PUBLIC DISCLOSURE

April 8, 2019

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First National Bank of River Falls
Charter Number 7087

104 East Locust Street
River Falls, WI 54022

Office of the Comptroller of the Currency

Campbell Mithun Tower
222 South Ninth Street, Suite #800
Minneapolis, MN 55402-3393

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.

Table of Contents

Overall CRA Rating

The Lending Test is rated: Satisfactory.

The primary factors supporting the rating of First National Bank of River Falls include:

- The bank's average net loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and secondary market loan sales;

- The bank originated a majority of loans within its assessment area;

- The bank's distribution of loans reflects reasonable distribution among businesses of different sizes and borrowers of different incomes; and

- The bank's distribution of loans reflects reasonable distribution across geographies of different income levels within the assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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.

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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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

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

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

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

The First National Bank of River Falls (FNB River Falls) is a $278 million single-state, national bank headquartered in River Falls, Wisconsin. FNB River Falls primarily serves the eastern part of the Minneapolis-St. Paul-Bloomington multi-state metropolitan statistical area (MMSA), serving Pierce County and a portion of St. Croix County in Wisconsin. The bank operates three full-service branches with two branches located in River Falls and one branch in Prescott, Wisconsin. One of the bank's River Falls locations is located on the campus of the University of Wisconsin River Falls (UWRF). The UWRF branch does not make loans out of the branch. In addition to these three full-service branches, the bank offers a limited-service location that is open half of a day, bi-weekly in the Wellhaven Senior Apartment complex in River Falls, Wisconsin. The bank operates three ATMs within its AA, with one at the main branch, one at the Prescott location, and one deposit-taking ATM on the campus of UWRF.

FNB River Falls is a full-service community bank that offers traditional banking products and services. The bank's primary business focus is to serve their local community's banking needs. As of December 31, 2018, the bank's outstanding loan portfolio totaled $160 million or 57 percent of average assets. The loan portfolio by dollar volume was comprised of 60 percent business loans, 28 percent home mortgage loans, five percent agricultural loans, four percent other loans, and three percent consumer loans. Tier 1 capital totaled $30.9 million.

FNB River Falls is wholly-owned by First National Bancorp of River Falls Inc., a one-bank holding company also located in River Falls, Wisconsin. FNB River Falls does not have any subsidiaries or affiliates, aside from the holding company. No merger or acquisition activities affected the bank during the evaluation period.

FNB River Falls has one assessment area (AA), which includes 21 census tracts in St. Croix and Pierce counties. The bank reasonably excludes one census tract within St. Croix County, as the bank does not have a large presence in the tract and tract is serviced by other financial institutions in Menomonie, Wisconsin. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income (LMI) geographies.

Competition within Pierce and St. Croix counties is strong. Per the June 30, 2018 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, sixteen financial institutions operate within the AA, with Associated Bank, NA holding the largest share of deposits at $320 million or 18.42 percent of deposits. FNB River Falls ranks second in deposit market share with $234 million or 13.46 percent of deposits.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received a "Satisfactory" rating at the prior CRA examination dated February 1, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated FNB River Falls under the CRA small bank procedures, which are limited to the lending test. The lending test was used to evaluate the bank's performance in meeting the credit needs of the bank's AA through its lending activities during the evaluation period. The evaluation period for the LTD ratio and the complaints portion of the lending test were from January 1, 2016 through March 31, 2019. We used call report data to determine the bank's quarterly LTD ratio. The most recent deposit information was from December 31, 2018.

The evaluation period for the remaining portions of the lending test were from January 1, 2016 through December 31, 2018. We analyzed 2016 data separate from 2017-2018 data, as the 2016 sample results were compared to the 2010 U.S. Census data and 2017-2018 sample results were compared to the 2015 American Community Survey (ACS) results. The updated census data caused three middle-income CTs to change to moderate-income CTs in the 2017-2018 review and one middle-income CT to change to an upper-income CT in the 2017-2018 review. The AA did not have any low-income tracts during the entire evaluation period. We assessed the bank's performance by selecting primary products based on the number and dollar volume of loans originated and purchased between January 1, 2016 and December 31, 2018. We determined that home mortgage loans and business loans were the bank's primary products. During our evaluation period, home mortgage loans represented 41 percent of loans originated by number and 46 percent of loans originated by dollar. Business loans represented 35 percent of loans originated by number and 50 percent of loans originated by dollar.

