				
Loan Type	2022-2023			
	#	%	\$(000)	%
HMDA-Reportable	464	45.2	135,375	64.5
Small Business-Reportable	482	47.0	69,362	33.0
Small Farm-Reportable	50	4.9	4,607	2.2
Consumer Optional-Reportable	30	2.9	717	0.3
Total Loans	1,026	100.0	210,061	100.0

The Minnesota AAs account for 39.7% by number and 38.2% by dollar amount of the bank's lending activity during the evaluation period.

In two of the bank's Minnesota AAs, the bank was typically among the top 10 leading lenders for HMDA and small business loans.

Borrower and Geographic Distributions

Overall, the bank's distribution of loans among borrowers of different income levels and businesses of different sizes is good. The bank extends loans to LMI borrowers and small businesses in the Minnesota AAs. Geographic distribution and dispersion of loans is good and does not reveal any unexplained gaps or patterns. The bank extends loans throughout its AAs, including some LMI tracts.

During the evaluation period, the bank used flexible loan programs totaling approximately \$30.0 million in its Minnesota AAs (primarily certain mortgage loan programs); these loans were included in the overall volume of loans evaluated. Refer to the Institution and Baxter AA sections for specific information.

For a detailed discussion of the borrower and geographic distribution of lending, see the Conclusions with Respect to Performance Tests section for the Baxter AA. The tables in Appendix D show the borrower and geographic distributions of the bank's loans, demographic characteristics, and aggregate lending data for the limited-scope AAs.

Community Development Loans

The bank made an adequate level of community development loans in the Minnesota AAs. This conclusion primarily reflects the bank's performance in the full-scope AA. During the evaluation period, the bank originated three community development loans totaling approximately \$1.6 million that benefitted the Alexandria AA and Eden Prairie AA. In the Alexandria AA, the bank originated one community development loan for \$1 million; this loan supported economic development by financing a project that will create new jobs. In the Eden Prairie AA, the bank originated two community development loans totaling \$550,000; these loans supported the provision of community services for LMI individuals, as well as affordable housing in the AA. The bank did not originate any community development loans in the Baxter AA, which is reasonable given performance context.

INVESTMENT TEST

The bank's Investment Test rating for Minnesota is low satisfactory. This conclusion primarily reflects the bank's performance in the full-scope AA. Overall, the bank has an adequate level of qualified investments in the form of securities and donations, demonstrating adequate responsiveness to credit and community development needs.

During the evaluation period, the bank did not make new non-donation investments in the full-scope AA, which is reasonable given performance context. The bank made two new investments, both in the Eden Prairie MSA AA, totaling \$1.2 million. One of the new investments supports affordable housing and the other investment supports the revitalization and stabilization of an area comprised of LMI tracts. The bank also held three qualified investments totaling approximately \$1.8 million during the evaluation period; approximately \$941,000 benefits the bank's Eden Prairie AA and approximately \$868,000 benefits statewide areas that include the AAs. These investments supported affordable housing. The bank did not make any new or hold any prior-period investments in its Alexandria or Baxter AAs.

Donations. The bank made an adequate level of donations in the Minnesota AAs during the evaluation period. The bank donated \$32,876, which directly benefitted its AAs or regional or statewide areas that include the bank's AAs. The table below shows the distribution of donations by AA, as well as by regional and statewide areas that include the bank's AAs.

Minnesota Qualified Investment Donations		
<i>AA/Region</i>	<i>#</i>	<i>\$</i>
Alexandria	6	4,000
Baxter	9	4,166
Eden Prairie	8	3,202
Regional or Statewide Areas	10	21,508
Total	33	32,876

By number and amount, donations primarily supported organizations that provide community services to LMI people (76.9% and 84.8%, respectively). Many of these donations helped organizations meet basic needs of individuals, such as food or school supplies. The bank also made donations to organizations that supported economic development initiatives, helped revitalize or stabilize moderate-income geographies, and supported affordable housing programs. Overall, the bank's donations show adequate responsiveness to identified community needs.

SERVICE TEST

The Service Test rating for Minnesota is low satisfactory. The bank's delivery systems generally are accessible to all portions of the Minnesota AAs. Branch hours are reasonable and do not vary in a way that inconveniences LMI geographies or individuals. Finally, the bank provides a limited level of community development services to various organizations in its Minnesota AAs.

Retail Banking Services

Generally, the bank's delivery systems are accessible to all portions of the Minnesota AAs, and services do not vary in a way that inconveniences certain geographies or individuals. The bank did not make changes to its branches or ATMs in Minnesota during the evaluation period. As of December 31, 2023, the bank operates eight branches in Minnesota, all of which include drive-up services. Several branches offer weekend and/or extended hours. The bank operates cash-dispensing-only ATMs at seven of its Minnesota branches. Additionally, the bank operates five cash-dispensing-only ATMs at non-branch locations in the state. The table below shows the bank's distribution of branches and drive-up facilities in Minnesota.

Geographic Distribution of Branches State of Minnesota 2023											
Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		49	6.7%	5.7%	4.1%
	LS	0		0	0						
Moderate	Total	1	12.5%	0	0	1	1	1			
	DTO	0		0	0	0		174	23.6%	23.0%	19.5%
	LS	0		0	0						
Middle	Total	5	62.5%	0	0	5	2	4			
	DTO	0		0	0	0		315	42.8%	43.4%	42.6%
	LS	0		0	0						
Upper	Total	2	25.0%	0	0	2	0	0			
	DTO	0		0	0	0		189	25.7%	27.1%	32.9%
	LS	0		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0			
	DTO	0		0	0	0		9	1.2%	0.7%	0.9%
	LS	0		0	0						
Totals	Total	8	100.0%	0	0	8	3	5			
	DTO	0		0	0	0		736	100.0%	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

Community Development Services

Overall, the bank provides a limited level of community development services in the Minnesota AAs. This conclusion primarily reflects the bank's performance in the full-scope AA. The bank provided community development services in the Alexandria AA and Eden Prairie AA; the bank did not provide services in the Baxter AA. The table shows the distribution of community development services by AA as well as regional or statewide areas that include the bank's AAs.

Minnesota Community Development Services	
<i>AA/Region</i>	<i>#</i>
Alexandria	2
Eden Prairie	2
Regional or Statewide Areas	11
Total	15

Bank officers and employees primarily provided their financial expertise to organizations that provide community services to LMI individuals and families. The employees provided financial expertise supporting affordable housing in the Alexandria AA and supporting economic development for one service at the statewide level. Bank employees served in a variety of roles, including board members, treasurer, council member, and presenters.

NONMETROPOLITAN AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BAXTER ASSESSMENT AREA

Bank Information. The bank operates four full-service branches in the Baxter AA, one each in Baxter and Crosslake and two in Nisswa. All branches include cash-dispensing-only ATMs and drive-ups and have Saturday drive-up hours; the Baxter branch and one of the Nisswa branches have extended drive-up hours. The bank also operates five cash-dispensing-only ATMs at businesses in Nisswa. See the Retail Services section for more details.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank has \$201.9 million in deposits in the Baxter AA, representing 11.5% of the bank's total deposits. The bank ranks sixth out of 16 FDIC-insured financial institutions operating in the area, with 8.0% of the market's deposits. According to bank management, the bank primarily competes with local community banks and regional banks. HMDA and CRA data reporting information also shows various creditors, such as large national banks, including credit card lenders and mortgage lenders, originating a notable market share of these loans in the AA.

Assessment Area Information. The Baxter AA consists of the entirety of Cass and Crow Wing counties. The income classification and delineation of some tracts changed based on the 2020 census changes. For the 2021 analysis year, the AA consisted of 26 census tracts: four moderate income, 21 middle income, and one upper income. For the 2022 and 2023 analysis years, the AA consisted of 10 moderate-, 20 middle-, and two upper-income tracts, for a total of 32 tracts. The Baxter branch is in a moderate-income tract, and the other branches are in middle-income tracts. A portion of the Leech Lake Reservation is in northern Cass County, and the AA is contiguous to the Alexandria AA.

The following table provides demographic information for the bank's AA based on the 2023 FFIEC adjusted census data and 2023 D&B data.⁸

2023 Baxter AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,522	21.2
Moderate	10	31.3	8,697	33.4	1,076	12.4	5,425	20.8
Middle	20	62.5	16,068	61.7	913	5.7	5,606	21.5
Upper	2	6.3	1,298	5.0	0	0.0	9,510	36.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	32	100.0	26,063	100.0	1,989	7.6	26,063	100.0

⁸ The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimate data; it also reflects the OMB revised MSA delineations as applicable.

