

PUBLIC DISCLOSURE

November 17, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank & Trust
Certificate Number: 3973

520 Sixth Street
Brookings, South Dakota 57006

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut St, Suite 2100
Kansas City, Missouri 64106

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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The following points summarize the institution's Community Reinvestment Act (CRA) performance under the Lending, Investment, and Service Tests.

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to the credit needs of the assessment areas.
- The institution made a high percentage of loans in its assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects excellent penetration among businesses and farms of different sizes and retail customers of different income levels.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The institution is a leader in making community development loans.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits excellent responsiveness to credit and community development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income individuals.
- Servicing, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals.
- The institution provides an adequate level of community development services.

DESCRIPTION OF INSTITUTION

First Bank & Trust is a full-service interstate financial institution headquartered in Brookings, South Dakota. The bank is wholly owned by Fishback Financial Corporation, a one-bank holding company based in Brookings. The bank also operates four subsidiaries: FB&T Community Development Corporation; First National Venture Capital, Inc.; First National Bank Daycare Corporation; and Fishback Insurance Agency. Community development activities for these subsidiaries were considered for this evaluation. First Bank & Trust received a “Satisfactory” CRA rating at the October 31, 2022, FDIC Performance Evaluation based on Interagency Large Institution Examination Procedures.

The bank continues to operate from its main office in Brookings, as well as from 21 full-service branches in South Dakota and Minnesota. It also operates 35 ATMs, some of which accept deposits, as well as a loan production office (LPO) in Brookings and another one in Sioux Falls, South Dakota. Other than relocating its Edina, Minnesota, branch in 2024, the bank has not opened or closed any offices since the prior evaluation.

The institution offers a variety of products, including commercial, agricultural, home mortgage, and consumer loans. While these loans are offered in all of the assessment areas, the lending focus varies slightly by market. Commercial lending continues to be the primary lending focus for the bank overall followed by home mortgage, and agricultural lending, respectively. The bank also offers loan products through government-sponsored programs for businesses and farms, along with special financing through various home mortgage loan programs. These programs are designed to assist small farms, small businesses, and individuals that may not qualify for loans through conventional financing methods. Involvement in these programs is presented in the Innovative or Flexible Lending Practices component of the Lending Test Section.

Additionally, First Bank & Trust offers a variety of deposit products and services, including checking and savings accounts, and certificates of deposit. In addition to the community development services offered, First Bank & Trust offers alternative banking services that are readily accessible throughout the assessment areas and benefit low- and moderate-income individuals. These include services such as digital banking, mobile wallet, electronic periodic statements, and numerous ATMs.

As of September 30, 2025, First Bank & Trust reported total assets of \$4.7 billion, total loans of \$3.5 billion, and total deposits of \$4.0 billion. Since the previous evaluation, loans, deposits, and assets increased 8.0, 10.6, and 8.2 percent respectively. Examiners did not identify any impediments that affect the bank’s ability to meet the credit needs of its assessment areas. The following table illustrates the bank’s loan portfolio. However, it does not include home mortgage loans originated by the bank and subsequently sold to secondary market investors.

Loan Portfolio Distribution as of 9/30/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	333,918	9.6
Secured by Farmland	249,844	7.2
Secured by 1-4 Family Residential Properties	487,494	14.0
Secured by Multifamily (5 or more) Residential Properties	235,125	6.8
Secured by Nonfarm Nonresidential Properties	1,034,509	29.8
Total Real Estate Loans	2,340,890	67.4
Commercial and Industrial Loans	708,901	20.4
Agricultural Production and Other Loans to Farmers	178,198	5.1
Consumer Loans	96,218	2.8
Obligations of State and Political Subdivisions in the U.S.	46,084	1.3
Other Loans	101,726	2.9
Lease Financing Receivable (net of unearned income)	1,298	0.1
Less: Unearned Income	0	0.0
Total Loans	3,473,315	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to identify one or more assessment areas within which its CRA performance will be evaluated. First Bank & Trust has designated three assessment areas in South Dakota (Brookings, Vermillion, and Sioux Falls) and two assessment areas in Minnesota (Minneapolis and Pipestone). Therefore, ratings are assigned to both states. The Brookings, Vermillion, and Pipestone assessment areas are located in nonmetropolitan portions of each state. The Minneapolis Assessment Area includes a portion of the Minneapolis-St. Paul-Bloomington, MN-WI MSA, along with a contiguous census tract in a nonmetropolitan county. The Sioux Falls Assessment Area includes a portion of the Sioux Falls, SD-MN MSA. Additional information regarding the assessment areas and rated areas is presented later in the evaluation.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 31, 2022, to the current evaluation dated November 17, 2025. Examiners used Interagency Large Institution Examination Procedures to evaluate First Bank & Trust's CRA performance using the Lending, Investment, and Service Tests. The criterion for the tests are outlined in the Appendices. The tests are used to determine the bank's overall rating as well as its ratings for the states of South Dakota and Minnesota. Banks must achieve at least a Low Satisfactory rating under the Lending Test to obtain an overall Satisfactory rating.

Examiners reviewed all of the assessment areas using full-scope examination procedures. The greatest weight was given to the bank's performance in South Dakota when arriving at conclusions. This is because the majority of the lending, deposit, and branch activity occurs in South Dakota, as indicated by the following table, which reflects the distribution of reported loans, deposits, and branches within each assessment area. Performance in Minnesota was given lesser weight.

Assessment Area (AA) Breakdown of Loans, Deposits, and Branches						
AA / Rated Area	Reported Loans (#)	% Reported Loans (by #)	Deposits (\$)	% Deposits (by \$)	Branches (#)	% Branches (by #)
Brookings	1,196	42.2	1,977,068	52.0	9	40.9
Sioux Falls	886	31.2	944,757	24.8	5	22.7
Vermillion	63	2.2	64,656	1.7	1	4.5
South Dakota Total	2,145	75.6	2,986,481	78.6	15	68.2
Pipestone	283	10.0	270,525	7.1	1	4.5
Minneapolis	409	14.4	544,985	14.3	6	27.3
Minnesota Total	692	24.4	815,510	21.4	7	31.8
Grand Total	2,837	100.0	3,801,991	100.0	22	100.0

Source: 2024 CRA LR and HMDA LAR; FDIC Summary of Deposits (6/30/2024); Bank Data

Activities Reviewed

Examiners determined that the bank’s primary product lines include commercial lending, followed by home mortgage lending, then agricultural lending. This conclusion considered Consolidated Reports of Condition and Income data, the number and dollar volume of reported loans during the evaluation period, and the bank’s business strategy.