While FNB River Falls is not subject to the CRA Community Development (CD) test due to the institution's size, the bank submitted CD investments for consideration in their evaluation. All submitted investments were for 2017, 2018, and 2019. The bank's voluntary CD investment activity demonstrated some responsiveness to community needs within their AA. However, the volume of CD activities did not impact the overall CRA rating. The CD activities included but were not limited to donations to the Free Clinic of Pierce and St. Croix counties, the River Falls Food Pantry, and the Assistance & Resource Center (ARC). The latter provides short-term financial assistance to residents of River Falls and Ellsworth, Wisconsin.

Data Integrity

We completed a data integrity exam in March 2018 for the loans reported on the Home Mortgage Disclosure Act Loan Application Register (HMDA-LAR) from January 1, 2016 to December 31, 2017. We determined that the 2016 and 2017 HMDA-LAR data was accurate and reliable. There were significant changes to the reporting requirements for the 2018 HMDA-LAR. As a result, we completed an additional data integrity exam for loans reported on the HMDA-LAR from January 1, 2018 to December 31, 2018. We determined that the 2018 HMDA-LAR information was also accurate and reliable. We

used information from the HMDA-LAR to complete the lending tests for home mortgage loans from 2016-2018. In order to complete the lending tests for business loans, we selected a random sample of 20 business loans originated during the 2016 evaluation period and 20 business loan originated during the 2017-2018 evaluation period. We randomly sampled additional business loans as needed to complete the lending tests.

Selection of Areas for Full-Scope Review

FNB River Falls has one AA, which is referred to as the Minneapolis-St. Paul-Bloomington MSA AA throughout this report. The Minneapolis-St. Paul-Bloomington MSA AA received a full scope review. Refer to Appendix A for an outline of the examination scope and Appendix B for a full description of the AA and community profile.

Ratings

FNB River Falls' overall rating is based on the lending performance within the Minneapolis-St. Paul-Bloomington MSA AA. The bank's lending performance was evaluated on five performance criteria: the LTD ratio, lending in the AA, lending to borrowers of different incomes, geographic distribution of loans, and response to CRA related complaints. We placed greater weight on the bank's performance for the 2017-2018 evaluation period, as the number and dollar volume of loans originated and purchased during this period were greater than the 2016 period. We also placed slightly greater weight on the lending test results of home mortgage loans as the number of home mortgage loans originated and purchased during this period were greater than the number of business loans originated and purchased during this period.

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 assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

LENDING TEST

FNB River Falls' performance under the lending test is Satisfactory. The bank's lending activity reflects satisfactory responsiveness to the AA's credit need for home mortgage loans and business loans.

Loan-to-Deposit Ratio

FNB River Falls' average quarterly net LTD ratio is reasonable given the bank's size, financial condition, and loan sales to the secondary market. The bank's quarterly average LTD ratio is 67.63 percent for the 12 quarters from January 1, 2016 to December 31, 2018. The ratio ranged from a quarterly high of 69.53 percent in the second quarter of 2017, to a quarterly low of 65.19 percent in the third quarter of 2017. The following table depicts the average LTD ratios of similarly situated banks in the AA, with total assets ranging from $92 million to $278 million. FNB River Falls ranks last when compared to these similarly situated AA banks. However, the bank also sells a significant volume of home mortgage loans to the secondary market. During the evaluation period, the bank originated and sold $64 million in loans to the secondary market. These loans are not included in the LTD ratio and cause the bank's LTD ratio to appear artificially low. In light of the sizeable volume of secondary market loan sales, the bank's LTD ratio is reasonable.

Loan-to-Deposit Ratio		
Institution	**Assets as of 12/31/18 ($000s)**	**Average LTD Ratio (1Q16 to 4Q18)**
Hiawatha National Bank	$210,352	97.01%
First American Bank, N.A.	$124,830	93.41%
Citizens State Bank	$209,945	88.32%
The First Bank of Baldwin	$177,219	78.58%
First National Community Bank	$203,815	70.42%
River Falls State Bank	$91,788	70.05%
First National Bank of River Falls	*$277,841*	*67.63%*
Source: Call Report Data.		