2023 Baxter AA Demographics								
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	22,524	9,844	31.0	43.7	5,546	24.6	7,134	31.7
Middle	43,541	20,224	63.7	46.4	3,186	7.3	20,131	46.2
Upper	2,359	1,667	5.3	70.7	387	16.4	305	12.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	68,424	31,735	100.0	46.4	9,119	13.3	27,570	40.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,846	32.8	1,673	32.2	125	38.3	48	42.5
Middle	3,460	61.4	3,226	62.1	172	52.8	62	54.9
Upper	329	5.8	297	5.7	29	8.9	3	2.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,635	100.0	5,196	100.0	326	100.0	113	100.0
Percentage of Total Businesses:				92.2		5.8		2.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	75	38.7	74	38.7	1	50.0	0	0.0
Middle	117	60.3	115	60.2	1	50.0	1	100.0
Upper	2	1.0	2	1.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	194	100.0	191	100.0	2	100.0	1	100.0
Percentage of Total Farms:				98.5		1.0		0.5
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.								

Income. For purposes of classifying borrower income, this evaluation uses the FFIEC's estimated median family income for the nonmetropolitan areas of Minnesota for the year of loan origination. The table below shows the estimated income for each year and the range for low-, moderate-, middle-, and upper-income borrowers.

Baxter AA Borrower Income Levels Non-MSA Minnesota					
FFIEC Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2021	\$72,400	0 - \$36,199	\$36,200 - \$57,919	\$57,920 - \$86,879	\$86,880 - & above
2022	\$83,600	0 - \$41,799	\$41,800 - \$66,879	\$66,880 - \$100,319	\$100,320 - & above
2023	\$90,400	0 - \$45,199	\$45,200 - \$72,319	\$72,320 - \$108,479	\$108,480 - & above

For the purposes of classifying census tracts by income level, this evaluation uses FFIEC's adjusted census data median family income for the nonmetropolitan areas of Minnesota, which was \$63,045 for 2021, and \$74,737 for 2022 and 2023.

Population. According to FFIEC adjusted census data, the total population of the AA is 96,189. In the AA, 47.6% of the population is 25 to 64 years of age, 21.0% is 17 and younger, 23.1% is 65 and older, and 6.3% is 18 to 24 years of age. The table below notes the population changes in the AA since 2015. The population growth from 2015 to 2020 in the Baxter AA is comparable to that of the state and exceeds population growth in the nonmetropolitan areas of the state.

Baxter AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Baxter AA	91,567	96,189	5.0%
Cass County, MN	28,519	30,066	5.4%
Crow Wing County, MN	63,048	66,123	4.9%
NonMSA Minnesota	1,243,105	1,259,719	1.3%
Minnesota	5,419,171	5,706,494	5.3%
<i>Source: 2011-2015 ACS 2020 U.S. Census Bureau Decennial Census</i>			

Housing Information. According to 2023 adjusted census data, the AA has 68,424 housing units: 46.4% are owner occupied, 40.3% are vacant, and 13.3% are rental. Many vacant housing units are likely second or vacation homes. The median age of the housing stock is 39 years, which is lower than the statewide median of 43 years. The median housing value for the AA is \$206,514 and the affordability ratio is 27.5, compared to \$235,700 and 31.1 for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater flexibility. This AA ratio suggests that the housing in the AA is more affordable than housing in other areas of the state.

Bank management stated that because the AA is a retirement and vacation destination, many of the single-family homes in the AA are very expensive. According to a community contact, there is a shortage of affordable housing in the AA; newly constructed homes are expensive, and existing homes typically need repairs. According to the contact, the average price of a home in the AA is between \$350,000 and \$400,000, which is impacted by high-priced lake homes; excluding lake homes, the average price of a home in the AA is between \$250,000 and \$300,000.

The table below shows the housing cost burden faced by renters and homeowners by geography and income level in the AA, counties comprising the AA, nonmetropolitan areas of Minnesota, and the state of Minnesota. HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Overall, the cost burden for renters and homeowners in the AA is generally comparable to the state's cost burden, with cost burden being highest for homeowners. As shown in the table, low-income renters and homeowners as well as some moderate-income homeowners face cost burden that exceeds HUD's threshold.

Baxter AA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Baxter AA	64.4%	28.7%	37.8%	58.6%	29.8%	20.5%
Cass County, MN	56.6%	29.8%	31.9%	58.2%	26.3%	21.9%
Crow Wing County, MN	67.2%	28.3%	40.1%	58.9%	31.8%	19.8%
NonMSA Minnesota	64.2%	20.8%	37.1%	55.5%	24.1%	17.1%
Minnesota	71.3%	25.6%	40.7%	59.4%	26.7%	16.7%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i> <i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

General Economic and Business Characteristics. According to bank management, local economic conditions are good. The primary industries in the AA include tourism, healthcare, government, agriculture, manufacturing, and education. Brainerd is a sought-after retirement and summer vacation location, which draws wealthier individuals and families to the area; as a result, the AA is somewhat insulated from the negative impacts of inflation. According to a community contact, many of the area's lower-income residents have retail and seasonal employment.

As shown in the table below, the unemployment rate in the Baxter AA was slightly higher than the state level over the evaluation period. Unemployment rates increased in 2020 due to the onset of the pandemic and have since declined. According to bank management and a community contact, unemployment in the AA is low, and there is significant demand for workers. However, bank management noted that the seasonality of the tourism sector means that many workers are laid off in the winter.

Baxter AA Unemployment Rates		
Area	2021	2022
Baxter AA	4.5%	3.5%
Cass County, MN	4.9%	4.2%
Crow Wing County, MN	4.4%	3.2%
NonMSA Minnesota	3.9%	3.1%
Minnesota	3.8%	2.7%
<i>Source: BLS, Local Area Unemployment Statistics</i>		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BAXTER ASSESSMENT AREA

The Lending Test performance in the Baxter AA is good. Lending levels show good responsiveness to AA credit needs. Overall, borrower and geographic distribution are good. The bank did not make community development loans in the AA, which is adequate given performance context. The bank uses flexible loan programs to help meet credit needs. Examiners assigned the most weight to HMDA loans, followed by small business loans. Examiners determined this weighting based on the total number and dollar volume of loans during 2022 and 2023. Examiners did not review small farm and consumer loans due to low lending volume.

The Investment Test performance in the Baxter AA is adequate. The bank made an adequate level of qualified investments, including donations, that show adequate responsiveness to credit and community development needs.

Under the Service Test, delivery systems are accessible to all portions of the AA and do not vary in a way that inconveniences certain portions of the AA. Additionally, the bank's community development services in the AA are limited. During the evaluation period, the bank did not provide community development services in the AA.

LENDING TEST

The bank's Lending Test performance in the Baxter AA is good.

Lending Activity

The bank's lending activity reflects good responsiveness to AA credit needs. In 2022, the bank ranked fourth among 276 HMDA reporters, with 4.3% of originations and purchases. In 2023, the bank ranked third among 235 HMDA reporters, with 5.5% of originations and purchases. The bank ranked sixth for originations and purchases in 2022 (with 6.2% market share) and 2023 (with 6.3% market share) among 60 and 56 CRA data reporters, respectively.

During the evaluation period, lending activity in this AA represented 22.3% by number and 19.1% by dollar amount of the bank's overall lending. Within the bank's Minnesota AAs, the lending activity in the Baxter AA was 52.6% by number and 45.0% by dollar amount of the bank's total lending.

Distribution by Borrower Income Level and by Size of Businesses

The bank's distribution of loans among borrowers of different income levels and businesses of different sizes is good.

