

# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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## Public Disclosure

January 10, 2000

## Community Reinvestment Act Performance Evaluation

The First National Bank in Sioux Falls  
Charter Number: 3393

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Sioux Falls, South Dakota 57104

Office of the Comptroller of the Currency

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**NOTE:** This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## Table of Contents

<b>General Information</b> .....	1
<b>Definitions and Common Abbreviations</b> .....	2
<b>Overall CRA Rating</b> .....	5
<b>Description of Institution</b> .....	6
<b>Scope of Evaluation</b> .....	7
<b>Fair Lending Review</b> .....	9
<b>Conclusions with Respect to Performance Tests</b>	
Lending Test .....	10
Investment Test .....	16
Service Test.....	17
<b>Appendix A: Scope of Evaluation</b> .....	A-1
<b>Appendix B: Market Profiles for Area Receiving A Full-Scope Review</b> .....	B-1
<b>Appendix C: Tables of Performance Data</b> .....	C-1

## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **The First National Bank in Sioux Falls, Sioux Falls, South Dakota** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **January 10, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

**Geography** - A census tract or a block numbering area 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 such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

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

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated "**Satisfactory.**"

The following table indicates the performance level of **The First National Bank in Sioux Falls (FNB)** with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- < FNB demonstrates an excellent responsiveness to the credit needs of small businesses and small farms. FNB ranks first among area lenders in providing credit to both small businesses and small farms with a 35% market share for small business and a 41% market share for small farm lending.
- < The bank's lending by borrower income level is good. Of FNB's reported loans, 73% of business loans and 94% of farm loans were originated to entities with revenues of \$1 million or less. The distribution of home purchase and home improvement loans by income level is also good, particularly to low- and moderate-income borrowers.
- < FNB demonstrates good penetration in moderate-income census tracts for small business and small farm loans and adequate penetration for home mortgage loans.
- < FNB has a good level of qualified investments. Investments support the economic development of industrial-use areas and the rehabilitation of affordable housing in the Sioux Falls MSA. Community contacts state these are identified community development needs.
- < FNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area. FNB officers provide a good level of community development services throughout the assessment area.

## Description of Institution

The First National Bank in Sioux Falls (FNB), located in Sioux Falls, South Dakota is one of two banks that are wholly owned subsidiaries of Minnehaha Bancshares, Inc., a \$550 million holding company.

The bank offers a full range of commercial, agricultural, real estate and consumer credit products. FNB's primary business focus is to serve the credit needs of small and medium commercial and agri-businesses in the Sioux Falls MSA. The bank has a trust department and operates its own computer center. FNB is an intrastate bank with twelve branches throughout the Sioux Falls MSA. The main office and eight branches are located within the City of Sioux Falls and there is one branch in each of the rural communities of Baltic, Brandon, Dell Rapids and Valley Springs. FNB opened one new branch in Sioux Falls in 1998. The main office and one branch office are located in moderate-income census tracts. There are no low-income census tracts in the assessment area. The bank owns 59 automated teller machines (ATMs) in the Sioux Falls MSA and 14 ATMs in the Rapid City, South Dakota MSA.

FNB has two delineated assessment areas: the Sioux Falls, South Dakota MSA and the Rapid City, South Dakota MSA. The Sioux Falls MSA is a delineated assessment area because that is where all of its full service banking offices and the majority of its proprietary ATMs are located. The Rapid City MSA is a delineated assessment area because the bank has two deposit-taking ATMs located in Rapid City. We did not evaluate the Rapid City MSA because none of the bank's deposits or loans are attributed to this assessment area.

There are no impediments that constrain FNB's ability to help meet the credit needs of its assessment areas. As of December 31, 1999, FNB had \$533 million in total assets. The bank's loan-to-deposit ratio was 88% with gross loans representing 65% of total assets. The loan portfolio comprised the following types of credit: 55% commercial, 23% residential real estate, 10% agricultural, 7% consumer and 5% other. Tier 1 Capital totaled \$47 million. For years ending 1998 and 1999, FNB had net income of \$4.3 million and \$2.9 million, respectively.

At the previous CRA evaluation dated September 12, 1997, FNB received a rating of "Satisfactory."



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed FNB's CRA activities using the Lending, Investment, and Service Tests for large banks. These tests assess the bank's record of helping to meet community credit needs, making community development investments, and providing services throughout the assessment area (AA).