Lending in Assessment Area

FNB River Falls originated a majority of its loans inside its AA. We analyzed a random sample of 40 business loans and all HMDA loans to determine the bank's lending in the AA. FNB River Falls originated 75.4 percent of loans by number and 75.6 percent of loans by dollar within its AA. The table on the following page shows the lending by product type inside and outside the AA.

Lending Inside and Outside of the AA									
	Number of Loans					Dollar Amount of Loans $(000s)			
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	$	%	$	%	$(000s)
Home Mortgage	368	75.3	121	24.7	489	73,732	75.1	24,497	24.9	98,229
Business	31	77.5	9	22.5	40	6,306	82.4	1,351	17.6	7,657
Total	399	75.4	130	24.6	529	80,038	75.6	25,848	24.4	105,886
Source: OCC Loan Sample, HMDA Data Due to rounding, totals may not equal 100.0									

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall distribution of loans reflects reasonable distribution among individuals of different income levels and businesses of different sizes when compared to aggregate lending data and AA demographics.

Home Mortgage Loans

Home mortgage loans reflect a reasonable distribution to LMI borrowers. The high cost of housing in the AA impacted the bank's ability to make home mortgage loans to low-income borrowers. We considered this factor when evaluating the bank's performance in the AA. Refer to Appendix B and the information below for additional details.

For the 2016 evaluation period, the bank's lending to LMI borrowers is reasonable. The bank's proportion of loans to low-income borrowers is near the aggregate lending data. Neither the bank nor the aggregate lending data are near the demographic comparator. Based on 2010 census data, the median housing value was $219,843 and a low-income family made less than $42,600 per year in 2016. Due to the high cost of housing in the AA, it would be difficult for low-income borrowers to afford a home. Lending to moderate-income borrowers exceeds the demographic comparator and is near aggregate lending data.

For the 2017-2018 evaluation period, the bank's lending to LMI borrowers is reasonable. The bank's proportion of loans to low-income borrowers is near the aggregate lending data. Similar to 2016, neither the bank nor aggregate lending data are near the demographic comparator for low-income borrowers. Based on 2015 ACS U.S. Census, the median housing value was $203,264 from 2017-2018 and a low-income family made less than $44,900 and $46,800 per year in 2017 and 2018, respectively. Due to the high cost of housing in the AA, it would be difficult for low-income borrowers to afford a home. Lending to moderate-income borrowers is reasonable and near both the demographic comparator and aggregate lending data.

The table on the following page shows the distribution of loans among families of different income levels in comparison to the percentage of families in the AA and the

percentage for aggregate HMDA data reporters in each income level for each evaluation period.

AA Distribution of Home Mortgage Loans by Income Category of the Borrower															
	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Year	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
2016	16.9	4.4	8.1	19.6	20.0	20.6	26.8	27.5	25.2	36.7	34.4	31.3	0.0	13.8	14.8
2017-2018	19.1	6.3	8.4	19.8	19.7	23.4	25.0	25.0	25.2	36.1	30.8	27.9	0.0	18.3	15.0
Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data; 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 and 2018 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0															

Loans to Small Businesses

Business lending reflects reasonable penetration among small businesses.

For the 2016 evaluation period, the bank's lending to small businesses is excellent. The bank's proportion of loans to small businesses exceeds the demographic comparator and aggregate lending data.

For the 2017-2018 evaluation period, the bank's lending to small businesses is reasonable. The bank's proportion of loans to small businesses exceeds aggregate lending data, but is below the demographic comparator.

The table below shows the bank's performance lending to businesses of different sizes compared to the percentage of businesses and the percentage of aggregate industry data in each business size for each evaluation period.

AA Distribution of Loans to Small Businesses by Gross Annual Revenues							
Year	Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	% Businesses	% Bank Loans by #	Aggregate	% Businesses	% Bank Loans by #	% Businesses	% Bank Loans by #
2016	82.6	85.0	49.1	6.3	15.0	11.0	0.0
2017-2018	82.8	70.0	56.6	6.2	30.0	11.0	0.0
Source: OCC Loan Sample, 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, 2018 D&B Data, 01/01/2017 - 12/31/2018 Bank Data; 2017 and 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0							

Geographic Distribution of Loans

The overall geographic distribution of loans reflects reasonable distribution. For reference, the number of moderate-income census tracts in the bank's AA increased from one to four between 2016 and 2017-2018 as a result of updated demographic data from the ACS U.S. Census. The bank's AA did not include any low-income census tracts during the evaluation period.