This evaluation considered all small business and small farm loans reported under CRA data collection requirements for 2022, 2023, and 2024. For small business lending, the bank reported 1,586 loans totaling \$233.1 million in 2022, 1,430 loans totaling \$213.4 million in 2023, and 1,246 loans totaling \$195.6 million in 2024. For small farm lending, the bank reported 995 loans totaling \$132.6 million in 2022, 902 loans totaling \$122.0 million in 2023, and 820 loans totaling \$111.7 million in 2024. In addition, examiners reviewed home mortgage loans reported on the institution’s 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. For these, the bank reported 1,498 loans totaling \$389.3 million in 2022, 1,329 loans totaling \$335.1 million in 2023, and 1,358 loans totaling \$288.3 million in 2024.

CRA aggregate lending data and D&B data for 2022, 2023, and 2024 provided a standard of comparison for the small business and small farm loans reviewed. In addition, 2022, 2023, and 2024 HMDA aggregate lending data and 2020 U.S. Census data provided a standard of comparison for the home mortgage loans reviewed. Examiners placed more weight on the comparisons to aggregate lending data since it is typically a better indicator of market conditions and loan demand. Examiners did not identify any trends between the years of CRA and HMDA data reviewed that materially affected conclusions. Therefore, examiners only presented 2024 small business, small farm, and home mortgage data in this evaluation for the Geographic Distribution and Borrower Profile criteria as these are the most recent years with available aggregate data.

For the Lending Test, examiners analyzed the institution’s lending activity, assessment area concentration, geographic distribution of loans, and borrowers’ profile. Community development lending activities and product innovation were also reviewed. The weighting of small business, home mortgage, and small farm loans varied by assessment area depending on the product mix and credit focus; however, examiners gave the greatest weight to small business lending when drawing overall conclusions since commercial loans represent the institution’s primary business focus. The secondary lending focus of the institution is home mortgage lending, while small farm lending was given the least weight. Refer to the rated area sections for additional information regarding product weighting. Further, small farm loans

were not analyzed in the Minneapolis Assessment Area since it is not a lending focus in the metropolitan area. While both the number and dollar volume of loans are presented, examiners emphasized performance by number of loans since this is a better indicator of the number of businesses, individuals, and farms served.

Community development lending, qualified investments, and community development services were considered from the prior evaluation dated October 31, 2022, through the current evaluation dated November 17, 2025. Furthermore, investments that were made before the prior evaluation and remain outstanding are included at the current book values as prior period investments. The Investment Test also included an analysis of the institution's responsiveness to opportunities for qualified investments, as well as the use of any innovative or complex investments.

For the Service Test, examiners analyzed community development services, the innovativeness of the services, including whether they serve low- or moderate-income customers in new ways or serve groups of customers not previously served, and the degree to which they serve low- or moderate-income areas or individuals. Examiners also considered the institution's record of opening and closing branch offices, the hours of operations, and the accessibility and use of alternative systems for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Bank & Trust demonstrated excellent performance under the Lending Test. This is consistent with the bank's performance in South Dakota which was given the greatest weight in drawing conclusions. Although the bank's performance in Minnesota was good, it received less weight in the analysis.

Lending Activity

Lending levels reflect excellent responsiveness to the credit needs of the assessment areas. The institution continues to be an active lender by originating or purchasing a significant volume of small business, home mortgage, and small farm loans. According to 2024 CRA and HMDA aggregate lending data, the bank ranked 11th in market share among 176 lenders that are required to report small business CRA data, 23rd in market share among 713 HMDA reporting lenders, and 1st among 53 lenders that are required to report small farm CRA data.

First Bank & Trust's net loan-to-deposit ratio averaged 87.5 percent over the past 12 calendar quarters since the prior evaluation. The net loan-to-deposit ratio does not represent all lending activity since home mortgage loans that are sold on the secondary market are not reflected on the bank's balance sheet. For example, it does not include the 776 home mortgage loans sold to secondary market investors in 2024. While the sale of secondary market loans does not increase the average net loan-to-deposit ratio, this activity provides liquidity that allows the bank to originate additional home mortgage loans to meet community credit needs. Further, the bank's continued participation in government guaranteed and specialized mortgage loan programs through secondary market relationships demonstrates responsiveness to meeting local home mortgage credit needs.

Assessment Area Concentration

First Bank & Trust originated a high percentage of loans in its assessment areas. The bank’s performance at 80.4 percent declined since the previous evaluation, at which time the bank originated or purchased 87.3 percent of loans in its assessment areas. However, this level of lending still demonstrates the bank’s willingness to meet the assessment areas’ credit needs. The following table provides details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2022	1,067	67.3	519	32.7	1,586	178,256	76.5	54,852	23.5	233,108
2023	967	67.6	463	32.4	1,430	166,332	77.9	47,073	22.1	213,405
2024	901	72.3	345	27.7	1,246	160,355	82.0	35,228	18.0	195,583
Subtotal	2,935	68.9	1,327	31.1	4,262	504,943	78.6	137,153	21.4	642,096
Home Mortgage										
2022	1,329	88.7	169	11.3	1,498	341,738	87.8	47,596	12.2	389,334
2023	1,141	85.9	188	14.1	1,329	284,422	84.9	50,663	15.1	335,085
2024	1,198	88.2	160	11.8	1,358	251,658	87.3	36,611	12.7	288,269
Subtotal	3,668	87.6	517	12.4	4,185	877,818	86.7	134,870	13.3	1,012,688
Small Farm										
2022	860	86.4	135	13.6	995	112,942	85.2	19,621	14.8	132,563
2023	779	86.4	123	13.6	902	104,755	85.9	17,199	14.1	121,954
2024	738	90.0	82	10.0	820	100,159	89.6	11,564	10.4	111,723
Subtotal	2,377	87.5	340	12.5	2,717	317,856	86.8	48,384	13.2	366,240
Total	8,980	80.4	2,184	19.6	11,164	1,700,617	84.1	320,407	15.9	2,021,024
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

Overall, the geographic distribution of loans reflects good penetration throughout the institution’s assessment areas. Conclusions regarding the overall lending performance is consistent with the conclusions in the rated areas of South Dakota and Minnesota. Emphasis under the Geographic Distribution criterion is placed on the bank’s record of lending in low- and moderate-income census tracts. Examiners reviewed only those loans extended within the assessment areas to perform this analysis. A complete discussion of the bank’s geographic distribution lending performance can be found in the separate assessment area sections.

Borrower Profile

Overall, the distribution of borrowers reflects excellent penetration among businesses and farms of different sizes and individuals of different income levels. Conclusions regarding the bank’s overall lending performance are consistent with South Dakota. Although performance in the rated area of Minnesota was good, it received lesser weight when deriving overall conclusions.

Emphasis under the Borrower Profile criterion is placed on the bank’s record of making small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income individuals. Examiners reviewed only those loans extended within the assessment areas to perform this analysis. A complete discussion of the bank’s borrower profile lending performance is in the separate assessment area sections.