**Lending Test:** The lending test focused on home mortgage, small business and small farm loans for the period from January 2, 1997 through December 31, 1998. Although we had used data through July 1997 in the bank's prior evaluation, we included whole-year 1997 and 1998 data in this evaluation in order to review two complete years of data. We did this because the 1999 data was not available for inclusion due to reporting inaccuracies.

We gave more weight to the bank's performance for lending to small businesses and small farms because this is the bank's primary business focus. Home mortgage products were given less weight because FNB does not capture a significant percentage of the market share with any of its home mortgage products. Three large nationally-based lenders dominate the home mortgage market in Sioux Falls.

**Investment Test:** The Investment Test evaluated qualified investments and grants made since the last CRA evaluation (September 12, 1997). Any qualified investments purchased prior to the September 1997 evaluation with an outstanding balance as of January 10, 2000 are included in this Performance Evaluation.

**Service Test:** The Service Test evaluated FNB's retail products and services from September 12, 1997 through January 10, 2000. The bank's deposit and loan products, delivery systems (branch and ATM) and community development services were considered under this test.

### Data Integrity

To determine the accuracy of data presented by the bank, we verified a sample of HMDA, small business and small farm loans. Our initial review occurred in June 1999. At that time, we found the 1997 and 1998 HMDA and small business and small farm reports to be inaccurate. Our follow-up review in November 1999 found continued errors. The cause of many of the errors was due to the bank's software not properly geocoding loans. Management replaced its software and we tested a sample of loans and determined the data was accurate. The OCC directed management to correct the reporting errors and refile the 1997 and 1998

HMDA and CRA reports. FNB re-submitted its HMDA and CRA data. This evaluation is based on accurate data.

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

The Sioux Falls MSA received a full-scope review for this evaluation period and all ratings are based on the CRA performance in this AA. We did not review the Rapid City MSA as part of this evaluation because none of the bank's deposits or loans are attributed to this AA.

## **Other**

We conducted one community contact during this examination and reviewed seven other recent contacts made in the Sioux Falls MSA by regulators from the OCC, the Federal Reserve Bank, and the Federal Deposit Insurance Corporation.

The contact, made by telephone with a member of a county economic development association, stated that credit needs in the community are being met by the local financial institutions. Due to the growth in the MSA, affordable housing remains a need. Additionally, industrial-use area development, gap financing and micro-loans for small and medium size businesses are needed. These needs result from continued economic growth, new businesses moving into the MSA, and existing businesses attempting to expand.

Our contact stated FNB actively participates in economic development projects throughout the MSA.

## **Fair Lending Review**

We performed a comparative analysis, based on gender, for conventional home purchase loans originated between September 30, 1998 and September 30, 1999. The scope of the review consisted of an assessment of whether the bank applied the same underwriting standards to set rates and terms for females and males. We found no violations of the substantive provisions of the antidiscrimination laws and regulations.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Lending Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Sioux Falls MSA is good.

- ▶ FNB has an excellent record of extending credit to small businesses and small farms. The percent of loans made to small businesses and small farms with revenues of \$1 million or less exceeds the AA demographics.
- ▶ The distribution of home purchase and home improvement loans by income level of the borrower is good, particularly to low- and moderate- income borrowers. Refinance loan distribution to low- and moderate-income borrowers is poor.
- ▶ FNB demonstrates good penetration in moderate-income census tracts for small business and small farm loans and an adequate penetration for home mortgage loans.
- ▶ FNB did not report any community development loans during this evaluation period.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Loans originated during the evaluation period reflect a good responsiveness to identified credit needs. FNB originated 3,763 loans totaling \$375 million within its AA during this period. This represents 86% of the number and 90% of the dollar amount of all loans originated by FNB during the evaluation period.

FNB's primary business focus is commercial lending to small and medium size businesses. Fifty-seven percent of the number and 64% of the dollar amount of all FNB loans originated during the evaluation period were made to businesses. FNB ranks first among area lenders in providing credit to both small businesses and

small farms with a 35% market share for small business and a 41% market share for small farm lending.

FNB continues to rank in the top ten among area lenders in each category of the home mortgage market. However, this market is dominated by several lenders, some with national affiliations, who capture a significant portion of the market share in the MSA. In comparison, FNB ranks third among area institutions for the highest level of deposits in the AA. Two large interstate banks are the only institutions with a greater market share.