Residential Real Estate. The bank's HMDA lending to LMI borrowers is good. The following tables show the HMDA loan data by income level and product type for 2022 and 2023. The tables also include aggregate lending data for those years and demographics for families at various income levels.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (1 of 2) Baxter AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Home Purchase Loans													
Low	7	7.3	5.7	977	3.8	2.7	5	6.2	6.8	489	2.3	2.8	21.2
Moderate	20	20.8	17.1	3,934	15.4	9.9	18	22.2	17.7	3,129	14.5	10.4	20.8
Middle	17	17.7	17.0	4,077	16.0	13.1	17	21.0	21.1	3,970	18.4	16.0	21.5
Upper	38	39.6	43.0	11,873	46.6	57.0	33	40.7	43.4	11,041	51.1	59.1	36.5
Unknown	14	14.6	17.2	4,629	18.2	17.3	8	9.9	11.0	2,990	13.8	11.6	0.0
Total	96	100.0	100.0	25,490	100.0	100.0	81	100.0	100.0	21,619	100.0	100.0	100.0
Refinance Loans													
Low	5	14.3	9.0	544	8.5	3.9	4	14.3	9.7	174	3.8	4.5	21.2
Moderate	13	37.1	21.9	2,247	35.0	13.4	5	17.9	20.9	755	16.7	14.6	20.8
Middle	9	25.7	21.1	1,753	27.3	16.9	2	7.1	21.2	288	6.4	18.9	21.5
Upper	7	20.0	38.2	1,790	27.9	52.7	8	28.6	37.2	1,550	34.3	50.2	36.5
Unknown	1	2.9	9.7	81	1.3	13.2	9	32.1	11.0	1,757	38.8	11.9	0.0
Total	35	100.0	100.0	6,415	100.0	100.0	28	100.0	100.0	4,524	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.1	0	0.0	1.7	1	20.0	6.6	11	2.7	2.7	21.2
Moderate	0	0.0	16.6	0	0.0	7.8	0	0.0	21.9	0	0.0	10.9	20.8
Middle	1	16.7	21.2	30	6.9	15.0	1	20.0	17.8	15	3.7	10.0	21.5
Upper	3	50.0	53.4	299	68.9	72.7	3	60.0	51.2	380	93.6	70.8	36.5
Unknown	2	33.3	4.7	105	24.2	2.8	0	0.0	2.5	0	0.0	5.6	0.0
Total	6	100.0	100.0	434	100.0	100.0	5	100.0	100.0	406	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	12	8.7	6.7	1,521	4.7	3.0	10	8.4	7.0	674	2.5	3.1	21.2
Moderate	34	24.6	18.2	6,208	19.2	10.6	25	21.0	18.3	4,006	14.9	10.8	20.8
Middle	27	19.6	18.7	5,860	18.1	14.0	22	18.5	21.0	4,401	16.4	16.2	21.5
Upper	48	34.8	42.9	13,962	43.1	57.1	45	37.8	44.2	13,023	48.5	58.7	36.5
Unknown	17	12.3	13.5	4,815	14.9	15.3	17	14.3	9.5	4,747	17.7	11.2	0.0
Total	138	100.0	100.0	32,366	100.0	100.0	119	100.0	100.0	26,851	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level (2 of 2)													
Baxter AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Other Purpose LOC													
Low	0	0.0	5.0	0	0.0	2.8	0	0.0	3.1	0	0.0	1.7	21.2
Moderate	0	0.0	13.3	0	0.0	4.8	0	0.0	15.3	0	0.0	6.9	20.8
Middle	0	0.0	16.7	0	0.0	11.1	0	0.0	28.6	0	0.0	19.4	21.5
Upper	0	0.0	61.7	0	0.0	78.8	0	0.0	49.0	0	0.0	68.3	36.5
Unknown	0	0.0	3.3	0	0.0	2.5	0	0.0	4.1	0	0.0	3.8	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	6.6	0	0.0	1.7	0	0.0	5.4	0	0.0	4.1	21.2
Moderate	1	100.0	9.4	27	100.0	3.3	2	40.0	13.2	122	40.4	4.5	20.8
Middle	0	0.0	22.6	0	0.0	6.9	2	40.0	20.9	128	42.4	17.0	21.5
Upper	0	0.0	56.6	0	0.0	79.8	1	20.0	58.1	52	17.2	70.3	36.5
Unknown	0	0.0	4.7	0	0.0	8.4	0	0.0	2.3	0	0.0	4.1	0.0
Total	1	100.0	100.0	27	100.0	100.0	5	100.0	100.0	302	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	21.2
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	20.8
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	21.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	36.5
Unknown	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

In 2022 and 2023, the bank's lending to low-income borrowers was consistent with aggregate lenders' performance and below demographics. In 2022, the bank's lending to moderate-income borrowers exceeded aggregate lenders' performance and demographics, and in 2023, the bank's lending to moderate-income borrowers was consistent with aggregate lenders' activity and demographics. According to 2023 FFIEC adjusted census data, 21.2% of families in the AA were low income and 20.8% were moderate income. As previously mentioned, the AA is a retirement and vacation destination that draws higher-income individuals and families; the AA includes many second homes. Also, a community contact noted a shortage of affordable housing. The contact noted that the average home price in the area is \$250,000 to \$300,000, and that the average home price is even higher when factoring in lake homes. These prices suggest that homes would not be affordable for many LMI individuals. Lastly, various types of creditors

compete for and extend loans in the AA, including national banks, regional banks, credit unions, and mortgage companies.

To meet credit needs of LMI residents in the AA, the bank made use of VA and FHA loan programs. During the evaluation period, the bank originated FHA and VA loans totaling approximately \$11.8 million. The bank's use of these programs demonstrates its willingness to meet the credit needs of LMI borrowers. For more information on these flexible lending programs, refer to the Institution section of this evaluation.

Lastly, the bank's 2021 HMDA lending was generally consistent with its 2022 and 2023 HMDA lending.

Small Business. The distribution of small business loans among businesses of different sizes is excellent. The following tables show the small business loan data by revenue and loan size for 2022 and 2023, as well as aggregate lending data and demographics.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses														
Baxter AA														
	Bank And Aggregate Loans By Year												Total Businesses %	
	2022						2023							
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg		
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%		
By Revenue														
\$1 Million or Less	83	70.3	52.7	9,849	62.5	45.6	68	67.3	55.2	5,261	46.0	36.4	92.2	
Over \$1 Million	35	29.7		5,922	37.5		31	30.7		5,971	52.3		5.8	
Revenue Unknown	0	0.0		0	0.0		2	2.0		193	1.7		2.0	
Total	118	100.0		15,771	100.0		101	100.0		11,425	100.0		100.0	
By Loan Size														
\$100,000 or Less	74	62.7	90.8	2,915	18.5	32.5	77	76.2	92.6	3,505	30.7	42.3		
\$100,001 - \$250,000	27	22.9	4.9	4,564	28.9	18.4	10	9.9	4.2	1,625	14.2	18.6		
\$250,001 - \$1 Million	17	14.4	4.3	8,292	52.6	49.1	14	13.9	3.2	6,295	55.1	39.1		
Total	118	100.0	100.0	15,771	100.0	100.0	101	100.0	100.0	11,425	100.0	100.0		
By Loan Size and Revenues \$1 Million or Less														
\$100,000 or Less	54	65.1		1,863	18.9		59	86.8		2,553	48.5			
\$100,001 - \$250,000	19	22.9		3,268	33.2		4	5.9		672	12.8			
\$250,001 - \$1 Million	10	12.0		4,718	47.9		5	7.4		2,036	38.7			
Total	83	100.0		9,849	100.0		68	100.0		5,261	100.0			
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS														
Note: Percentages may not total 100.0 percent due to rounding.														

For both years, the bank's lending to small businesses significantly exceeded aggregate lenders' activity and was below demographics. According to 2022 and 2023 D&B data, 92.3% and 92.2%, respectively, of businesses in the AA had gross annual revenues of \$1 million or less. The bank originated 62.7% and

76.2% of its small business loans in amounts of \$100,000 or less in 2022 and 2023, respectively, demonstrating a willingness to lend to small businesses in the AA. The bank's competition for small business loans in this AA includes community and regional banks, as well as national banks. Several of the national banks are well-known credit card lenders with more significant lending activity in this AA than other small business reporters in this AA.

To help meet credit needs of small businesses in the AA, the bank made use of an SBA loan program. During the evaluation period, the bank originated SBA loans in the AA totaling approximately \$213,000. For more information on flexible lending programs, refer to the Institution section of this evaluation.

Geographic Distribution

Overall, the geographic distribution and dispersion of the bank's HMDA and small business lending in the Baxter AA is good and does not reveal any unexplained gaps in lending. For 2022 and 2023, the AA consisted of 10 moderate-, 20 middle-, and two upper-income tracts.

