



PUBLIC DISCLOSURE

February 13, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Western Federal Savings Bank
707674

402 Main Street
Rapid City, SD 57701

Office of the Comptroller of the Currency

Sioux Falls Office
4900 S Minnesota Ave, Suite 300
Sioux Falls, SD 57108

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

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Overall CRA Rating

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

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on performance in the State of South Dakota. First Western Federal Savings Bank (FWFSB or bank) has one assessment area (AA) in the State of South Dakota comprised of all census tracts (CTs) in Pennington County.
- FWFSB’s loan-to-deposit (LTD) ratio is more than reasonable.
- FWFSB exhibits excellent distribution of loans to borrowers of different income levels and reasonable distribution of loans to CTs of different income levels.
- Community development (CD) activities conducted during the evaluation period represent adequate responsiveness to needs in the bank’s AA.

LTD Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s LTD ratio is more than reasonable.

FWFSB’s average quarterly LTD ratio for the 17 quarters between December 31, 2017, and December 31, 2021, was 127 percent. The quarterly LTD ratio ranged from a low of 115 percent for the quarter ending September 30, 2019, to a high of 145 percent for the quarter ending September 30, 2021. The bank’s high LTD ratio reflects the Board-approved strategic plan, which includes nationwide investor-owned residential real estate (IORR) lending.

We evaluated the bank’s LTD ratio for reasonableness through a comparison of five similarly situated banks. Comparator banks were selected based on proximity, loan mix, and asset size. The comparator banks’ average quarterly LTD ratio for the 17 quarters between December 31, 2017, and December 31, 2021, was 67 percent. The comparator banks’ LTD ratio ranged from an average quarterly low of 30 percent to an average quarterly high of 95 percent.

Lending in AA

A majority of the bank’s loans are outside its AA.

None of the loans in our sample of 20 were originated or purchased inside the bank’s AA during the evaluation period. This analysis is performed at the bank level, rather than the AA level.

| Lending Inside and Outside of the AA | | | | | | | | | | |
|--------------------------------------|-----------------|---|---------|-----|------------|---------------------------------|---|---------|-----|-------------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Business | 0 | 0 | 20 | 100 | 20 | 0 | 0 | 1,925 | 100 | 1,925 |
| Total | 0 | 0 | 20 | 100 | 20 | 0 | 0 | 1,925 | 100 | 1,925 |

Source: Loan sample

Results of our random sample of 20 loans are consistent with FWFSB's strategic focus. Management has a niche-lending strategy and originates nationwide IORR loans. As of December 31, 2021, only 3 percent of FWFSB's IORR loans, which are the bank's primary lending product, were originated to borrowers located inside the bank's AA. Management primarily relies on wholesale funding obtained outside of the bank's AA to fund loan originations. Therefore, we determined there are no disparities between lending and deposit-taking, as the bank's strategy supports nationwide lending and deposit-taking.

Description of Institution

FWFSB is a federally chartered stock savings bank headquartered in Rapid City, South Dakota. As of December 31, 2021, the bank had total assets of \$63 million and tier 1 capital of \$10 million. FWFSB is a single-state institution operating one location in Rapid City. The bank does not have any deposit-taking automated teller machines (ATMs), is not a subsidiary of a holding company, and does not have any affiliates. Management closed its lobby during the Covid-19 pandemic and has not reopened it. Business is conducted via telephone, email, the drive thru, or by appointment. There were no mergers or acquisitions during the evaluation period. The last CRA evaluation, which took place in April 2018, resulted in a Satisfactory rating.

FWFSB operates with a single rating area and one AA. Management designated all of Pennington County as the bank's AA. This area includes the Rapid City Metropolitan Statistical Area (MSA). There are no known legal or financial impediments limiting FWFSB's ability to meet the credit needs of its AA. The bank's strategic focus continues to be on the niche nationwide IORR lending product. The IORR lending product is a non-recourse individual retirement account product conservatively underwritten to trusts or limited liability companies and offered throughout the United States. While these loans are categorized as home mortgage loans on the call report, we assessed them as loans to small businesses given the properties are non-owner occupied investment properties purchased for the purpose of generating income for the limited liability company or trust.