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

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

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### Home Purchase

The geographic distribution of home purchase loans reflects an adequate level of lending in moderate-income census tracts when compared to the percent of owner-occupied units in moderate-income census tracts. During this evaluation period, FNB originated 406 of its 427 (95%) home purchase loans within the AA. Home purchase loans totaled 47% of all home mortgage loans originated. Nine percent of these loans were made in moderate-income geographies compared to 13% owner-occupied housing in moderate-income geographies. FNB ranks sixth among 76 area lenders with an overall market share of 5.56% of the number of home purchase loans made in the AA. The bank's market share for loans made in moderate-income geographies, 5.40%, closely approximates its overall market share.

There are no conspicuous gaps or under-served census tracts for home purchase loans. Of 33 census tracts in the AA, only one upper-income tract had no activity.

#### Home Improvement

The geographic distribution of home improvement loans reflects an adequate level of lending in moderate-income census tracts. Although the distribution level is low compared to area demographics, home improvement loans do not represent a significant portion of the bank's home mortgage lending products and only totaled 12% of all home mortgage loans originated. During the evaluation period, refinance loans were a more attractive mortgage product due to favorable interest

rates. Of the 112 home improvement loans FNB originated during the evaluation period, 107 (96%) were made within the bank's AA. Of these loans, 4% were made in moderate-income geographies. The bank ranks fifth among 28 area lenders with an overall market share of 6.46% of the home improvement loans made within the AA. Market share for moderate-income geographies is less at 2.94%

There was no loan penetration in five of the seven moderate-income census tracts within the AA. However, based on the 1998 Lender Market Share Report, this is consistent with the performance of other lenders in the MSA. Three lenders dominate the market in moderate-income census tracts with approximately 50% of the market share. FNB did penetrate all moderate-income census tracts with its lending for home purchase and refinance mortgage products and small business loans.

### Home Mortgage Refinance

The geographic distribution of home mortgage refinance loans is poor when compared to area demographics. During the evaluation period, FNB originated 359 of its 372 (97%) refinance loans within its AA. Home mortgage refinance loans totaled 41% of all FNB home mortgage loans originated. Of these loans, 4% were made in moderate-income geographies. However, we did not give considerable weight to the refinance loan product as this type of credit is primarily used to improve a borrower's cost of credit. The bank ranks seventh among 102 area lenders with an overall market share of 4.66% of the refinance mortgage loans made within the AA. Market share for moderate-income geographies is considerably less at 1.58%.

There are no conspicuous gaps or under-served census tracts for home mortgage refinance loans. Of 33 census tracts within the AA, only one middle-income tract had no activity.

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

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of FNB's small loans to businesses is good. A majority, 2,127 of 2,472 (86%), of FNB's small loans to businesses originated within the AA during the evaluation period. FNB originated 30% of these loans to businesses located in moderate-income geographies. This compares favorably to demographic data which shows 34% of businesses within the AA are located in moderate-income geographies. FNB ranks first among 36 area lenders with an overall market share of 34.94% of the number and 42.28% of the dollar amount of small

loans to businesses. The average size of these loans is \$124,000. FNB's market share for moderate-income geographies is 33.87% which approximates its overall market share performance within the AA.

There are no conspicuous gaps or under-served census tracts for small loans to businesses. FNB penetrated all moderate-income census tracts.

### ***Small Loans to Farms***

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of the bank's small loans to farms is good. While the percent of loans originated within moderate-income geographies is low at 2%, only 4% of all farms are located in moderate-income geographies, compared to 91% of farms located in middle-income geographies. Additionally, the moderate-income geographies within the AA are concentrated in downtown Sioux Falls, an urban area. FNB ranks first among 11 area lenders with a market share of 41.15% of the number and 49% of the dollar amount of small loans to farms with an average loan size of \$69,000. FNB's market share for moderate-income geographies is 38.46%.

There are no conspicuous gaps or under-served census tracts for small loans to farms. There are three moderate-income tracts with no loan activity. These tracts are located in downtown Sioux Falls.