Home Mortgage Loans

Home mortgage lending reflects reasonable distribution across different income-level geographies.

For the 2016 evaluation period, the bank's home mortgage lending in moderate-income census tracts is reasonable. The bank's proportion of loans in moderate-income census tracts is near the demographic comparator and the aggregate lending data. This is reasonable given that the bank's AA only included one moderate-income census tract in 2016, and that tract was on the eastern edge of the bank's AA and several miles from the bank's branches.

For the 2017-2018 evaluation period, the bank's home mortgage lending in moderate-income census tracts is reasonable. The bank's proportion of loans in moderate-income census tracts exceeds the demographic comparator and is near aggregate lending data.

The table below shows the bank's performance in comparison to the percentage of owner-occupied housing and the percentage for aggregate HMDA data reporters in each income level geography for each evaluation period.

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography									
	Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
Year	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2016	2.9	0.6	1.6	92.9	99.4	93.5	4.2	0.0	4.8
2017-2018	15.8	16.3	17.0	75.8	81.3	75.8	8.5	2.4	7.2
Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data; 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 and 2018 HMDA Aggregate Data. *Due to rounding, totals may not equal 100.0*									

Business lending reflects excellent distribution across different income-level geographies.

For the 2016 evaluation period, the bank's small business lending in moderate-income census tracts is excellent. The bank's proportion of loans exceeds the demographic comparator and aggregate lending data for moderate-income level geographies.

For the 2017-2018 evaluation period, the bank's small business lending in moderate-income census tracts is excellent. The bank's proportion of loans exceeds the demographic comparator and aggregate lending data for moderate-income geographies.

The table below shows the bank's performance in comparison to the percentage of all businesses (regardless of revenue size) and the percentage of aggregate industry data in different income level geographies for each evaluation period.

AA Distribution of Loans to Small Businesses by Income Category of the Geography									
	Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
Year	% Businesses	% Bank Loans by #	Aggregate	% Businesses	% Bank Loans by #	Aggregate	% Businesses	% Bank Loans by #	Aggregate
2016	2.3	5.0	1.8	92.1	85.0	92.7	5.6	10.0	5.6
2017/2018	18.4	20.0	15.1	72.7	70.0	73.4	8.9	10.0	11.5
Source: OCC Loan Sample, 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data; 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 and 2018 CRA Aggregate Data. *Due to rounding, totals may not equal 100.0*									

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Responses to Complaints

During this evaluation period, there were no complaints related to FNB River Falls' performance in meeting AA credit needs.

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 "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

Time Period Reviewed	Lending Test: • LTD (1/1/2016 – 3/31/2019) • Complaints (1/1/2016 – 3/31/2019) • Lending In AA, Borrower Distribution, Geographic Distribution (1/1/2016 – 12/31/2018)	
Financial Institution		**Products Reviewed**
First National Bank of River Falls (FNB River Falls) River Falls, WI		Home Mortgage and Business Loans
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	**Type of Exam**	**Other Information**
Minneapolis-St. Paul - Bloomington Multistate MSA AA	Full Scope	See Appendix B

Appendix B: Community Profiles for Full-Scope Areas

Demographic Information of the Assessment Area						
Assessment Area: Minneapolis-St. Paul - Bloomington Multistate MSA AA – 2016						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	21	0.0	4.8	90.5	4.8	0.0
Population by Geography	120,795	0.0	2.4	93.4	4.3	0.0
Housing Units by Geography	47,595	0.0	2.7	94.0	3.3	0.0
Owner-Occupied Units by Geography	34,670	0.0	2.8	92.9	4.2	0.0
Occupied Rental Units by Geography	10,245	0.0	2.0	97.0	1.1	0.0
Vacant Units by Geography	2,680	0.0	2.9	97.1	0.0	0.0
Businesses by Geography	6,568	0.0	2.3	92.1	5.6	0.0
Farms by Geography	737	0.0	4.5	93.4	2.2	0.0
Family Distribution by Income Level	32,325	16.9	19.6	26.8	36.7	0.0
Household Distribution by Income Level	44,915	20.5	16.2	22.0	41.3	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		$79,301	Median Housing Value			$219,843
			Median Gross Rent			$774
			Families Below Poverty Level			4.5%