Given the strategic focus on the nationwide IORR lending product, a majority of the bank's loan and deposit activity takes place outside the bank's AA. The bank offers traditional deposit products, including checking and savings accounts and certificates of deposit. The bank does not originate standard residential mortgage loans and offers limited retail lending. Net loans and leases totaled \$58 million and represented 92 percent of total assets as of December 31, 2021. FWFSB's IORR loans to self-directed individual retirement accounts totaled \$58 million as of December 31, 2021. Commercial and industrial loans are minimal and total \$43 thousand while loans secured by farmland total \$197 thousand as of December 31, 2021. Management supports the local AA through qualified CD activities including loans, donations, and service hours.

COVID-19 impacts to the bank were minimal. The loan portfolio was not materially impacted. Management participated in the Paycheck Protection Program (PPP) providing funding to borrowers in impacted industries. PPP loans were considered in our CD review.

Scope of the Evaluation

Evaluation Period/Products Evaluated

FWFSB was evaluated under Small Bank CRA examination procedures. The bank has one rating area in the State of South Dakota. Performance in the State of South Dakota is based on activity in the Rapid City MSA AA.

The bank's overall rating is based on performance under the Lending Test, which evaluates the bank's record of meeting the credit needs of the AA through lending activities, and the CD test, which management optionally elected to participate in during the evaluation period. The evaluation period for the Lending Test and CD Test is January 1, 2019, to December 31, 2021. Small business loans were determined to be the bank's primary product for the Lending Test based on an analysis of the number and dollar volume of loans originated during the evaluation period. We sampled IORR loans originated to small businesses during the evaluation period for consideration under the Lending Test. Refer to Appendix A, Scope of Examination, for a table including the AA's primary product.

The small business borrower and geographic distribution analyses completed at the AA level were conducted based on an initial sample of 20 loans originated during the evaluation period. The initial sample of 20 loans did not yield any small business loans originated with proceeds distributed in the AA during the evaluation period. Through our review of the bank's loan origination report for the evaluation period, we determined less than 20 small business loans were originated with proceeds distributed in the AA during the evaluation period. Therefore, we conducted our analysis using performance context, other metrics available through bank management information systems, and 2021 Dun & Bradstreet (D&B) data.

Selection of Areas for Full-Scope Review

The Rapid City MSA AA was selected for a full-scope review as it is the bank's only AA.

Ratings

The bank's overall rating is based on the State of South Dakota rating. Small business loans received all weight given they were the sole primary product.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of South Dakota

CRA rating for the State of South Dakota: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The LTD ratio is more than reasonable.
- The borrower distribution of small business loans to borrowers of different income levels reflects excellent distribution of AA demographics.
- The geographic distribution of small business loans to geographies of different income levels reflects reasonable distribution of AA demographics.

Description of Institution's Operations in South Dakota

Rapid City MSA AA

FWFSB operates solely in the Rapid City MSA AA in South Dakota. The Rapid City MSA AA includes Pennington County. FWFSB operates one location and has no ATMs in the AA. The primary lending product is the IORR loan product. FWFSB has one main competitor in the IORR loan market, as this is a niche market.

Competition in the AA is moderate and includes local banks. As of June 30, 2021, there were 11 financial institutions with 28 offices in the AA. FWFSB accounted for 1 percent of total deposits and ranked last in deposit market share in the Pennington County market as of June 30, 2021.

The Rapid City MSA AA includes 23 CTs. Of the 23 CTs, one is low-income, six are moderate-income, 11 are middle-income, and five are upper-income. There are no distressed or underserved CTs in Pennington County.

The AA includes 13,399 businesses, of which 12,969 are non-farm businesses. According to D&B data as of June 2021, 87 percent of businesses reported revenues of \$1 million or less. A majority of businesses employ less than 10 employees. Primary industries include services, finance, insurance, and real estate, and retail trade. Unemployment was low and stable during the evaluation period with an unemployment rate of 3 percent based on 2015 ACS US Census data.

We completed one community contact in conjunction with this evaluation. The contact did not identify any financial disparities within the AA and noted the community continues to grow. The contact commended local banks on providing sponsorships for various needs throughout the community. The contact identified potential venture capital and alternative-funding opportunities within the area.