Innovative or Flexible Lending Practices

First Bank & Trust makes extensive use of innovative and/or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals and/or geographies throughout its assessment areas. These include home mortgage and commercial loan programs, as well as local, state, and federal loan programs. Many of these loan programs require extra effort by bank personnel compared to conventional loans, ultimately assisting borrowers who might not otherwise qualify for credit. Additionally, through the bank's subsidiaries, First National Venture Capital, Inc. and FB&T Community Development Corporation, various lending practices are employed to aid low- and moderate-income geographies and individuals. Furthermore, the institution services loans on behalf of Habitat for Humanity in both South Dakota and Minnesota areas. In August 2024, the bank also purchased over \$1.2 million in loans that the Brookings Area Habitat for Humanity previously originated. With the ownership of the loans, First Bank & Trust was then eligible to participate in the Federal Home Loan Bank's (FHLB) Habitat for Humanity Advance funding program.

Since the prior evaluation, the bank expanded its Small Business Administration (SBA) lending program by creating a separate lending department that focuses on SBA lending. Through this department, the bank achieved its SBA Preferred Lender status, allowing the bank delegated underwriting authority of SBA 7a loans up to \$5.0 million. First Bank & Trust ranked in the top five SBA 7a lenders out of more than 30 lenders in South Dakota by number in fiscal years 2022 through 2025. Similarly, it ranked in the top 25 SBA 7a lenders out of over 100 in Minnesota by number in fiscal years 2022 through 2025.

The bank also participated in innovative and flexible home mortgage loan programs through various avenues such as Fannie Mae, FHLB, the South Dakota Housing Development Authority (SDHDA), and Minnesota Housing. These programs allowed the bank to engage with first-time homebuyers and/or low- and moderate-income individuals to help them achieve homeownership. As an example, the bank partnered with FHLB to help clients obtain rate relief, securing a fixed-interest rate loan with a lower rate than 30-year secondary market loan rates. All clients supported were under 80.0 percent of the median family income level.

The following table shows the bank's flexible and/or innovative lending activity by program. When comparing the data to the previous evaluation, the total number and dollar volume of community development loans appears to have increased by 53.6 and 58.4 percent, respectively. However, bank management stated that the numbers are skewed since some loans meet more than one category and are therefore included in multiple categories. For example, a loan provided through the U.S. Department of Veterans Affairs (VA) and sold to SDHDA are included in both categories. Nonetheless, the bank's use of innovative and/or flexible lending is noteworthy.

Innovative or Flexible Lending Programs										
Type of Program	2022*		2023		2024		2025*		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae	1	74	10	2,096	11	2,701	11	2,264	33	7,135
Farmer Mac	0	0	0	0	17	12,841	15	13,227	32	26,068
Federal Housing Administration (FHA)	3	497	74	17,696	115	30,220	86	20,775	278	69,188
FHLB	0	0	0	0	35	5,762	27	4,894	62	10,656
Grow South Dakota	0	0	5	32	5	38	2	11	12	81
Minnesota Housing	0	0	14	699	32	3,612	39	4,118	85	8,429
NeighborWorks Home Partners	0	0	0	0	0	0	1	25	1	25
Revolving Economic Development and Initiative (REDI) Fund	1	2,200	0	0	0	0	0	0	1	2,200
SBA	7	7,074	43	23,377	80	21,961	60	20,286	190	72,698
SDHDA	7	770	116	16,310	169	30,361	154	26,140	446	73,581
U.S. Department of Agriculture (USDA) Rural Development Housing	2	447	24	3,639	22	4,318	8	1,449	56	9,853
VA	2	464	28	8,555	40	14,454	33	12,368	103	35,841
Watertown Development Company	0	0	5	28	2	12	1	6	8	46
Totals	23	11,526	319	72,432	528	126,280	437	105,563	1,307	315,801

*Source: Bank Data: *Partial Year*

Community Development Loans

First Bank & Trust is a leader in making community development loans, which is consistent with the bank’s performance in South Dakota. Lower performance was noted in Minnesota; however, this area received less weight in drawing conclusions. Overall, the institution originated 139 community development loans totaling \$348.8 million during the evaluation period. This represents 7.4 percent of total assets whereas comparable banks’ ratios ranged from 1.4 to 20.5 percent. Similarly, the bank’s community development loans represent 10.2 percent of net loans with comparable banks’ ratios ranging from 1.8 to 28.3 percent. However, the bank’s ratios for the prior evaluation, as well as some of the comparable banks are skewed since some of them include COVID-related loans, such as Paycheck Protection Program (PPP) loans. Whether including or excluding PPP loans, the bank’s ratios stated above increased from the last evaluation.

The following tables reflect the bank’s responsiveness to community development lending opportunities by assessment area, purpose, and year. In addition to the loans originated in the assessment areas, the bank received credit for loans in the broader South Dakota, Minnesota, and regional area since it has been responsive to the assessment areas’ lending needs, including community development lending.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Brookings	3	422	2	2,315	20	29,546	1	1,600	26	33,883
Sioux Falls	2	1,664	1	1,480	23	72,918	2	3,617	28	79,679
Vermillion	3	671	1	110	2	1,374	0	0	6	2,155
Statewide South Dakota	0	0	3	30,000	3	20,663	2	1,540	8	52,208
South Dakota Total	8	2,757	7	33,905	48	124,502	5	6,757	68	167,921
Minneapolis	7	7,966	6	22,511	33	77,756	2	2,600	48	110,832
Pipestone	1	229	1	300	2	1,374	1	177	5	2,080
Statewide Minnesota	1	3,200	0	0	11	42,910	1	10,140	13	56,250
Minnesota Total	9	11,395	7	22,811	46	122,040	4	12,917	66	169,163
Regional	0	0	0	0	5	11,666	0	0	5	11,666
Grand Total	17	14,152	14	56,716	99	258,208	9	19,674	139	348,750

Source: Bank Data

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022*	2	1,072	1	1,180	3	5,003	2	10,680	8	17,935
2023	1	3,200	8	40,054	31	137,789	5	5,777	45	186,820
2024	5	1,293	1	1,480	35	68,650	1	1,200	42	72,622
YTD 2025	9	8,588	4	14,002	30	46,766	1	2,017	44	71,373
Total	17	14,152	14	56,716	99	258,208	9	19,674	139	348,750

Source: Bank Data; * Partial Year

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test, which is primarily supported by the bank's investment activity and responsiveness to credit and community development needs. The overall performance is consistent with conclusions in both rated areas.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Specifically, the bank made or retained 483 qualified investments totaling \$155.3 million, which includes 86 prior period investments still outstanding with book values totaling \$102.5 million, 21 new investments totaling \$50.6 million, and 376 donations or grants totaling \$2.2 million. A few of the prior period investments were not presented for community development consideration at the prior evaluation; therefore, the increase in investments from the prior evaluation is slightly skewed.