Source: 2010 U.S. Census and 2016 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Demographic Information of the Assessment Area						
Assessment Area: Minneapolis-St. Paul - Bloomington Multistate MSA AA – 2017-2018						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	21	0.0	19.0	71.4	9.5	0.0
Population by Geography	122,288	0.0	17.8	74.3	7.9	0.0
Housing Units by Geography	48,826	0.0	18.9	74.4	6.7	0.0
Owner-Occupied Units by Geography	34,555	0.0	15.8	75.8	8.5	0.0
Occupied Rental Units by Geography	11,324	0.0	28.8	69.2	2.1	0.0
Vacant Units by Geography	2,947	0.0	17.7	78.7	3.6	0.0
Businesses by Geography	6,984	0.0	18.3	72.8	8.9	0.0
Farms by Geography	681	0.0	17.8	73.1	9.1	0.0
Family Distribution by Income Level	32,890	19.1	19.8	25.0	36.1	0.0
Household Distribution by Income Level	45,879	22.1	16.9	20.5	40.5	0.0

Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA	$85,636	Median Housing Value	$203,264
		Median Gross Rent	$840
		Families Below Poverty Level	5.0%

Source: 2015 ACS Census and 2018 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

FNB River Falls is a $278 million, full service national bank headquartered in River Falls, Wisconsin. The bank operates three full service branches with two branches located in River Falls and one branch in Prescott, Wisconsin. In addition to these full service branches, the bank also offers a limited service location that is open half of a day, bi-weekly in the Wellhaven Senior Apartment complex in River Falls, Wisconsin. The bank operates four ATMs within its AA, with two at the main branch, one at the Prescott location, and one deposit-taking ATM on the campus of University of Wisconsin River Falls (UWRF).

The bank's AA is reasonable, complies with regulatory requirements, and does not arbitrarily exclude any LMI geographies or reflect illegal discrimination. The AA includes all of Pierce County and the majority of St. Croix County in Wisconsin. Both counties are part of the Minneapolis-St. Paul-Bloomington Multistate Metropolitan Statistical Area (MMSA). Pierce County is comprised of eight census tracts. Thirteen of St. Croix County's 14 census tracts are included in the AA. The bank reasonably excluded one census tract in St. Croix County, as the bank does not have a large presence in the tract and tract is serviced by other financial institutions in Menomonie, Wisconsin.

In 2016, the AA consisted of one moderate, 19 middle, and one upper-income census tracts. The moderate-income tract was located on the eastern border of the AA, opposite of all the bank's locations, which are near the Minnesota border. In 2017-2018, the 2015 ACS census update changed the census tracts in the AA to four moderate, 15 middle, and two upper-income census tracts. The four moderate-income tracts are spread throughout the AA. The AA did not contain any low-income census tracts during the evaluation period. The AA includes the census tracts in which the bank has operations, as well as the surrounding census tracts where the bank originates a majority of its loans.

Competition in the Pierce and St. Croix counties is strong and includes 16 financial institutions. Per the June 30, 2018 FDIC Market Share Report, FNB has a deposit market share of 13.46 percent, ranking second among the 16 institutions in Pierce and St. Croix counties..

Primary industry sectors of the AA are services and retail trade. As part of this review, a community contact was made with a River Falls government official. The contact indicated that major employers in the River Falls community include the UWRF, the local hospital, and the municipal government. A significant portion of the population is employed outside of River Falls. According to a study conducted by the City of River Falls, approximately 75 percent of residents commute to work outside of River Falls in the nearby cities of Hudson, WI and the Minneapolis and St. Paul metropolitan area. The contact indicated that local banks are meeting local credit needs. The contact also identified the greatest community need as additional housing inventory for all income levels.

In 2016, 2017, and 2018, the unemployment rate in the AA was 4.46 percent, 3.04 percent, and 3.04 percent, respectively, compared to the Wisconsin state unemployment rates of 4.0 percent, 3.3 percent, and 3.0 percent, respectively. The percentage of families below the poverty level was 4.50 percent, 5.00 percent, and 7.91 percent in 2016, 2017, and 2018, respectively.