Rapid City MSA AA

| Table A – Demographic Information of the AA | | | | | | |
|---|---------|---------------|------------------------------|------------------|-----------------|---------------|
| AA: 2019-2021 Rapid City MSA AA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (CTs) | 23 | 4.3 | 26.1 | 47.8 | 21.7 | 0.0 |
| Population by Geography | 106,085 | 0.8 | 23.0 | 51.4 | 24.8 | 0.0 |
| Housing Units by Geography | 46,206 | 0.6 | 22.0 | 49.7 | 27.7 | 0.0 |
| Owner-Occupied Units by Geography | 27,909 | 0.1 | 16.3 | 51.5 | 32.1 | 0.0 |
| Occupied Rental Units by Geography | 13,761 | 1.7 | 35.1 | 50.4 | 12.8 | 0.0 |
| Vacant Units by Geography | 4,536 | 0.6 | 17.9 | 36.4 | 45.1 | 0.0 |
| Businesses by Geography | 12,969 | 0.7 | 24.3 | 51.1 | 24.0 | 0.0 |
| Farms by Geography | 430 | 0.2 | 11.2 | 59.8 | 28.8 | 0.0 |
| Family Distribution by Income Level | 26,542 | 19.6 | 18.5 | 21.9 | 40.0 | 0.0 |
| Household Distribution by Income Level | 41,670 | 21.7 | 17.8 | 19.5 | 41.0 | 0.0 |
| Median Family Income MSA - 39660 Rapid City, SD MSA | | \$63,471 | Median Housing Value | | | \$169,908 |
| | | | Median Gross Rent | | | \$780 |
| | | | Families Below Poverty Level | | | 8.3% |
| <i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%.</i> (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

Scope of Evaluation in South Dakota

We completed a full-scope review of the Rapid City MSA AA. Given FWFSB operates solely in the State of South Dakota, all weight was applied to this rating area. As the single primary product, small business loans received all credit under the Lending Test.

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Rapid City MSA AA is satisfactory.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

Small Loans to Businesses

The geographic distribution of commercial loans to small businesses, as identified by borrowers organized as limited liability companies or trusts under the bank's niche IORR loan product, in the Rapid City MSA AA is poor. Our initial sample resulted in no commercial loans originated with proceeds distributed in the bank's AA during the evaluation period. Upon a review of the bank's loan origination report for the evaluation period, we determined management originated less than 20 commercial loans with proceeds distributed in the AA. Therefore, a meaningful geographic distribution analysis could not be conducted solely based on the bank's commercial loan originations during the evaluation period.

Upon consideration of the bank's business strategy and niche lending product, we completed a second geographic distribution analysis on a nationwide level using our initial sample of 20 commercial loans originated during the evaluation period to determine lending to low- and moderate-income (LMI) geographies. Our analysis supported management's efforts to lend to LMI geographies. Management originated 15 percent of commercial loans to small businesses in low-income CTs and 25 percent of commercial loans to small businesses in moderate-income CTs during the evaluation period. Therefore, management originated 40 percent of commercial loans to small businesses in LMI CTs during the evaluation period. Table B provides a summary of our analysis.

| CT Income Level | # | % by Number | \$ (000's) | % by Dollar Volume |
|------------------------|-----------|--------------------|-------------------|---------------------------|
| Low | 3 | 15 | 223 | 12 |
| Moderate | 5 | 25 | 490 | 25 |
| Middle | 7 | 35 | 828 | 43 |
| Upper | 5 | 25 | 384 | 20 |
| Total | 20 | 100 | 1,925 | 100 |

Source: Loan sample

After considering performance context, we determined the bank exhibits reasonable geographic distribution of small business loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to businesses of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

The distribution of commercial loans to businesses, as identified by borrowers organized as limited liability companies or trusts under the bank's niche IORR loan product, is excellent. Our analysis was completed based on our initial sample of 20 commercial loans originated during the evaluation period. While management originated fewer than 20 commercial loans to businesses in the AA during the evaluation period, we considered the bank's niche IORR lending product and business strategy in our analysis. Our review of the initial 20 commercial loans originated to businesses during the evaluation period supported management's efforts to lend to small borrowers. Management originated 100 percent of commercial loans by number to businesses with gross annual revenues (GAR) of \$1 million or less. Table C provides a summary of our borrower distribution analysis.

| Table C: Borrower Distribution of Loans to Businesses Outside Pennington County | | | | |
|--|-----------|--------------------|-------------------|---------------------------|
| Borrower Income Level | # | % by Number | \$ (000's) | % by Dollar Volume |
| GAR > \$1 million | 0 | 0 | 0 | 0 |
| GAR ≤ \$1 million | 20 | 100 | 1,925 | 0 |
| GAR Unknown | 0 | 0 | 0 | 0 |
| Total | 20 | 100 | 1,925 | 100 |
| <i>Source: Loan sample</i> | | | | |

Responses to Complaints

Management did not receive any complaints related to FWFSB’s CRA performance in the State of South Dakota during the evaluation period.