The volume of qualified investments represents 3.3 percent of total assets as of September 30, 2025, which is higher than the performance of similarly situated institutions in which qualified investments ranged from .04 to 1.4 percent. Similarly, the volume of qualified investments represents 20.0 percent of total securities as of September 30, 2025, and while this ratio was not available for all of the comparable institutions, the bank's ratio increased from the prior evaluation at which time it was 14.9 percent of total

securities. This ratio is generally insignificant and is strictly used as a measurement since ratios can vary between institutions based on investment strategies. Nonetheless, the bank’s qualified investment activity increased 13.1 percent, by dollar volume, since the prior evaluation.

The following tables illustrate qualified investments by assessment area, purpose, and year. The tables include 34 qualified investments and donations totaling \$37.8 million that provided benefits to the broader regional or statewide areas of South Dakota and Minnesota including one or more of the bank’s assessment areas. The bank received credit for these investments and donations because of its responsiveness to the community development needs and opportunities within its assessment areas.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Brookings	18	1,368	124	1,044	6	162	9	1,491	157	4,065
Sioux Falls	17	16,709	134	678	4	152	1	5	156	17,544
Vermillion	2	892	6	16	0	0	3	760	11	1,668
Statewide South Dakota	3	4,702	0	0	1	250	0	0	4	4,952
South Dakota Total	40	23,672	264	1,738	11	564	13	2,256	328	28,229
Minneapolis	38	78,816	54	2,345	0	0	12	10,460	104	91,621
Pipestone	0	0	7	44	0	0	14	2,579	21	2,623
Statewide Minnesota	2	5,978	7	30	0	0	0	0	9	6,009
Minnesota Total	40	84,794	68	2,420	0	0	26	13,038	134	100,253
Regional	9	19,367	1	3	3	4,706	8	2,789	21	26,865
Grand Total	89	127,833	333	4,161	14	5,270	47	18,084	483	155,347

Source: Bank Data

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	44	79,957	3	560	3	4,706	36	17,289	86	102,512
2022*	8	9,200	28	247	2	72	0	0	38	9,519
2023	9	9,560	105	451	5	367	3	128	122	10,506
2024	17	15,859	113	476	2	65	5	635	137	17,035
YTD 2025	11	13,257	84	2,426	2	60	3	32	100	15,775
Total	89	127,833	333	4,161	14	5,270	47	18,084	483	155,347

Source: Bank Data; * Partial Year

Responsiveness to Credit and Community Development Needs

First Bank & Trust exhibits excellent responsiveness to credit and community development needs. The bank’s qualified investment activity addressed some community development needs identified by community contacts, including the bank’s commitment to funding affordable housing initiatives, revitalizing and stabilizing distressed and/or underserved communities, and providing access to free education and healthcare services to those in need. Additionally, some of the investments and grants were provided annually or as part of multi-year pledges as a means of ensuring community development organizations have sustained funding.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives. While the bank’s investments are beneficial to the needs of the assessment areas, they are noncomplex and routinely provided by private investors.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test, which is supported by the bank’s performance under all evaluated criteria. The overall performance is consistent with conclusions in both rated areas.

Accessibility of Delivery Systems

First Bank & Trust’s delivery systems are accessible to essentially all portions of its assessment areas. The bank’s delivery system includes 22 offices, 2 LPOs, and 35 ATMs within its assessment areas, as well as alternative delivery methods. The following table shows the overall distribution of branches and ATMs by tract income level and population.

Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	51	5.5	186,950	5.0	1	4.6	1	2.9	0	0.0	0	0.0
Moderate	197	21.3	754,795	20.1	6	27.3	5	14.3	0	0.0	0	0.0
Middle	415	44.8	1,709,310	45.5	14	63.6	26	74.3	1	100.0	1	100.0
Upper	251	27.1	1,076,846	28.7	1	4.6	3	8.6	0	0.0	0	0.0
NA	12	1.3	29,597	0.8	0	0.0	0	0.0	0	0.0	0	0.0
Total	926	100.0	3,757,498	100.0	22	100.0	35	100.0	1	100.0	1	100.0

Source: 2020 Census Data and Bank Data

Alternate delivery systems are also available to enhance accessibility to financial services. The bank offers electronic delivery systems that include internet and mobile banking. The bank’s website has information on the bank’s products and services, allows users to apply for a deposit account or loan, and provides customers with access to online banking services. Online banking services include accessing account information, making transfers and loan payments, and sending external transfers or bill payments. Mobile banking is available for customers to access account information, transfer funds, make loan payments, deposit funds, and send money using bill pay. Other alternative delivery systems offered include electronic statements and mobile wallet.

Changes in Branch Locations

The bank’s record of closing and opening branches has not adversely affected the accessibility of its delivery systems, particularly for low- and moderate-income geographies and/or individuals. Refer to the individual assessment area sections for changes in branching structure.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Further, branch hours and services are convenient and reasonable in comparison to other financial institutions operating in the assessment areas. Additionally, many offices have weekend hours and offer extended hours through

drive-up facilities. Finally, First Bank & Trust offers a wide variety of deposit and loan products, as well as other services, at all locations. More specifically, it offers three low-cost deposit accounts with no monthly service fees and zero minimum balance requirements, which are particularly beneficial for low- and moderate-income individuals.

Community Development Services

The institution provides an adequate level of community development services. Bank employees provided 159 instances of financial expertise or technical assistance to various community development organizations during the evaluation period. Most of the services benefited the State of South Dakota, which was given the greatest weight in drawing conclusions. Further details are in the separate assessment area sections.

The number of community development services decreased from the prior evaluation, at which time the bank provided 210 instances of community development services. However, the tables do not include community development service activity from after the last evaluation date (October 31, 2022) to the end of that year as data on these activities was not readily available. Nonetheless, the number of services provided by bank employees is in line with comparable banks in which community development services range from 30 to 187 instances. However, the number of community development services for some of the comparable institutions is skewed since those evaluations included COVID-19 pandemic years in which opportunities were limited or lost. Although the community development services are not particularly innovative, they demonstrate the bank’s responsiveness to community development needs considering its resources, business strategy, competition, and available opportunities.

The following tables illustrate the bank’s community development services by assessment area, purpose, and year. The tables include community development service activity that benefited the broader South Dakota, Minnesota, and regional areas since the bank demonstrated responsiveness to the assessment areas’ community development service needs. Further details are in the separate assessment area sections of the evaluation.