Residential Real Estate. The geographic distribution of HMDA loans is good. The tables below show the distribution of the bank's 2022 and 2023 HMDA loans by census tract income level. The tables also include aggregate lending data for each year and demographics.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (1 of 2) Baxter AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	28	29.2	31.3	5,079	19.9	22.5	25	30.9	32.9	4,935	22.8	22.2	31.0
Middle	60	62.5	62.4	18,285	71.7	71.5	49	60.5	62.9	14,479	67.0	73.7	63.7
Upper	8	8.3	6.3	2,126	8.3	6.0	7	8.6	4.2	2,205	10.2	4.0	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	96	100.0	100.0	25,490	100.0	100.0	81	100.0	100.0	21,619	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	11	31.4	26.1	1,923	30.0	18.4	9	32.1	23.3	922	20.4	16.6	31.0
Middle	17	48.6	68.5	3,141	49.0	76.8	17	60.7	73.0	3,083	68.1	81.3	63.7
Upper	7	20.0	5.5	1,351	21.1	4.8	2	7.1	3.7	519	11.5	2.0	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	35	100.0	100.0	6,415	100.0	100.0	28	100.0	100.0	4,524	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	33.3	18.7	105	24.2	13.1	3	60.0	25.2	255	62.8	17.3	31.0
Middle	4	66.7	76.7	329	75.8	82.7	2	40.0	65.7	151	37.2	75.8	63.7
Upper	0	0.0	4.7	0	0.0	4.3	0	0.0	9.1	0	0.0	6.9	5.3

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (1 of 2)													
Baxter AA													
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	434	100.0	100.0	5	100.0	100.0	406	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	58.3	0	0.0	25.5	0	0.0	60.0	0	0.0	64.9	64.2
Middle	1	100.0	25.0	624	100.0	7.5	0	0.0	40.0	0	0.0	35.1	30.1
Upper	0	0.0	16.7	0	0.0	67.0	0	0.0	0.0	0	0.0	0.0	5.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	624	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	41	29.5	28.0	7,107	21.5	20.5	39	32.8	29.7	6,240	23.2	20.9	31.0
Middle	83	59.7	66.0	22,406	67.9	72.0	71	59.7	65.4	17,887	66.6	75.2	63.7
Upper	15	10.8	6.0	3,477	10.5	7.5	9	7.6	4.8	2,724	10.1	3.9	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	139	100.0	100.0	32,990	100.0	100.0	119	100.0	100.0	26,851	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (2 of 2)													
Baxter AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Other Purpose LOC													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	13.3	0	0.0	11.2	0	0.0	25.5	0	0.0	13.9	31.0
Middle	0	0.0	77.5	0	0.0	81.6	0	0.0	66.3	0	0.0	79.3	63.7
Upper	0	0.0	9.2	0	0.0	7.2	0	0.0	8.2	0	0.0	6.8	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	17.9	0	0.0	6.3	2	40.0	24.0	128	42.4	13.7	31.0
Middle	1	100.0	79.2	27	100.0	91.6	3	60.0	70.5	174	57.6	83.6	63.7

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography (2 of 2)													
Baxter AA													
Upper	0	0.0	2.8	0	0.0	2.1	0	0.0	5.4	0	0.0	2.7	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	27	100.0	100.0	5	100.0	100.0	302	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	41.7	0	0.0	36.9	0	0.0	33.3	0	0.0	7.4	31.0
Middle	0	0.0	50.0	0	0.0	63.0	0	0.0	66.7	0	0.0	92.6	63.7
Upper	0	0.0	8.3	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	5.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

In 2022, the bank's HMDA lending by number in moderate-income tracts was consistent with aggregate lenders' performance and demographics. In 2023, the bank's HMDA lending by number exceeded aggregate lenders' performance and was consistent with demographics. Over these two years, the bank made loans in all moderate-income tracts, as well as the upper-income tracts; however, the bank did not originate HMDA loans in one middle-income tract. This middle-income tract is a heavily wooded, rural area with lakes and 63.7% of its housing units are vacant (likely vacation homes). Some areas of the AA are quite rural; however, some small communities have offices of other banks that may be more likely to serve residents given the residents' proximity to those offices. As previously mentioned, various creditors compete for HMDA loans in the AA. Lastly, the bank's 2021 HMDA lending in the moderate-income tracts was below aggregate lenders' performance and demographics. Aggregate lenders' performance was also below demographics.

Small Business. The geographic distribution of small business loans is adequate. The table below shows the distribution of the bank's 2022 and 2023 small business loans by census tract income level, as well as aggregate lending data for each year and demographics.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography													
Baxter AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	18	15.3	25.7	3,273	20.8	26.2	13	12.9	25.2	1,246	10.9	25.2	32.8
Middle	72	61.0	63.7	9,143	58.0	57.9	70	69.3	64.6	7,854	68.7	62.3	61.4
Upper	28	23.7	8.7	3,355	21.3	15.4	18	17.8	8.9	2,325	20.4	12.2	5.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography												
Baxter AA												
Tract-Unk	0	0.0	1.9	0	0.0	0.6	0	0.0	1.3	0	0.0	0.3
Total	118	100.0	100.0	15,771	100.0	100.0	101	100.0	100.0	11,425	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>												

For both years, the bank's small business lending to moderate-income borrowers was below aggregate lenders' performance and demographics. According to D&B data, 32.7% and 32.8% of small businesses were in moderate-income tracts in 2022 and 2023, respectively. Over these two years, the bank made loans in all but three moderate-income tracts. In that timeframe, the bank also made loans in all upper-income tracts and all but five middle-income tracts. According to bank management, some of these areas are heavily wooded, rural areas with lakes; these tracts would not likely have significant small business loan demand. Some of these tracts are also not close to the bank's offices. Lastly, one of the moderate-income tracts with no loans is in Brainerd where other banks are located.

Community Development Lending

The bank did not make any community development loans in the Baxter AA during the evaluation period, which is adequate. The bank's lack of lending in the AA is reasonable given performance context. The community development lending opportunities in the AA can be limited by the rural nature of many areas of the AA and the number of financial institutions operating in the AA.

INVESTMENT TEST

The bank made an adequate level of qualified investments and grants, showing adequate responsiveness to AA needs. The bank did not purchase any new investment securities and did not hold any prior-period investment securities during the evaluation period. Like community development lending, investment opportunities in the AA can be limited by the rural nature of many areas of the AA and the number of financial institutions operating in the AA.

The bank made an adequate level of qualified investments in the form of donations during the evaluation period. Donations in the AA totaled \$4,166. The bank's donations supported organizations that provide community services to LMI individuals and families, such as clothing and food, and that revitalize or stabilize moderate-income geographies.

SERVICE TEST

The bank's delivery systems are accessible to all portions of the Baxter AA. The bank's services do not vary in a way that inconveniences certain portions of the AA. Finally, the bank did not provide community development services in the AA, which is adequate.

Retail Services

Delivery systems in the AA are accessible to the bank's geographies and to individuals of different income levels. The bank did not open or close any offices in the AA since the previous evaluation. The bank operates four full-service branches in the Baxter AA. One branch is in a moderate-income tract and less than a mile from two other moderate-income tracts. The remaining three branches are in middle-income tracts. The bank

operates cash-dispensing-only ATMs and drive-ups at each branch, as well as five cash-dispensing-only ATMs at businesses in Nisswa. All branches have Saturday drive-up hours, and the Baxter branch and one of the Nisswa branches have extended drive-up hours. The bank's services do not vary in a way that inconveniences certain individuals or areas.

The following table shows the geographic distribution of branches in this AA.

Geographic Distribution of Branches Baxter AA 2023											
Tract Income Levels	BRANCHES							DEMOGRAPHICS			
	Total Branches		Opened	Closed*	Drive Thru	Extended Hours	Weekend Hours	Census Tracts		Households	Total Businesses
	#	%	#	#	#	#	#	#	%	%	%
Low	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%
	LS	0		0	0						
Moderate	Total	1	25.0%	0	0	1	1	1	31.3%	37.7%	33.0%
	DTO	0		0	0	0		10	31.3%	37.7%	33.0%
	LS	0		0	0						
Middle	Total	3	75.0%	0	0	3	1	3	62.5%	57.3%	61.4%
	DTO	0		0	0	0		20	62.5%	57.3%	61.4%
	LS	0		0	0						
Upper	Total	0	0.0%	0	0	0	0	0	6.3%	5.0%	5.7%
	DTO	0		0	0	0		2	6.3%	5.0%	5.7%
	LS	0		0	0						
Unknown	Total	0	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%
	DTO	0		0	0	0		0	0.0%	0.0%	0.0%
	LS	0		0	0						
<i>Totals</i>	Total	4	100.0%	0	0	4	2	4	100.0%	100.0%	100.0%
	DTO	0		0	0	0		32	100.0%	100.0%	100.0%
	LS	0		0	0						

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows.

*Closed branches are only included in the "Closed" columns and are not included in any other totals.

LPOs not included in totals.

Community Development Services

The bank's community development services in the AA are limited. The bank did not provide community development services in the AA during the evaluation period. Service opportunities in the AA can be limited by the rural nature of many areas of the AA and the number of financial institutions operating in the AA.

NONMETROPOLITAN AREA LIMITED-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ALEXANDRIA, MINNESOTA ASSESSMENT AREA

The bank operates three full-service branches in this AA, two of which include ATMs. The Alexandria AA includes Douglas, Otter Tail, and Todd counties in west-central Minnesota. At the previous evaluation, the AA consisted of all of Douglas County, two census tracts in Otter Tail County, and three census tracts in Todd County. This AA is contiguous to the bank's Fargo and Baxter AAs. The bank did not open or close any branches in this AA during the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ALEXANDRIA ASSESSMENT AREA

Examiners determined the bank's lending test,⁹ investment test, and service test performance in this AA is consistent with the performance in the full-scope nonmetropolitan AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NONMETROPOLITAN AREAS OF MINNESOTA

The facts and data examiners reviewed, including performance and demographic information, can be found in Appendix D accompanying this report. In addition, the Minnesota section of the report shows the bank's community development lending, qualified investments and donations, as well as community development services for each AA. Conclusions regarding performance of the nonmetropolitan limited-scope AA, which did not affect the overall state rating, are shown in the table below.