CD ACTIVITIES

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in its AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA. Performance related to CD activities had a positive effect on the bank's rating in the state.

Number and Amount of CD Loans

Refer to the CD Loans table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

| CD Loans | | | | |
|-------------------|-------|--------------|-----------|---------------|
| AA | Total | | | |
| | # | % of Total # | \$(000's) | % of Total \$ |
| Rapid City MSA AA | 1 | 100.0 | 36 | 100.0 |

The CD Loans Table, shown above, sets forth the information and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Management originated one qualified CD loan totaling \$36 thousand during the evaluation period. The CD loan was originated through management's response in offering PPP loans to eligible borrowers impacted by the Covid-19 pandemic. The qualified PPP loan was determined based on origination date and geographic distribution of proceeds and received credit as revitalization or stabilization of designated areas.

Number and Amount of Qualified Investments

| Qualified Investments | | | | | | | | | | |
|-----------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| AA | Prior Period* | | Current Period | | Total | | | | Unfunded Commitments** | |
| | # | \$(000's) | # | \$(000's) | # | % of Total # | \$(000's) | % of Total \$ | # | \$(000's) |
| Rapid City MSA AA | 0 | 0 | 11 | 29 | 11 | 100.0 | 29 | 100.0 | 0 | 0 |

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

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

Management provided 11 qualified donations totaling \$29 thousand in the Rapid City MSA AA during the evaluation period. Qualified donations were provided to six qualified organizations. CD donations included donations to fund economic development for small businesses, provide community services for LMI in foster care, and provide general community services for LMI individuals.

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

Extent to Which the Bank Provides CD Services

Three employees provided 1,013 qualified service hours to three organizations in the Rapid City MSA AA during the evaluation period.

One employee provided 70 service hours to an organization focused on providing affordable housing. One employee provided seven service hours to an organization promoting financial literacy among LMI individuals. One employee provided 936 service hours to an organization focused on general community services for LMI individuals and providing financial planning services to LMI families.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

| | | |
|--|--|---|
| Time Period Reviewed: | 1/1/2019 to 12/31/2021 | |
| Bank Products Reviewed: | Small business loans. CD loans, qualified investments, and CD services. | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| Not applicable. | Not applicable. | Not applicable. |
| List of AAs and Type of Examination | | |
| Rating and AAs | Type of Exam | Other Information |
| States | | |
| South Dakota | | |
| Rapid City MSA AA | Full-Scope | Includes CTs in Pennington County. Primary product is small business loans, as evaluated through the bank’s niche IORR lending product to limited liability companies and trusts. |

Appendix B: Summary of State Ratings

| Ratings: First Western Federal Savings Bank | | |
|--|----------------------------|-----------------------|
| Overall Bank: | Lending Test Rating | Overall Rating |
| First Western Federal Savings Bank | Satisfactory | Satisfactory |
| State: | | |
| South Dakota | Satisfactory | Satisfactory |

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area

| Table Q: AA Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | | | | 2019-21 | |
|---|---------------------------------|-------|------------|-------------------|--------------|-----------|------------------------|--------------|-----------|----------------------|--------------|-----------|---------------------|--------------|-----------|--|
| AA: | Total Loans to Small Businesses | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | |
| | # | \$ | % of Total | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | |
| Rapid City MSA AA | 0 | 0 | 0.0 | 0.7 | 0.0 | 0.5 | 24.3 | 0.0 | 21.6 | 51.1 | 0.0 | 52.8 | 24.0 | 0.0 | 23.5 | |
| Total | 20 | 1,925 | 100.0 | 0.7 | 0.0 | 0.5 | 24.3 | 0.0 | 21.6 | 51.1 | 0.0 | 52.8 | 24.0 | 0.0 | 23.5 | |

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%.

| Table R: AA Distribution of Loans to Small Businesses by GAR | | | | | | | | | | | | | 2019-21 | |
|--|---------------------------------|-------|------------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|--|---------|--|
| AA: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | | | | |
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans | | | |
| Rapid City MSA AA | 0 | 0 | 0.0 | 1,926 | 86.4 | 0.0 | 42.9 | 4.4 | 0.0 | 9.2 | 0.0 | | | |
| Total | 20 | 1,925 | 100.0 | 1,926 | 86.4 | 0.0 | 42.9 | 4.4 | 0.0 | 9.2 | 0.0 | | | |

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%.