Community Development Services by Assessment Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Brookings	10	25	19	2	56
Sioux Falls	2	38	10	0	50
Vermillion	0	3	2	0	5
Statewide South Dakota	1	5	5	0	11
South Dakota Total	13	71	36	2	122
Minneapolis	2	11	9	0	22
Pipestone	0	7	0	3	10
Statewide Minnesota	0	0	3	0	3
Minnesota Total	2	18	12	3	35
Regional	0	0	0	2	2
Grand Total	15	89	48	7	159

Source: Bank Data

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2023	6	27	14	2	49
2024	4	32	17	3	56
Year-to-Date 2025	5	30	17	2	54
Total	15	89	48	7	159
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

SOUTH DAKOTA

CRA RATING FOR SOUTH DAKOTA: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTH DAKOTA

First Bank & Trust maintains three assessment areas in South Dakota: Brookings, Sioux Falls, and Vermillion. The bank currently operates 15 offices, 28 ATMs, and 2 LPOs in the South Dakota assessment areas. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – SOUTH DAKOTA

Examiners evaluated the bank's CRA performance for South Dakota through full-scope reviews of all three assessment areas in South Dakota. When drawing conclusions for the state, examiners gave the greatest weight to the Brookings Assessment Area, followed by the Sioux Falls and Vermillion assessment areas, which were weighted equally. Examiners reviewed small business, home mortgage, and small farm lending in all of the South Dakota assessment areas as they are a lending focus for each area and the bank overall. When analyzing performance, examiners gave the greatest weight to small business lending in all of the assessment areas, followed by home mortgage lending in the Sioux Falls and Vermillion assessment areas, and by small farm lending in the Brookings Assessment Area. Home mortgage lending was given the least weight in the Brookings Assessment Area whereas small farm lending was given the least weight in the Sioux Falls and Vermillion assessment areas. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTH DAKOTA

LENDING TEST

First Bank & Trust's Lending Test performance in South Dakota is outstanding. This is consistent with the bank's performance in the Brookings Assessment Area, which was given the greatest weight, as well as performance in the Sioux Falls Assessment Area. While performance in the Vermillion Assessment Area was good, it did not negatively impact the overall conclusion. Details are discussed under each assessment area.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs throughout the South Dakota assessment areas. Excellent responsiveness in the Brookings and Sioux Falls assessment areas and good responsiveness in the Vermillion Assessment Area support this conclusion.

Geographic Distribution

Overall, the geographic distribution of loans reflects good penetration throughout the assessment areas in South Dakota. This is consistent with performance in the Brookings Assessment Area, which was given the greatest weight. Performance in the Sioux Falls Assessment Area was adequate whereas geographic distribution was not evaluated in the Vermillion Assessment Area since it does not include any low- or moderate-income geographies.

Borrower Profile

The distribution of borrowers reflects excellent penetration among business and farm customers of different sizes and retail customers of different income levels in South Dakota. This is consistent with the bank's performance in the three South Dakota assessment areas.

Community Development Loans

First Bank & Trust is a leader in making community development loans in South Dakota. This is consistent with performance in the Brookings Assessment Area, which was given the greatest weight in drawing conclusions for South Dakota. The level of community development loans originated in the Sioux Falls Assessment Area was excellent and good in the Vermillion Assessment Area; however, these were given less weight in the analysis.

During the evaluation, the institution originated 60 community development loans totaling \$115.7 million in the South Dakota assessment areas, and another 8 loans totaling \$52.2 million in broader statewide South Dakota. Together, these loans represent 48.1 percent, by dollar volume, of all community development loans originated or purchased by the institution during the evaluation period. The loans primarily supported economic development initiatives and, to a lesser extent, affordable housing, community service, and revitalization and stabilization efforts. The level of community development loans increased significantly since the prior evaluation at which time the bank originated 50 community development loans totaling \$84.9 million in South Dakota. Refer to each assessment area for further details.

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test. This is consistent with the performance in all of the South Dakota assessment areas.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants in South Dakota. Specifically, the institution made or retained 328 qualified investments totaling \$28.2 million in South Dakota, which consists of 23 prior period investments with outstanding balances of \$21.3 million, 5 new investments totaling \$5.3 million, and 300 donations or grants totaling \$1.6 million. This also includes 4 qualified investments totaling \$5.0 million that were in the broader statewide area since the bank was responsive to the community development needs within its South Dakota assessment areas. The level of investment activity at the current evaluation represents an increase from the previous evaluation, at which time the bank had 248 investments totaling \$27.8 million in South Dakota. Details regarding the level of qualified investment activity for each assessment area within South Dakota are provided under the individual assessment area sections.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs, considering the available opportunities in South Dakota and the investment capacity of the bank. Performance is consistent with the Brookings and Sioux Falls assessment areas. While activity in the Vermillion Assessment was good, it did not change the overall conclusion.

Community Development Initiatives

The institution occasionally uses innovative and/or complex investments to support community development initiatives in South Dakota, which is consistent with all of the assessment areas in South Dakota.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in South Dakota, which is consistent with the performance in all of the South Dakota assessment areas.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the assessment areas in South Dakota. The bank operates 15 branches, 2 LPOs, and 28 ATMS (10 that are deposit taking) in the South Dakota assessment areas. The accessibility of delivery systems is consistent within the South Dakota assessment areas and to the institution as a whole. Refer to the individual assessment area sections for more information.

Changes in Branch Locations

There have been no changes to the branch locations in the South Dakota assessment areas since the previous evaluation.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. This performance is consistent with the bank's overall performance.

Community Development Services

First Bank & Trust provided an adequate level of community development services in South Dakota. During the current evaluation period, employees provided 122 instances of financial expertise or technical assistance to 48 community development organizations. This is a decrease from the prior evaluation at which time bank employees provided 182 instances of financial expertise or technical assistance. Details regarding the level of community development services for each assessment area in South Dakota are provided under the individual assessment area sections.

BROOKINGS ASSESSMENT AREA - Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BROOKINGS ASSESSMENT AREA

The Brookings Assessment Area serves as the institution's primary assessment area. It consists of 30 census tracts, 29 of which are in a nonmetropolitan area of eastern South Dakota, along with 1 adjacent census tract in a nonmetropolitan area in western Minnesota. More specifically, the assessment area includes the entire counties of Brookings, Codington, Deuel, Grant, Hamlin, Lake, and Moody in South Dakota. It also includes the eastern portion of Kingsbury and the southern portion of Roberts counties in South Dakota, as well as the western portion of Big Stone County in Minnesota.

The assessment area boundaries have not changed since the prior evaluation; however, previous evaluation activities were evaluated using 2015 ACS data, whereas activities evaluated at the current evaluation are based on 2020 Census data. With the change in data sets, some census tract boundaries and income levels were adjusted, resulting in various demographic changes. Based on 2020 Census data, the assessment area consists of 1 moderate-, 23 middle-, and 6 upper-income geographies with some of the census tracts being designated underserved and/or distressed during the evaluation period.