Performance in the Limited-Scope Review Nonmetropolitan Minnesota AA			
<i>AA</i>	<i>Lending Test</i>	<i>Investment Test</i>	<i>Service Test</i>
Alexandria	Consistent	Consistent	Consistent

⁹ Examiners did not include the bank's small farm loans in the analysis because they are not a major business line for this AA.

METROPOLITAN AREA LIMITED-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE EDEN PRAIRIE MSA, MINNESOTA ASSESSMENT AREA

The bank operates one full-service branch in this AA, which includes an ATM. The Eden Prairie MSA AA includes the entirety of Anoka, Dakota, Hennepin, and Ramsey counties. These counties are a portion of the Minneapolis-St. Paul-Bloomington, MN-WI MSA. At the previous evaluation, the AA included just Hennepin County. The bank did not open or close any branches in this AA during the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE EDEN PRAIRIE MSA ASSESSMENT AREA

Examiners determined the bank's lending test¹⁰ performance in this AA is below the performance in the state of Minnesota primarily based on lending activity and the borrower and geographic distribution of loans. The bank's investment test and service test performance in this AA is consistent with the performance in the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN METROPOLITAN AREAS OF MINNESOTA

The facts and data examiners reviewed, including performance and demographic information, can be found in Appendix D accompanying this report. In addition, the Minnesota section of the report shows the bank's community development lending, qualified investments and donations, as well as community development services for each AA. Conclusions regarding performance of the metropolitan limited-scope AA, which did not affect the overall state rating, are shown in the table below.

Performance in the Limited-Scope Review Metropolitan Minnesota AA			
<i>AA</i>	<i>Lending Test</i>	<i>Investment Test</i>	<i>Service Test</i>
Eden Prairie MSA	Below	Consistent	Consistent

¹⁰ Examiners did not include the bank's HMDA and small farm loans in the analysis because they are not major business lines for this AA.

SOUTH DAKOTA METROPOLITAN AREA – FULL-SCOPE REVIEW

CRA Rating for South Dakota: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include the following:

- Lending activity in South Dakota shows adequate responsiveness to local credit needs of the bank's AA.
- The lending to businesses of different sizes is adequate.
- Overall, the geographic distribution of loans throughout the bank's AA is adequate.
- The bank makes an adequate level of community development loans in its AA.
- The bank has an adequate level of qualified investments, which are responsive to credit and community development needs.
- Bank retail services are accessible to businesses throughout the bank's AA. The bank provides a limited level of community development services in the area.

SCOPE OF EVALUATION

The scope of the CRA evaluation for South Dakota is consistent with the scope for the overall institution described earlier in the Institution section. Examiners completed a full-scope review of the Sioux Falls MSA AA, which is the bank's only AA in South Dakota. This AA has been added since the previous evaluation. Since there is only one AA, examiners discuss the statewide performance concurrently with the AA.

Examiners assessed the bank's performance for South Dakota and the Sioux Falls MSA AA using the following criteria: lending activity, lending to businesses of different sizes, geographic distribution of lending, community development lending, innovative and flexible lending practices, qualified investments, retail services, and community development services. Examiners did not review small farm, consumer, or HMDA loans due to low lending volume.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SIOUX FALLS MSA ASSESSMENT AREA

Bank Information. In this AA, the bank operates one full-service branch office, which also has a cash-dispensing-only ATM. The bank's office is located in a low-income tract. See the Service Test section for more details on the bank's retail services.

According to the June 30, 2023, FDIC Deposit Market Share Report, the bank ranked 34th among 36 FDIC-insured institutions operating in the AA. The bank has a very small market share in the AA, with less than one percent of the deposit market share and \$4.9 million in deposits. The bank has 0.3% of its overall deposits in the AA. The AA is very competitive with many other financial institutions operating in the area.

Assessment Area Information. The AA consists of Lincoln and Minnehaha counties in South Dakota. In late 2021, the bank converted its existing Sioux Falls loan production office to a full-service branch, which required the establishment of a new AA under Regulation BB. The AA is comprised of two low-, 15 moderate-, 30 middle-, 12 upper-, and one unknown-income census tracts.

The following table provides demographic information for this AA, based on the 2023 FFIEC adjusted census data and 2023 D&B data.¹¹

2023 Sioux Falls MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	3.3	922	1.5	89	9.7	11,598	18.5
Moderate	15	25.0	12,276	19.6	1,562	12.7	11,250	17.9
Middle	30	50.0	34,199	54.5	1,388	4.1	15,455	24.6
Upper	12	20.0	15,126	24.1	210	1.4	24,450	39.0
Unknown	1	1.7	230	0.4	51	22.2	0	0.0
Total AA	60	100.0	62,753	100.0	3,300	5.3	62,753	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,153	719	1.1	22.8	2,165	68.7	269	8.5
Moderate	26,582	11,779	18.2	44.3	12,170	45.8	2,633	9.9
Middle	54,236	36,248	56.1	66.8	15,442	28.5	2,546	4.7
Upper	19,525	15,916	24.6	81.5	3,251	16.7	358	1.8
Unknown	1,104	0	0.0	0.0	1,104	100.0	0	0.0
Total AA	104,600	64,662	100.0	61.8	34,132	32.6	5,806	5.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	848	7.6	724	7.2	116	11.3	8	6.1
Moderate	2,779	24.9	2,350	23.5	408	39.9	21	16.0
Middle	4,972	44.5	4,549	45.5	340	33.2	83	63.4
Upper	2,231	20.0	2,096	20.9	116	11.3	19	14.5
Unknown	332	3.0	289	2.9	43	4.2	0	0.0
Total AA	11,162	100.0	10,008	100.0	1,023	100.0	131	100.0
Percentage of Total Businesses:				89.7		9.2		1.2

¹¹ The FFIEC adjusted census data is based on decennial U.S. Census data and ACS five-year estimated data; it also reflects changes in the 2020 OMB revised MSA delineations.

2023 Sioux Falls MSA AA Demographics								
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.2	1	0.2	0	0.0	0	0.0
Moderate	19	3.2	18	3.1	1	10.0	0	0.0
Middle	491	82.5	481	82.4	9	90.0	1	100.0
Upper	83	13.9	83	14.2	0	0.0	0	0.0
Unknown	1	0.2	1	0.2	0	0.0	0	0.0
Total AA	595	100.0	584	100.0	10	100.0	1	100.0
Percentage of Total Farms:				98.2		1.7		0.2
<i>Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

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. The table below shows the estimated income for the year of loan origination and the range for low-, moderate-, middle-, and upper-income borrowers.

Borrower Income Levels Sioux Falls MSA AA												
FFIEC Estimated Median Family Income		Low		Moderate			Middle			Upper		
		0	- 49.99%	50%	- 79.99%	80%	- 119.99%	120%	- & above			
2021	\$82,500	0	- \$41,249	\$41,250	- \$65,999	\$66,000	- \$98,999	\$99,000	- & above			
2022	\$90,700	0	- \$45,349	\$45,350	- \$72,559	\$72,560	- \$108,839	\$108,840	- & above			
2023	\$102,500	0	- \$51,249	\$51,250	- \$81,999	\$82,000	- \$122,999	\$123,000	- & above			

Housing Information. According to 2023 FFIEC adjusted census data, the AA has 104,600 housing units: 61.8% are owner occupied, 32.6% are rental units, and 5.6% are vacant. The median age of housing stock is 38 years, which is lower than the statewide median of 43 years. The median housing value is \$211,820, and the affordability ratio is 31.8%, compared to \$174,600 and 34.3% for the state, respectively. The affordability ratio is the median household income divided by the median housing value. A higher ratio indicates greater affordability. Therefore, the AA's lower affordability ratio suggests that housing there is less affordable than in other areas of the state.

Bank management stated that the average price for a starter home in the AA is between \$300,000 and \$350,000, which is higher than prices were several years ago. Though there are starter and luxury homes starting at approximately \$750,000 available in the AA, homes priced in between are limited. Apartments for rent in the AA are available, and one-bedroom units, for example, are priced anywhere between \$700 and \$1,400, depending on the area.

The table below shows the housing cost burden faced by renters and homeowners in the Sioux Falls MSA AA. HUD defines cost-burdened families as follows: those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Overall, the housing cost burden for LMI renters is higher in the AA than in the greater statewide area. Moderate-income homeowners are also more cost burdened in the AA than in the state.