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

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

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### Home Purchase

Borrower distribution by income level reflects a good dispersion for home purchase originations. The percent of bank loans to low-income borrowers is considered good, despite the level being lower than the percent of low-income families in the MSA. Low-income families have a more difficult time qualifying for residential mortgage loans due to their limited income. Additionally, 5% of the families within the MSA have incomes below the poverty level. As of November 1999, the



average sales price of a single family residence in the MSA had increased substantially to \$90,300. The distribution of loans to moderate-income borrowers is excellent and exceeds the demographics in the MSA. FNB ranks sixth among 76 area lenders with an overall market share of 5.56%. Market share by borrower income is slightly less, although comparable, at 4.76% for low- and 4.02% for moderate-income borrowers.

## Home Improvement

Borrower distribution by income level for home improvement loans is good. The percent of loans to low-income borrowers is considered good, despite being lower than the percent of low-income families in the MSA. The distribution of loans to moderate-income borrowers is excellent and exceeds the demographics in the MSA. FNB ranks fifth among 28 area lenders with an overall market share of 6.46%. The bank's market share for low-income borrowers is less at 5.13% but compares favorably for moderate-income borrowers at 6.36%.

## Home Mortgage Refinance

The distribution of refinance loans by borrower income level is poor. While the percent of loans to both low- and moderate-income borrowers is less than area demographics, we did not give considerable weight to the refinance loan product for reasons previously mentioned. FNB ranks seventh among 102 area lenders with an overall market share of 4.66%. Market share for low-income borrowers compares favorably at 4.0% and for moderate-income borrowers is less at 3.18%.

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

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FNB has an excellent record of making small loans to businesses with revenues of \$1 million or less. The percent of its loans to small businesses with revenues of \$1 million or less (73%) exceeds the demographics of businesses in the AA reporting revenues of \$1 million or less (69%). Additionally, FNB's lending to small businesses substantially exceeds other lenders' performance in the AA (61%). FNB continues to demonstrate its commitment to originating loans to small businesses with its active participation in the Small Business Administration (SBA) lending program.

FNB ranks first among 36 area lenders with an overall market share of 34.94% for loans to small businesses and also ranks first with a market share of 38.18% for loans to businesses with revenues of \$1 million or less. The average size of its loans to businesses with revenues of \$1 million or less is \$96,000.

The distribution of FNB's small loans to businesses by loan size within the AA is adequate. Seventy-four percent of small loans to businesses originated in amounts less than \$100 thousand. The 1998 Aggregate Small Business Lending Data for all other reporting lenders shows 81% of their small loans to businesses originated in amounts of \$100 thousand or less.

### ***Small Loans to Farms***

Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

FNB demonstrates an excellent record of making small loans to farms. FNB's lending activity to small farms with revenues of \$1 million or less (94%) exceeds the demographics of farms in the AA reporting revenues of \$1 million or less (92%). FNB's lending to small farms also exceeds the performance of other lenders in the AA (91%). FNB ranks first among 11 area lenders with an overall market share of 41.15% for small loans to farms, and also ranks first with a market share of 42.76% for loans to farms with revenues of \$1 million or less. The average size of loans to farms with revenues of \$1 million or is \$65,000.

The distribution of FNB's small loans to farms by loan size within the AA is good. Eighty-three percent of small loans to farms originated in amounts of \$100 thousand or less. The 1998 Aggregate Small Business Lending Data for all other reporting lenders shows 87% of their small loans to farms originated in amounts of \$100 thousand or less.

### **Product Innovation and Flexibility**

FNB participates in the South Dakota Housing Development Authority (SDHDA) affordable housing programs. These programs provide financing and closing cost assistance for qualified first time homebuyers who are primarily low- or moderate-income borrowers. Although there are purchase price restrictions, the SDHDA programs provide below-market interest rates and liberal underwriting to assist borrowers in the qualification process. In 1997, FNB originated 70 SDHDA loans totaling \$9,535,000 and in 1998, 95 SDHDA loans totaling \$7,262,000. These loans are included in the HMDA data discussed previously. In addition, in 1997 and 1998, FNB made 74 loans totaling \$122,375 to low-income home buyers under the SDHDA Mortgage Assistance Program to help finance down payment and closing costs.

## INVESTMENT TEST

### Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Investment Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Sioux Falls MSA is good.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

FNB has a good level of qualified investments and grants given the opportunities available in the Sioux Falls MSA. Competition for available investments is strong. Many of the larger financial institutions have the ability to purchase available bond issuances in their entirety or to fund a program with a limited number of investors. During the evaluation period, the bank invested or contributed \$509,898 to organizations that benefited low- and moderate-income persons in the Sioux Falls MSA. In addition, the bank has investments from prior evaluation periods with remaining outstanding balances of \$292,500.