Comparatively, the assessment area consisted of 2 moderate-, 19 middle-, and 6 upper-income census tracts at the prior evaluation. The bank operates 9 offices (Brookings (4), Madison, Milbank, Toronto, Watertown, and White), an LPO, and 19 ATMs in the assessment area.

Economic and Demographic Data

The table below illustrates select demographic characteristics of the assessment area.

Demographic Information of the Brookings Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	30	0.0	3.3	76.7	20.0	0.0
Population by Geography	105,128	0.0	2.6	70.8	26.6	0.0
Housing Units by Geography	49,813	0.0	2.5	70.8	26.7	0.0
Owner-Occupied Units by Geography	29,283	0.0	1.8	68.8	29.4	0.0
Occupied Rental Units by Geography	13,808	0.0	4.2	72.9	22.8	0.0
Vacant Units by Geography	6,722	0.0	2.3	75.0	22.8	0.0
Businesses by Geography	11,224	0.0	0.5	78.2	21.3	0.0
Farms by Geography	1,322	0.0	0.0	75.0	25.0	0.0
Family Distribution by Income Level	26,157	15.1	16.7	24.8	43.5	0.0
Household Distribution by Income Level	43,091	20.3	14.6	20.0	45.2	0.0
Nonmetropolitan South Dakota Median Family Income	\$72,374	Median Housing Value		\$ 167,807		
Nonmetropolitan Minnesota Median Family Income	\$74,710	Median Gross Rent		\$726		
		Families Below Poverty Level		5.9%		
<i>Source: 2020 Census; 2024 D&B Data; (*) The NA category consists of geographies that have not been assigned an income classification; Due to rounding, totals may not equal 100%.</i>						

D&B data for 2024 indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 24.9 percent followed by agriculture, forestry, fishing and hunting (10.5 percent), and other services (except public administration) at 8.3 percent. In addition, 67.0 percent of area businesses have 4 or fewer employees, and 92.7 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC)-updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The table below reflects the 2024 median family income ranges for nonmetropolitan South Dakota and Minnesota.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Nonmetropolitan Minnesota Median Family Income				
2024 (\$90,300)	<\$45,150	\$45,150 To <\$72,240	\$72,240 To <\$108,360	≥\$108,360
Nonmetropolitan South Dakota Median Family Income				
2024 (\$87,700)	<\$43,850	\$43,850 To <\$70,160	\$70,160 To <\$105,240	≥\$105,240
<i>Source: FFIEC</i>				

Competition

The Brookings Assessment Area has strong competition for financial services. According to 2025 FDIC Deposit Market Share data, 25 financial institutions operate 67 offices within the counties in the assessment area. Of these institutions, First Bank & Trust ranked 1st with 33.3 percent of the deposit market share by dollar volume. This deposit data does not include competition from non-FDIC insured entities, such as credit unions, which are not included in the report.

The institution also faces a high level of demand for small business loans as evidenced by 2024 aggregate CRA data, which shows that 65 CRA data reporters collectively reported 2,369 small business loans within the assessment area. First Bank & Trust ranked 2nd with 13.4 percent of the market share by number. These loan totals do not include loans originated by smaller institutions that are not required to report small business lending data but that operate within the assessment area.

Significant competition is also present for home mortgage lending as well. In 2024, 132 HMDA-reporting institutions originated or purchased 2,047 home mortgage loans in the assessment area. First Bank & Trust ranked 1st among these entities with 20.6 percent of the market share by number. These figures do not include loans originated by non-HMDA reporters.

The bank faces moderate, yet notable, competition for small farm loans from other lenders and non-bank entities. The 2024 aggregate CRA data shows 32 lenders collectively reported 1,858 small farm loans within the assessment area. Again, First Bank & Trust ranked 1st with 25.5 percent of the market share by number. These loan totals do not include loans originated by smaller institutions that are not required to report small farm lending data but that operate within the assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the area. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to credit needs. For this evaluation, examiners relied on an interview that was conducted with a representative from an economic development-related organization active in the assessment area.

The contact described the local economy as being very strong and growing, primarily driven by agriculture and manufacturing, but added that the challenge is in maintaining the local workforce and retaining students from the university. South Dakota State University (SDSU) also has a significant impact to the area with over 11,000 students currently enrolled. In 2025, it was officially classified as an R1 research institution, achieving the highest level of research activity. While many communities are experiencing an aging population, Brookings has a better mix as local employers, including civil engineering firms, that have been successful in retaining college students and graduates.

The area also faces challenges with affordable housing and childcare. Home prices have generally been higher than the median, and there are very few homes on the market at any given time. The contact cited a 5-year housing study that indicated a need for more affordable housing. For childcare, the contact estimated that, in 2023, there was a need for about 900 slots for area children. Additionally, the contact felt there was a need for more affordable childcare.

The individual stated that there are opportunities in the community for bank involvement and added that banks can work with the City of Brookings to assist in creating a master economic development plan for the city. It was also identified that start-up businesses are struggling to find capital. The contact also

indicated that there are opportunities for participation through development projects in the area, such as retail development, housing, and childcare centers.

The individual indicated that banks have been doing well in the area, noting that First Bank & Trust has been a dominant institution with a large market share. Also noted was that all banks in Brookings participate in Vision Brookings, an economic growth accelerator for the region. Finally, the contact was not aware of any allegations of discrimination or deceptive practices by area financial institutions.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that commercial, agricultural, and home mortgage lending all represent credit needs within the assessment area. Further, community development needs include, in no particular order, affordable housing, community services, economic development, and revitalization and stabilization.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BROOKINGS ASSESSMENT AREA

LENDING TEST

First Bank & Trust demonstrated outstanding performance under the Lending Test in the Brookings Assessment Area. The bank's performance under lending activities, and borrower profile supports this conclusion. Further supporting this assessment is the bank's leadership role in community development lending in the assessment area. While geographic distribution was good, it did not adversely affect the overall performance.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Brookings Assessment Area. In 2024, the bank originated or purchased 1,196 small business, small farm, and home mortgage loans totaling \$188.2 million in the assessment area. This accounts for 42.2 percent of the total loans reviewed, by number, in 2024. In comparison, 52.0 percent of the bank's deposits were from the assessment area according to FDIC Summary of Deposit data for 2024. As indicated earlier, First Bank & Trust ranked 2nd in market share for small business loans, 1st for home mortgage loans, and 1st for small farm loans.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. This is supported by the good small business and home mortgage lending performance. While small farm lending performance was adequate, it did not adversely affect the rating since it is not a primary lending focus in the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area when compared to available data. As indicated in the following table, the bank's performance in lending in the moderate-income census tract is slightly lower than aggregate data, but generally mirrors demographic data.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Moderate	0.5	1.6	2	0.6	60	0.1
Middle	78.2	75.3	255	81.7	41,130	80.6
Upper	21.3	23.2	55	17.6	9,846	19.3
Total	100.0	100.0	312	100.0	51,036	100.0

Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

As depicted in the following table, the geographic distribution of home mortgage loans reflects good penetration in the moderate-income census tract. While the bank’s performance is slightly lower than aggregate data, it generally mirrors census data, which indicates that 1.8 percent of owner-occupied housing units are in the moderate-income geography.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Moderate	1.8	2.7	7	1.7	1,089	1.5
Middle	68.8	66.1	253	60.0	39,814	55.8
Upper	29.4	31.3	162	38.4	30,478	42.7
Total	100.0	100.0	422	100.0	71,381	100.0

Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout the assessment area when compared to demographic and aggregate data. The bank did not originate any small farm loans in the moderate-income geography during the evaluation period. However, this is not concerning given that the moderate-income census tract is in a business area in Watertown and no farms are located in that census tract.