Sioux Falls MSA AA 2023 Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Sioux Falls MSA AA	76.3%	20.4%	36.3%	54.3%	29.9%	13.4%
Lincoln County, SD	78.5%	43.0%	35.7%	60.5%	34.2%	13.7%
Minnehaha County, SD	76.0%	15.7%	36.4%	52.9%	28.8%	13.2%
Sioux Falls, SD MSA	75.1%	20.0%	35.8%	53.9%	29.0%	13.4%
South Dakota	64.5%	18.3%	33.4%	54.0%	23.8%	15.2%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i> <i>Source: HUD, 2016-2020 Comprehensive Housing Affordability Strategy</i>						

General Economic and Business Characteristics. Management stated that the economy in the AA is strong and concentrated in the healthcare and financial services sectors. The AA has experienced steady growth over the past two decades, which has placed some strain on infrastructure and housing. Wages in the AA have increased over the past couple of years, which is attributable to increased demand for workers and businesses offering higher wages to attract and retain workers.

Bank management stated that demand for credit in 2021 was strong but that it has slowed in recent years due to increasing interest rates. Bank management stated there are many financial institutions operating in the AA.

Bank management stated that unemployment in the AA is low and has remained stable over the past several years. As shown in the table below, unemployment in the Sioux Falls MSA AA generally is comparable to the state's rate.

Sioux Falls MSA AA Unemployment Rates		
Area	2021	2022
Sioux Falls MSA AA	2.4%	1.8%
Lincoln County, SD	2.1%	1.6%
Minnehaha County, SD	2.4%	1.9%
Sioux Falls, SD MSA	2.4%	1.8%
South Dakota	2.6%	2.1%
<i>Source: BLS, Local Area Unemployment Statistics</i>		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SIOUX FALLS MSA ASSESSMENT AREA

The Lending Test performance in the Sioux Falls MSA AA is adequate, and the overall state rating is Low Satisfactory. Lending levels show adequate responsiveness to AA credit needs. Overall, borrower distribution and geographic distribution is adequate. The bank made an adequate level of community development loans given performance context. The bank exhibits an adequate record of serving the credit needs in the AA. Examiners did not review HMDA and small farm loans because of the low volume.

The Investment Test performance in the Sioux Falls MSA AA is adequate, and the overall state rating is Low Satisfactory. The bank made adequate use of qualified investments in the form of securities and donations. The bank's qualified investments were in the form of donations only.

The Service Test performance in the Sioux Falls MSA AA is adequate, and the overall state rating is Low Satisfactory. Retail services are accessible to the businesses throughout the AA. Business hours and services are reasonable and do not vary in a way that inconveniences certain individuals or areas. The bank provides a limited level of community development services in the AA.

LENDING TEST

The bank's Lending Test performance in the Sioux Falls MSA AA is adequate.

Lending Activity

The bank's lending activity reflects adequate responsiveness to AA credit needs. During the evaluation period, lending activity in this AA represented 1.3% by number and 1.0% by dollar amount of the bank's total lending. Overall, this is currently a new and limited volume AA for the bank.

For small business loans, the bank ranked 45th among 92 lenders reporting CRA data in the AA, with less than 1% of the originations and purchases in 2022. In 2023, the bank ranked 31st among 88 lenders reporting CRA data in the AA with less than 1% of the originations and purchases.

Distribution by Size of Businesses

Small Business. The distribution of small business loans among businesses of different sizes is adequate. The following tables show the small business loan data by revenue and loan size for 2022 and 2023. The tables also include information for aggregate lenders, for comparison.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses Sioux Falls MSA AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	\$%	#	##	##	\$(000)	%	\$%	
By Revenue													
\$1 Million or Less	6	100.0	52.2	1,151	100.0	38.9	13	76.5	53.8	1,147	65.3	34.3	89.7
Over \$1 Million	0	0.0		0	0.0		4	23.5		610	34.7		9.2
Revenue Unknown	0	0.0		0	0.0		0	0.0		0	0.0		1.2
Total	6	100.0		1,151	100.0		17	100.0		1,757	100.0		100.0
By Loan Size													
\$100,000 or Less	4	66.7	84.5	199	17.3	21.8	12	70.6	85.6	398	22.7	24.6	
\$100,001 - \$250,000	0	0.0	7.0	0	0.0	15.9	3	17.6	6.8	574	32.7	16.7	
\$250,001 - \$1 Million	2	33.3	8.5	952	82.7	62.3	2	11.8	7.6	785	44.7	58.7	
Total	6	100.0	100.0	1,151	100.0	100.0	17	100.0	100.0	1,757	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	4	66.7		199	17.3		9	69.2		188	16.4		
\$100,001 - \$250,000	0	0.0		0	0.0		3	23.1		574	50.0		
\$250,001 - \$1 Million	2	33.3		952	82.7		1	7.7		385	33.6		
Total	6	100.0		1,151	100.0		13	100.0		1,147	100.0		
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS													
Note: Percentages may not total 100.0 percent due to rounding.													

For 2022, the bank's lending to small businesses exceeded aggregate lenders and demographics; however, the data only included six loans, which makes trend analysis challenging. For 2023, the bank's lending to small businesses exceeded aggregate lenders but was below demographics. According to 2022 and 2023 demographic data, 89.8% and 89.7% of businesses in the AA are small, respectively. For the same years, the bank made 100.0% and 76.5% of its loans to small businesses. The bank's data shows its willingness to meet the needs of smaller businesses as it made most of its loans in amounts of less than \$100,000.

The bank did not use innovative and flexible lending programs in the AA during the evaluation period.

Geographic Distribution

Small Business. The geographic distribution of small business loans is adequate. The AA includes two low- and 15 moderate-income census tracts. The table below shows the distribution of the bank's 2022 and 2023 small business loans by census tract income level.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Sioux Falls MSA AA													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%		%
Low	0	0.0	4.9	0	0.0	5.8	3	17.6	5.7	23	1.3	8.5	7.6
Moderate	2	33.3	23.7	84	7.3	29.3	2	11.8	23.9	324	18.4	29.8	24.9
Middle	1	16.7	46.0	15	1.3	43.1	7	41.2	45.8	865	49.2	39.6	44.5

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Sioux Falls MSA AA													
Upper	3	50.0	22.8	1,052	91.4	19.4	4	23.5	22.4	540	30.7	19.9	20.0
Unknown	0	0.0	2.2	0	0.0	2.3	1	5.9	1.9	5	0.3	2.2	3.0
Tract-Unk	0	0.0	0.5	0	0.0	0.1	0	0.0	0.3	0	0.0	0.0	
Total	6	100.0	100.0	1,151	100.0	100.0	17	100.0	100.0	1,757	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													

In 2022, the bank did not make any loans in the AA's two low-income tracts and 14 of the 15 moderate-income tracts. In 2023, the bank made small business loans in both low-income tracts and two of the 15 moderate-income tracts. According to bank management, the Sioux Falls MSA AA is still a relatively new market and staffed by a small team, which helps to explain the low lending volume in the AA and the lack of lending in most of the AA's census tracts. However, the data does show willingness to lend in LMI tracts.

Community Development Lending

The bank did not make any community development loans in the Sioux Falls MSA AA during the evaluation period. As mentioned, the bank's presence in the AA is new as of 2021, which helps to explain a lack of community development lending during the evaluation period. The AA is also very competitive with numerous financial institutions operating in the Sioux Falls area, which could limit community development lending opportunities.

INVESTMENT TEST

The bank made an adequate level of qualified investments in the form of donations, but it did not make any investments in the form of securities, bonds, or innovative investments. During the evaluation period, the bank did not make any investments in the AA in the form of securities or bonds; however, because of the bank's limited lending activity during the evaluation period and the significant number of competing financial institutions in the AA, the bank's lack of investments is reasonable.

The bank made an adequate level of qualified investments in the form of donations in the AA. During the evaluation period, the bank made three donations in the AA for approximately \$1,850 to organizations that provide community services to LMI individuals and families and promote economic development. In addition, the bank made three donations for \$1,375 in the greater statewide area and two regional donations for \$800. These donations supported community service and economic development organizations.

Overall, given the new and limited presence in this AA, the level of activity is adequate.

SERVICE TEST

The delivery systems are accessible to businesses throughout the AA. The bank's hours and services do not vary in a way that inconveniences certain individuals or areas. Additionally, the bank provides a limited level of community development services.

Retail Services

Delivery systems are accessible to businesses throughout the AA. The bank operates one full-service branch with a cash-dispensing-only ATM in the AA. The branch is in a low-income census tract in downtown Sioux Falls, which helps serve businesses in that area. The branch does not offer extended or weekend hours. While the bank does not staff mortgage lenders at the Sioux Falls branch, but the branch has originated some mortgage loans with the assistance of mortgage lenders from other branches.