FNB invested \$207,500 in three equity fund limited partnerships during the evaluation period. These limited partnerships were created by Citibank (South Dakota), N.A.'s community development corporation, CitiHousing, Inc. The equity funds were organized for the purpose of investing in project partnerships formed by other parties to develop and/or rehabilitate multi-family low-income housing complexes. The creation of affordable housing is one of the area's unmet needs. At least 60% of the tenants have income below 60% of the area median income. The projects qualify for low-income housing tax credits. During this evaluation period, the partnerships acquired and rehabilitated 144 housing units in Sioux Falls. An additional 44 unit housing complex for elderly tenants is still under development and is scheduled for completion by May 1, 2000. FNB demonstrates its responsiveness to this need by being one of several local investors, and one of only four area banks, involved in these projects

FNB has an additional \$292,500 outstanding from prior period investments in CitiHousing, Inc. equity fund limited partnership projects. Prior projects facilitated the construction of affordable multi-family housing in Sioux Falls with all tenants having income of 60% or less of the area median income. These projects created 311 units in Sioux Falls and 56 units in North Sioux City, South Dakota and also qualify for low-income housing tax credits.

FNB partnered with the Minnehaha County Economic Development Association through a \$100,000 equity investment in the Corson Development Association, L.L.P. The purpose of the investment is to promote economic development through the acquisition of real property and the development of an industrial park. The project will revitalize an area located in a moderate-income census tract and encourage the development of additional manufacturing in the MSA. This investment will also benefit low- and moderate-income individuals by creating new jobs primarily for low- and moderate-income individuals.

FNB contributed a sizable grant, \$51,500, to the Sioux Empire Chapter of the United Way. A majority of the United Way agencies serve low- and moderate-income individuals. FNB was recently named the 1999 Business of the Year by the Sioux Empire United Way for its high level of corporate sponsorship, volunteerism in the annual campaign, and the good level of employee donations pledged annually.

FNB provided a grant of \$16,500 to the Sioux Empire Housing Partnership to facilitate a large-scale housing development known as "The Lacy Park Project." This project was unique in that it entailed the relocation of 20 single-family homes, slated for demolition, to another permanent site. Homes will be sold to low- and moderate-income individuals using SDHDA income guidelines.

During the evaluation period, FNB contributed an additional \$134,398 in qualified grants to community groups that primarily serve low- and moderate- income individuals.

## **SERVICE TEST**

### **Conclusions for Area Receiving A Full-Scope Review**

The bank's performance under the Service Test is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Sioux Falls MSA is adequate.

### **Retail Banking Services**

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA. The bank's main office and one branch office (17% of offices) are located in moderate-income census tracts in downtown Sioux Falls. Ten other branch offices (83% of offices) are located in middle-income census tracts. Branch locations compare favorably to community demographics; 18% of the AA's population resides in moderate-income census tracts and 63% of the population resides in middle-income census tracts. One branch office, located in a middle-income census tract, was opened during the evaluation period; the bank has not closed any office locations. With the exception of two branches, all offices are open five days a week with extended hours on Friday. The two branches not open five days a week are located in assisted-living facilities. These branches are open Monday, Wednesday, and Friday for half days. Six branches also have Saturday hours. This includes one branch located in a moderate-income census tract.

Deposit services and information regarding loan products can be obtained at each branch. FNB established a centralized mortgage lending area at one of its branch locations in an effort to streamline the application process and provide a dedicated lending staff for mortgage applications. However, applications for mortgage loans are accepted at all locations.

In addition to its branch locations, FNB has 59 ATMs in the Sioux Falls MSA. Nineteen of these ATMs are located in moderate-income census tracts. The bank offers an ATM checkcard with a VISA logo, which can also be used for purchases. FNB also provides a 24-hour telephone banking system that allows customers to review account balances, transfer funds between accounts and make loan payments.

### **Community Development Services**

FNB officers provide a good level of community development services. Bank officers regularly participate in a variety of organizations that primarily benefit low- and moderate-income individuals and promote economic development. Bank officers lend their expertise to 13 different community development organizations. The following examples illustrate some of the services provided:

- ▶ A senior officer serves on the board of the local chapter of the United Way. He is a member of the allocation committee, which reviews the applications from various United Way sponsored agencies to determine the disbursement of the pool of funds. Additionally, 16 bank officers assist with the annual fundraising drive.