Borrower Profile

First Bank & Trust’s lending performance demonstrates excellent penetration among businesses and farms of different revenue sizes and individuals of different income levels. This conclusion is primarily supported by the bank’s small business performance, which was excellent. Small farm lending performance was also excellent, and home mortgage lending was good; however, these products were given lesser weight in drawing conclusions.

Small Business Loans

As reflected in the following table, the distribution of borrowers reflects excellent penetration among businesses of different revenues, when compared to aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	87.9	56.7	213	68.3	21,937	43.0
> \$1,000,000	2.3	--	89	28.5	27,502	53.9
Revenue Not Available	9.8	--	10	3.2	1,597	3.1
Total	100.0	100.0	312	100.0	51,036	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Home Mortgage Loans

As depicted in the following table, the distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers when compared to available data. The bank's lending to low-income borrowers is slightly below aggregate data; however, its lending to moderate-income borrowers exceeds both aggregate and census data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	15.1	6.9	28	6.6	1,984	2.8
Moderate	16.7	18.5	89	21.1	11,232	15.7
Middle	24.8	21.2	106	25.1	17,499	24.5
Upper	43.5	36.0	167	39.6	36,680	51.4
NA	0.0	17.4	32	7.6	3,986	5.6
Total	100.0	100.0	422	100.0	71,381	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The distribution of borrowers, as indicated in the following table, reflects excellent penetration among farms with gross annual revenues of \$1 million or less when compared to aggregate data.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	97.2	62.4	382	82.7	44,692	67.9
> \$1,000,000	1.9	--	78	16.9	20,593	31.3
Revenue Not Available	0.9	--	2	0.4	530	0.8
Total	100.0	100.0	462	100.0	65,815	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Community Development Loans

First Bank & Trust is a leader in community development loan originations in the Brookings Assessment Area. Specifically, the bank originated or purchased 26 loans totaling 33.9 million in the assessment area. The loans primarily supported economic development efforts; however, they also helped to provide affordable housing, community services, and revitalization and/or stabilization initiatives. The level of

community development lending increased in number and dollar volume since the previous evaluation, at which time the bank made 15 community development loans totaling \$22.2 million in the assessment area.

INVESTMENT TEST

First Bank & Trust demonstrated outstanding performance under the Investment Test in the Brookings Assessment Area. This conclusion is primarily based on the level of investment and grant activity and responsiveness to community development needs. While innovative and complex investments are occasionally used, this criterion did not negate the overall performance.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants in the Brookings Assessment Area, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made or retained 157 qualified investments and donations totaling \$4.1 million in the assessment area during the evaluation period. All of the investments (10 totaling \$3.3 million) are prior period investments that remain outstanding that supported affordable housing, community services, and revitalization and/or stabilization efforts. The remaining 147 are donations totaling \$746,000 that promoted all areas of community development activities. The level of community development investments in the assessment area has declined by dollar volume since the previous evaluation at which time the bank had investments totaling \$7.4 million; however, this is not concerning for several reasons. First, the level of qualified investments noted above does not include those made at the broader statewide or regional level. Secondly, the bank's investment activity is higher than similarly situated institutions that operate in the assessment area. Examiners also considered the bank's strategy in relation to lower interest rates during an evaluation period that could deter a bank from investing a large amount of money. Given these factors, the level of investment and grant activity is not concerning.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs in the assessment area, which is reflected through the bank's qualified investments that supported all community development initiatives, including those that were identified needs in the assessment area.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. While the bank's investments are beneficial to assessment area needs, they are not necessarily considered innovative or complex.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in the Brookings Assessment Area. The level of community development services is adequate; however, the good performance under accessibility of delivery systems and reasonableness of business hours and services offsets that performance.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the assessment area. The bank operates eight offices (Brookings (3), Madison, Milbank, Toronto, Watertown, and White) and one LPO in middle-income census tracts. Three of these branches (Toronto, Milbank, Madison) were or

currently are in underserved geographies. Additionally, the bank operates a branch (Brookings Hy-Vee Branch) in an upper-income geography. The institution also operates 19 ATMs in the assessment area, 9 cash dispensing, 6 that accept deposits, and 4 that are seasonal. Alternative delivery methods provide further access to bank services to residents 24 hours a day, seven days a week.

Changes in Branch Locations

There have been no changes to the branch locations in the Brookings Assessment Area since the previous evaluation. Therefore, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or individuals.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals and are consistent with the bank's overall performance.

Community Development Services

First Bank & Trust provided an adequate level of community development services within the Brookings Assessment Area. During the evaluation period, bank employees provided 56 instances of financial expertise or technical assistance to 22 community development organizations in the assessment area. The services were to organizations that promote affordable housing, community services, economic development initiatives, and revitalization and stabilization efforts. The number of community development services during the current evaluation period reflects a decrease from the prior evaluation period, at which time bank employees provided 103 instances to 24 community development organizations in the assessment area.

SIoux FALLS ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SIoux FALLS ASSESSMENT AREA

The Sioux Falls Assessment Area consists of a portion of the Sioux Falls, SD-MN MSA. It includes the entire counties of Lincoln and Minnehaha on the southeastern edge of South Dakota, as well as a portion of Rock County in the southwest corner of Minnesota. While the bank's designation of these particular counties and census tracts has not changed, it previously designated Lincoln and Minnehaha counties to the Sioux Falls Assessment Area, while Rock County was included in the Pipestone Assessment Area. However, in conjunction with national MSA delineation changes announced by the Office of Management and Budget (OMB) in December 2023, Rock County was added to the Sioux Falls, SD MSA, resulting in a multi-state MSA. The bank does not currently operate any offices or deposit-taking ATMs in Rock County.