Community Development Services

The bank provides a limited level of community development services in the AA. During the evaluation period, one bank employee provided two services that benefited a regional area including the AA and another employee provided two services that had statewide benefit.

CRA APPENDIX A

Scope of Evaluation

SCOPE OF EVALUATION FOR LENDING ACTIVITY March 15, 2022, through December 31, 2023	
<i>FINANCIAL INSTITUTION</i>	<i>PRODUCTS REVIEWED</i>
First Western Bank & Trust	Small business loans Small farm loans HMDA loans
<i>AFFILIATES</i>	<i>PRODUCTS REVIEWED</i>
Not applicable	Not applicable
SCOPE OF EVALUATION FOR COMMUNITY DEVELOPMENT ACTIVITY	
March 15, 2022, through December 31, 2023	

LIST OF AAs AND TYPE OF EVALUATION			
<i>AA</i>	<i>TYPE OF EVALUATION</i>	<i>BRANCHES VISITED*</i>	<i>OTHER INFORMATION</i>
Baxter, Minnesota	Full scope	None	None
Bismarck MSA, North Dakota	Full scope	None	None
Fargo MSA, North Dakota	Full scope	None	None
Minot, North Dakota	Full scope	None	None
Sioux Falls MSA, South Dakota	Full scope	None	None
Eden Prairie MSA, Minnesota	Limited scope	None	None
Alexandria, Minnesota	Limited scope	None	None
*There is a statutory requirement that the written evaluation of multi-state institution's performance must list the individual branches examined in each state. "Branches visited" indicates where technical compliance with the CRA (signs, public file, etc.) was confirmed. The evaluation of the institution's CRA performance takes into consideration activity from all branch locations, as described in the Scope of Examination section of the report.			

CRA APPENDIX B

Summary of State Ratings

<i>State</i>	<i>Lending Test Rating</i>	<i>Investment Test Rating</i>	<i>Service Test Rating</i>	<i>Overall State Rating</i>
South Dakota	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
North Dakota	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Minnesota	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

CRA 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/AA.

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/AA.

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.)

CRA APPENDIX D

Lending and Demographic Tables for Limited-Scope Reviews

2023 Alexandria AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,941	17.5
Moderate	2	5.6	2,130	6.3	213	10.0	6,481	19.1
Middle	30	83.3	27,126	79.8	1,558	5.7	8,129	23.9
Upper	4	11.1	4,721	13.9	110	2.3	13,426	39.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	36	100.0	33,977	100.0	1,881	5.5	33,977	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,263	2,467	6.1	57.9	1,294	30.4	502	11.8
Middle	57,877	32,138	79.5	55.5	9,252	16.0	16,487	28.5
Upper	8,717	5,822	14.4	66.8	418	4.8	2,477	28.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	70,857	40,427	100.0	57.1	10,964	15.5	19,466	27.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	583	8.8	521	8.7	52	11.8	10	6.6
Middle	5,171	78.4	4,709	78.4	339	77.2	123	81.5
Upper	843	12.8	777	12.9	48	10.9	18	11.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,597	100.0	6,007	100.0	439	100.0	151	100.0
Percentage of Total Businesses:				91.1		6.7		2.3

2023 Alexandria AA Demographics								
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	43	5.6	42	5.5	1	20.0	0	0.0
Middle	637	83.4	631	83.4	4	80.0	2	100.0
Upper	84	11.0	84	11.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	764	100.0	757	100.0	5	100.0	2	100.0
Percentage of Total Farms:				99.1		0.7		0.3
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.								

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography – Table 1 of 2 Alexandria AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.6	0	0.0	4.1	0	0.0	9.2	0	0.0	5.8	6.1
Middle	46	66.7	80.8	10,742	60.3	80.6	39	60.0	77.0	9,244	52.4	76.6	79.5
Upper	23	33.3	12.5	7,060	39.7	15.3	26	40.0	13.8	8,407	47.6	17.6	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	69	100.0	100.0	17,802	100.0	100.0	65	100.0	100.0	17,651	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	7.5	0	0.0	3.8	0	0.0	5.8	0	0.0	2.5	6.1
Middle	11	61.1	75.6	1,758	47.3	75.0	9	81.8	81.8	2,335	92.0	85.3	79.5
Upper	7	38.9	16.8	1,957	52.7	21.2	2	18.2	12.4	202	8.0	12.2	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	18	100.0	100.0	3,715	100.0	100.0	11	100.0	100.0	2,537	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	2.7	0	0.0	1.1	1	50.0	6.1	25	50.0	3.3	6.1
Middle	0	0.0	78.2	0	0.0	77.8	1	50.0	76.2	25	50.0	78.3	79.5
Upper	1	100.0	19.1	350	100.0	21.1	0	0.0	17.6	0	0.0	18.4	14.4

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography – Table 1 of 2 Alexandria AA													
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	350	100.0	100.0	2	100.0	100.0	50	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	14.3	0	0.0	1.0	0	0.0	0.0	0	0.0	0.0	12.7
Middle	2	100.0	85.7	22,153	100.0	99.0	0	0.0	100.0	0	0.0	100.0	85.0
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	2.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	22,153	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.7	0	0.0	3.8	1	1.2	8.1	25	0.1	4.9	6.1
Middle	60	65.9	78.5	34,672	78.7	79.6	52	64.2	77.6	12,019	58.2	78.7	79.5
Upper	31	34.1	14.8	9,367	21.3	16.7	28	34.6	14.4	8,609	41.7	16.4	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	91	100.0	100.0	44,039	100.0	100.0	81	100.0	100.0	20,653	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography – Table 2 of 2 Alexandria AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Other Purpose LOC													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	7.1	0	0.0	2.8	0	0.0	6.6	0	0.0	3.2	6.1
Middle	0	0.0	74.3	0	0.0	76.3	0	0.0	75.9	0	0.0	77.4	79.5
Upper	0	0.0	18.6	0	0.0	20.9	0	0.0	17.5	0	0.0	19.3	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.3	0	0.0	1.2	0	0.0	9.0	0	0.0	4.2	6.1
Middle	1	100.0	75.8	19	100.0	81.5	3	100.0	71.2	415	100.0	75.0	79.5

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography – Table 2 of 2
Alexandria AA

Upper	0	0.0	20.9	0	0.0	17.3	0	0.0	19.8	0	0.0	20.8	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	19	100.0	100.0	3	100.0	100.0	415	100.0	100.0	100.0
Purpose Not Applicable													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	13.6	0	0.0	12.3	0	0.0	0.0	0	0.0	0.0	6.1
Middle	0	0.0	77.3	0	0.0	76.7	0	0.0	100.0	0	0.0	100.0	79.5
Upper	0	0.0	9.1	0	0.0	11.0	0	0.0	0.0	0	0.0	0.0	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level – Table 1 of 2
Alexandria AA

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	7	10.1	8.5	998	5.6	4.1	6	9.2	11.9	725	4.1	5.7	17.5
Moderate	11	15.9	19.9	1,921	10.8	13.0	16	24.6	20.9	2,996	17.0	14.1	19.1
Middle	19	27.5	18.4	4,881	27.4	15.8	18	27.7	20.7	4,377	24.8	18.8	23.9
Upper	25	36.2	34.0	8,355	46.9	50.5	20	30.8	30.6	8,106	45.9	46.8	39.5
Unknown	7	10.1	19.2	1,647	9.3	16.6	5	7.7	15.8	1,447	8.2	14.7	0.0
Total	69	100.0	100.0	17,802	100.0	100.0	65	100.0	100.0	17,651	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	12.3	0	0.0	5.9	4	36.4	15.3	404	15.9	7.2	17.5
Moderate	6	33.3	21.0	798	21.5	14.9	0	0.0	21.7	0	0.0	16.3	19.1
Middle	7	38.9	23.3	1,373	37.0	20.1	2	18.2	23.4	444	17.5	22.3	23.9
Upper	4	22.2	34.5	1,444	38.9	47.1	4	36.4	31.4	1,636	64.5	45.0	39.5
Unknown	1	5.6	9.0	100	2.7	11.9	1	9.1	8.3	53	2.1	9.3	0.0
Total	18	100.0	100.0	3,715	100.0	100.0	11	100.0	100.0	2,537	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.8	0	0.0	3.0	0	0.0	8.2	0	0.0	3.2	17.5
Moderate	0	0.0	15.4	0	0.0	12.3	1	50.0	17.2	25	50.0	10.0	19.1
Middle	0	0.0	17.6	0	0.0	11.0	1	50.0	25.8	25	50.0	20.7	23.9

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level – Table 1 of 2
Alexandria AA