- ▶ A senior officer serves as the Vice President and Treasurer of the local feeding ministry (soup kitchen) serving low- and moderate-income individuals. In this role, he determines the allocation of funds for the ministry.
- ▶ A senior officer serves on the board of the Sioux Falls Housing and Redevelopment Commission. This organization provides subsidized housing to qualified applicants, housing for mentally challenged and handicapped individuals, and provides HUD-subsidized vouchers for rental assistance primarily to low-income individuals. This officer is involved in the budgeting and review of financial statements of the commission.
- ▶ An officer serves on the board of the Minnehaha County Economic Development Authority and as the Secretary/Treasurer of the board to the Brandon Development Foundation. He is a member of each board's Revolving Loan Fund Committee. These committees provide loans to area businesses that are creating new jobs through expansion or to new businesses moving into the area. The new jobs will benefit low- and moderate-income individuals. The officer is involved in reviewing and approving of applications for these loans.
- ▶ An officer serves on the Finance Committee of the Children's Home Society (CHS), a non-profit organization that provides a long-term care facility for emotionally disturbed and abused children ages 4 to 13. Approximately 80% of CHS's expenses are reimbursed by Medicaid. In 1998, CHS merged with the Children's Inn, an emergency shelter for victims of domestic abuse. Over 90% of the recipients of these services are low- or moderate- income individuals.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term **AFull-Scope@**) and those that received a less comprehensive review (designated by the term **ALimited-Scope@**).

<b>Time Period Reviewed</b>	Lending Test: January 2, 1997 to December 31, 1998 Investment Test: September 12, 1997 to January 10, 2000 Service Test: September 12, 1997 to January 10, 2000	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The First National Bank in Sioux Falls Sioux Falls, South Dakota	Home Mortgage, Small Business and Small Farm Loans; Qualified Investments; and Retail and Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Sioux Falls MSA #7760	Full Scope	
Rapid City MSA #6660	None	AA contains only 2 deposit-taking ATMs and no branch locations.



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

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### Table of Contents

#### Market Profiles for Area Receiving A Full-Scope Review

Sioux Falls MSA #7760 .....	B-2
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**Sioux Falls MSA #7760**

Demographic Information for Full-Scope Area: Sioux Falls MSA #7760						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0%	21%	58%	21%	NA
Population by Geography	139,236	0%	18%	63%	19%	NA
Owner-Occupied Housing by Geography	34,014	0%	13%	65%	22%	NA
Businesses by Geography	7,051	0%	34%	56%	10%	NA
Farms by Geography	962	0%	4%	91%	5%	NA
Family Distribution by Income Level	36,631	16%	20%	28%	36%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,952	0%	24%	67%	9%	NA
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$34,101 = \$49,600 = 9%	Median Housing Value Unemployment Rate (December 1999)				= \$57,234 = 1.50%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

FNB identified the Sioux Falls MSA #7760 as its assessment area. The MSA includes the entire counties of Lincoln and Minnehaha in South Dakota. The MSA contains 33 census tracts, of which 7 are moderate-income, 19 are middle-income and 7 are upper-income. There are no low-income census tracts in this MSA. All of the moderate-income census tracts are located within the Sioux Falls city limits.

The Sioux Falls MSA is the largest urbanized area in South Dakota. Local economic conditions are very good. The December 1999 unemployment rate for the State of South Dakota was 2.4%, which was lower than the national rate of 4.1%. Both Lincoln and Minnehaha counties enjoy a stronger employment picture with unemployment rates in the MSA of 1.5% for the same time period. The health care industry, retail trade and financial services are the area's largest employers.

With over twenty commercial financial institutions in the Sioux Falls MSA, competition for loans and deposits is strong. Substantially all of these institutions provide a wide array of products and services to help meet the credit needs of individuals, small businesses, and small farms. Based on the June 1999 deposit market share data compiled by the FDIC, FNB ranks third among area institutions for the highest number of deposits in the area. Two large interstate banks are the only institutions with a greater market share. One of these banks is a limited purpose credit card bank.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the **Abank** include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.

**Table 9. Borrower Distribution of Refinance Loans** - See Table 7.

**Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.



- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

**Table 1. Lending Volume**

LENDING VOLUME												
State: South Dakota												
Evaluation Period: January 2, 1997 TO December 31, 1998												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Sioux Falls MSA #7760	100%	872	\$83,354	2,127	\$241,128	764	\$50,498	0	0	3,763	\$374,980	100%
Limited-Scope:												

\* Deposit data as of June 30, 1998.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																
State: South Dakota																
Evaluation Period: January 2, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Sioux Falls MSA #7760	0	0	13%	9%	65%	61%	22%	30%	6	5.56	NA	5.40	4.86	7.81	406	100%
Limited-Scope:																

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.



**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT																
State: South Dakota																
Evaluation Period: January 2, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Sioux Falls MSA #7760	0	0	13%	4%	65%	72%	22%	24%	5	6.46	NA	2.94	7.0	6.91	107	100%
Limited-Scope:																

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE																State: South Dakota		Evaluation Period: January 2, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Sioux Falls MSA #7760	0	0	13%	4%	65%	65%	22%	31%	7	4.66	NA	1.58	4.69	5.49	359	100%			
Limited-Scope:																			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES																
State: South Dakota																
Evaluation Period: January 2, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Sioux Falls MSA #7760	0	0	34%	30%	56%	60%	10%	10%	1	34.94	NA	33.87	38.08	30.23	2,127	100%
Limited-Scope:																

(\*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS																State: South Dakota		Evaluation Period: January 2, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans				
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Sioux Falls MSA #7760	0	0	4%	2%	91%	95%	5%	3%	1	41.15	NA	38.4 6	44.4 7	30. 0	764	100%			
Limited-Scope:																			

(\*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE																
State: South Dakota							Evaluation Period: January 2, 1997 TO December 31, 1998									
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Sioux Falls MSA #7760	16%	9%	20%	21%	28%	33%	36%	37%	6	5.56	4.76	4.02	5.32	7.81	406	100%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 1.23% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT																
State: South Dakota																
Evaluation Period: January 2, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Sioux Falls MSA #7760	16%	9%	20%	21%	28%	27%	36%	43%	5	6.46	5.13	6.36	5.35	8.95	107	100%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. Income information was available for all loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE																State: South Dakota		Evaluation Period: January 2, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Sioux Falls MSA #7760	16%	3%	20%	11%	28%	21%	36%	65%	7	4.66	4.0	3.18	3.04	7.20	359	100%			
Limited-Scope:																			

(\*) As a percentage of loans with borrower income information available. No information was available for 2.23% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.



**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES										
			State: South Dakota			Evaluation Period: January 2, 1997 TO December 31, 1998				
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total*****
Full-Scope:										
Sioux Falls MSA #7760	69%	73%	61%	74%	13%	13%	34.94	38.18	2,127	100%
Limited-Scope:										

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.  
 (\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.59% of small loans to businesses originated and purchased by the bank.  
 (\*\*\*) The market consists of all other Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.  
 (\*\*\*\*) Based on 1998 Aggregate Small Business Data only.  
 (\*\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS										
			State: South Dakota			Evaluation Period: January 2, 1997 TO December 31, 1998				
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total*****
Full-Scope:										
Sioux Falls MSA #7760	92%	94%	91%	83%	12%	5%	41.15	42.76	764	100%
Limited-Scope:										

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.  
 (\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 2.75% of small loans to farms originated and purchased by the bank.  
 (\*\*\*) The market consists of all other Small Farm reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*\*) Based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS      State: South Dakota      Evaluation Period: September 12, 1997 TO January 10, 2000									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$=s	#	\$ (000's)
Full-Scope:									
Sioux Falls MSA #7760	3	292	31	510	34	802	100%	0	0
Limited-Scope:									

(\*) **P**rior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.  
 (\*\*\*) **A**Unfunded Commitments means legally binding investment commitments reported on the Report of Condition Schedule-L **A**Off Balance Sheet Items.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM										State: South Dakota				Evaluation Period: September 12, 1997 TO January 10, 2000			
MSA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of BANK ATMs	% of BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Sioux Falls MSA #7760	100%	12	100%	NA	17%	83%	0%	59	81%	NA	34%	59%	7%	NA	18%	63%	19%
Limited-Scope:																	