Upper	1	100.0	54.8	350	100.0	66.0	0	0.0	44.3	0	0.0	57.0	39.5
Unknown	0	0.0	7.4	0	0.0	7.6	0	0.0	4.5	0	0.0	9.1	0.0
Total	1	100.0	100.0	350	100.0	100.0	2	100.0	100.0	50	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	7	7.9	9.3	998	4.6	4.5	11	13.6	11.5	1,179	5.7	5.6	17.5
Moderate	18	20.2	19.8	2,738	12.5	13.3	17	21.0	20.6	3,021	14.6	14.2	19.1
Middle	26	29.2	19.9	6,254	28.6	16.8	21	25.9	22.2	4,846	23.5	19.2	23.9
Upper	30	33.7	36.3	10,149	46.4	50.5	26	32.1	33.3	10,107	48.9	47.8	39.5
Unknown	8	9.0	14.7	1,747	8.0	14.9	6	7.4	12.4	1,500	7.3	13.3	0.0
Total	89	100.0	100.0	21,886	100.0	100.0	81	100.0	100.0	20,653	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level – Table 2 of 2
Alexandria AA

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	#	#%	#%	\$(000)	%	\$%	
Other Purpose LOC													
Low	0	0.0	5.7	0	0.0	2.8	0	0.0	5.1	0	0.0	1.9	17.5
Moderate	0	0.0	16.4	0	0.0	7.2	0	0.0	19.0	0	0.0	10.8	19.1
Middle	0	0.0	18.6	0	0.0	15.1	0	0.0	21.9	0	0.0	11.1	23.9
Upper	0	0.0	52.1	0	0.0	67.4	0	0.0	48.2	0	0.0	67.5	39.5
Unknown	0	0.0	7.1	0	0.0	7.4	0	0.0	5.8	0	0.0	8.7	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt													
Low	0	0.0	5.5	0	0.0	1.5	1	33.3	8.1	50	12.0	3.0	17.5
Moderate	1	100.0	23.1	19	100.0	11.6	0	0.0	23.4	0	0.0	14.8	19.1
Middle	0	0.0	19.8	0	0.0	10.2	0	0.0	28.8	0	0.0	21.7	23.9
Upper	0	0.0	46.2	0	0.0	66.2	2	66.7	33.3	365	88.0	54.3	39.5
Unknown	0	0.0	5.5	0	0.0	10.5	0	0.0	6.3	0	0.0	6.2	0.0
Total	1	100.0	100.0	19	100.0	100.0	3	100.0	100.0	415	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 ACS

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Alexandria AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	#%	\$(000)	\$%	\$%	#	%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	8.0	0	0.0	11.4	0	0.0	8.9	0	0.0	15.1	8.8
Middle	41	59.4	73.0	6,597	74.7	70.3	54	68.4	74.3	4,820	62.0	65.6	78.4
Upper	28	40.6	17.4	2,236	25.3	17.8	25	31.6	16.2	2,959	38.0	19.1	12.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.5	0	0.0	0.5	0	0.0	0.6	0	0.0	0.2	
Total	69	100.0	100.0	8,833	100.0	100.0	79	100.0	100.0	7,779	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses Alexandria AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	50	72.5	55.0	5,143	58.2	40.2	60	75.9	56.7	3,404	43.8	37.9	91.1
Over \$1 Million	17	24.6		3,683	41.7		19	24.1		4,375	56.2		6.7
Revenue Unknown	2	2.9		7	0.1		0	0.0		0	0.0		2.3
Total	69	100.0		8,833	100.0		79	100.0		7,779	100.0		100.0
By Loan Size													
\$100,000 or Less	49	71.0	90.9	2,083	23.6	31.0	60	75.9	91.2	2,182	28.0	36.7	
\$100,001 - \$250,000	9	13.0	4.6	1,424	16.1	17.1	11	13.9	5.2	1,591	20.5	20.3	
\$250,001 - \$1 Million	11	15.9	4.5	5,326	60.3	51.9	8	10.1	3.6	4,006	51.5	43.0	
Total	69	100.0	100.0	8,833	100.0	100.0	79	100.0	100.0	7,779	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	39	78.0		1,690	32.9		54	90.0		1,873	55.0		
\$100,001 - \$250,000	6	12.0		933	18.1		5	8.3		663	19.5		
\$250,001 - \$1 Million	5	10.0		2,520	49.0		1	1.7		868	25.5		
Total	50	100.0		5,143	100.0		60	100.0		3,404	100.0		
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

2023 Eden Prairie AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	49	7.3	34,888	5.6	9,223	26.4	129,020	20.8
Moderate	162	24.3	129,389	20.9	12,856	9.9	111,376	18.0
Middle	265	39.7	259,385	41.9	9,813	3.8	136,861	22.1
Upper	183	27.4	193,730	31.3	3,843	2.0	241,782	39.1
Unknown	9	1.3	1,647	0.3	233	14.1	0	0.0
Total AA	668	100.0	619,039	100.0	35,968	5.8	619,039	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	67,976	21,308	3.2	31.3	42,337	62.3	4,331	6.4
Moderate	246,748	129,677	19.2	52.6	106,145	43.0	10,926	4.4
Middle	432,855	297,804	44.1	68.8	119,017	27.5	16,034	3.7
Upper	305,708	225,308	33.4	73.7	67,518	22.1	12,882	4.2
Unknown	8,557	724	0.1	8.5	7,249	84.7	584	6.8
Total AA	1,061,844	674,821	100.0	63.6	342,266	32.2	44,757	4.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	6,014	4.5	5,378	4.5	576	4.9	60	5.1
Moderate	26,081	19.6	23,405	19.5	2,500	21.2	176	14.9
Middle	52,782	39.7	47,610	39.7	4,751	40.2	421	35.6
Upper	46,638	35.1	42,273	35.3	3,848	32.6	517	43.7
Unknown	1,271	1.0	1,133	0.9	129	1.1	9	0.8
Total AA	132,786	100.0	119,799	100.0	11,804	100.0	1,183	100.0
Percentage of Total Businesses:				90.2		8.9		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	19	1.8	19	1.8	0	0.0	0	0.0
Moderate	102	9.4	95	9.0	5	25.0	2	50.0
Middle	506	46.7	497	46.9	8	40.0	1	25.0

2023 Eden Prairie AA Demographics								
Upper	450	41.6	442	41.7	7	35.0	1	25.0
Unknown	6	0.6	6	0.6	0	0.0	0	0.0
Total AA	1,083	100.0	1,059	100.0	20	100.0	4	100.0
Percentage of Total Farms:				97.8		1.8		0.4
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.								

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Eden Prairie AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
Low	0	0.0	4.5	0	0.0	2.9	0	0.0	4.2	0	0.0	3.0	4.5
Moderate	1	2.0	15.4	488	4.7	14.0	8	12.3	15.7	1,279	8.4	16.1	19.6
Middle	21	42.0	31.5	3,963	38.5	31.0	22	33.8	31.5	6,368	41.7	30.2	39.7
Upper	28	56.0	47.0	5,838	56.7	50.6	35	53.8	47.2	7,618	49.9	49.6	35.1
Unknown	0	0.0	1.6	0	0.0	1.5	0	0.0	1.4	0	0.0	1.1	1.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	50	100.0	100.0	10,289	100.0	100.0	65	100.0	100.0	15,265	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses Eden Prairie AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	15	30.0	48.0	2,999	29.1	27.8	28	43.1	48.9	6,421	42.1	27.1	90.2
Over \$1 Million	35	70.0		7,290	70.9		37	56.9		8,844	57.9		8.9
Revenue Unknown	0	0.0		0	0.0		0	0.0		0	0.0		0.9
Total	50	100.0		10,289	100.0		65	100.0		15,265	100.0		100.0
By Loan Size													
\$100,000 or Less	24	48.0	92.9	1,206	11.7	32.2	29	44.6	92.6	1,454	9.5	32.0	
\$100,001 - \$250,000	13	26.0	3.3	1,837	17.9	14.1	18	27.7	3.3	3,300	21.6	13.7	
\$250,001 - \$1 Million	13	26.0	3.9	7,246	70.4	53.7	18	27.7	4.1	10,511	68.9	54.3	
Total	50	100.0	100.0	10,289	100.0	100.0	65	100.0	100.0	15,265	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	7	46.7		198	6.6		13	46.4		550	8.6		
\$100,001 - \$250,000	3	20.0		499	16.6		7	25.0		1,406	21.9		
\$250,001 - \$1 Million	5	33.3		2,302	76.8		8	28.6		4,465	69.5		
Total	15	100.0		2,999	100.0		28	100.0		6,421	100.0		
Source: 2023 FFIEC Census Data 2023 D&B Data 2016-2020 ACS Note: Percentages may not total 100.0 percent due to rounding.													