Based on 2020 Census data, the adjusted assessment area consists of 61 census tracts. Of these, 2 are low-, 15 are moderate-, 31 are middle-, and 12 are upper-income geographies. An additional census tract does not have an income designation. It previously consisted of 53 census tracts (0 low-, 17 moderate-, 24 middle-, and 12 upper-income) based on 2015 ACS data. The bank operates 5 offices, 1 LPO, and 6 ATMs in the assessment area. Three of the branches are in Sioux Falls and the other two branches, Canton and Garretson, are approximately 30 miles to the southeast and northeast of Sioux Falls, respectively. Bank management stated that the Canton and Garretson markets are very different than the

Sioux Falls market. More specifically, the bank’s lending focus in Canton and Garretson is primarily agricultural lending followed by commercial lending whereas the lending focus in Sioux Falls is primarily commercial lending followed by home mortgage lending.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Sioux Falls Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	61	3.3	24.6	50.8	19.7	1.6
Population by Geography	264,722	1.8	22.3	53.7	21.7	0.5
Housing Units by Geography	105,647	3.0	25.2	52.3	18.5	1.0
Owner-Occupied Units by Geography	65,464	1.1	18.0	56.6	24.3	0.0
Occupied Rental Units by Geography	34,296	6.3	35.5	45.5	9.5	3.2
Vacant Units by Geography	5,887	4.6	44.7	44.6	6.1	0.0
Businesses by Geography	23,447	6.5	31.2	45.6	15.5	1.2
Farms by Geography	867	0.8	5.5	82.4	11.3	0.0
Family Distribution by Income Level	63,489	18.0	17.6	24.4	39.9	0.0
Household Distribution by Income Level	99,760	21.9	17.0	19.4	41.8	0.0
Sioux Falls, SD-MN MSA Median Family Income	\$83,517	Median Housing Value		\$ 207,321		
		Median Gross Rent		\$835		
		Families Below Poverty Level		5.3%		
<i>Source: 2020 Census; 2024 D&B Data; (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

D&B data for 2024 indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 26.1 percent followed by professional, scientific, and technical services (8.0 percent), and other services (except public administration) at 7.6 percent. Additionally, 66.3 percent of area businesses have 4 or fewer employees, and 92.4 percent operate from a single location.

The following table reflects the 2024 FFIEC-estimated median family income levels for the Sioux Falls, SD-MN MSA, which are used in the Borrower Profile analysis for home mortgage loans.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2024 (\$102,400)	<\$51,200	\$51,200 To <\$81,920	\$81,920 To <\$122,880	≥\$122,880
<i>Source: FFIEC</i>				

Competition

The Sioux Falls Assessment Area is heavily banked by various large nationwide, regional, and community financial institutions. According to 2025 FDIC Deposit Market Share data, 38 financial institutions operate 127 offices within Lincoln, Minnehaha, and Rock counties. Two large banks with a nationwide footprint comprise 97.1 percent of total deposit market share while 36 institutions split the remaining 2.9 percent. Of the 38 institutions, First Bank & Trust ranks 8th with 0.1 percent of the deposit market share by dollar volume. As previously mentioned, this deposit data does not include competition from non-FDIC insured entities, such as credit unions, which are not included in the report.

The bank also faces significant competition with regard to lending. For small business loans, 2024 aggregate CRA data shows that 87 CRA data reporters collectively reported 6,459 small business loans within the assessment area. Of these institutions, First Bank & Trust ranked 7th with 3.8 percent of the market share by number. The top 2 lenders comprise 37.6 percent of these loans. These loan totals do not include loans originated by smaller institutions that are not required to report small business lending data but that operate within the assessment area.

There is also significant competition for home mortgage loans. In 2024, 193 HMDA-reporting institutions originated or purchased 7,538 home mortgage loans in the assessment area. First Bank & Trust ranked 3rd with 6.5 percent market share by number. These figures do not include loans originated by non-HMDA reporters.

The market for small farm loans is also relatively competitive, particularly in the rural areas. Of the 27 lenders originating or purchasing small farm loans in the assessment area, CRA aggregate data shows that First Bank & Trust ranks 2nd with 19.0 percent of the market by number. The loan totals do not include loans originated by smaller institutions that are not required to report small farm lending data but that operate within the assessment area.

Community Contact

To assist in identifying the credit needs of the assessment area, examiners used one previously conducted interview with an individual familiar with the general market and community needs in Sioux Falls.

The contact stated that the overall general economy of the area was strong in 2024, but added that small businesses seemed to have difficulty getting started despite a strong commercial market. The individual also indicated that the housing market in 2024 was difficult for buyers, especially first-time home buyers, largely due to the interest rate climate at that time. Additionally, the contact maintained that local financial institutions have good participation within the community and added that there are many opportunities for them to participate in community development activities.

Credit and Community Development Needs and Opportunities

Considering information from bank management, as well as demographic and economic data, examiners determined that commercial and home mortgage lending are the primary credit needs within the Sioux Falls area, while agricultural lending is a credit need in the rural areas. Community development needs are primarily related to economic development and affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SIOUX FALLS ASSESSMENT AREA

LENDING TEST

First Bank & Trust demonstrated outstanding performance under the Lending Test in the Sioux Falls Assessment Area. The bank's excellent performance under lending activities and borrower profile supports this conclusion. Further supporting this assessment is the bank's leadership role in community development lending in the assessment area. While Geographic Distribution was adequate, it did not adversely affect the overall performance.

Lending Activity

The bank’s lending activity reflects excellent responsiveness to the credit needs of the Sioux Falls Assessment Area. In 2024, the bank originated or purchased 886 small business, small farm, and home mortgage loans totaling \$195.4 million in the assessment area. This accounts for 31.2 percent of the total loans reviewed by number, and 38.2 percent by dollar volume. In comparison, 24.8 percent of the bank's deposits were from the assessment area according to FDIC Summary of Deposit data for 2024. Of the 87 CRA and HMDA reporters in the assessment area, the bank ranked 7th in market share for small business loans, 3rd out of 193 lenders for home mortgage loans, and 2nd out of 27 lenders for small farm loans.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. This is supported by the lending performance for small business, small farm, and home mortgage lending.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area when compared to aggregate data. As indicated in the following table, the bank’s record of originating small business loans in low-income geographies, by number, is slightly higher than aggregate and demographic data. While this performance is good, such performance would be expected given that one of the bank’s branches operates in a low-income geography. Conversely, lending in moderate-income census tracts is below aggregate and demographic data, yet two branches operate in moderate-income census tracts. Nonetheless, the bank’s performance is reasonable given the significant competition for small business loans within the assessment area, as confirmed by market share data.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low	6.5	5.1	19	7.7	4,186	8.2
Moderate	31.2	23.2	46	18.6	17,002	33.1
Middle	45.6	46.2	132	53.4	19,386	37.8
Upper	15.5	23.4	48	19.4	10,568	20.6
NA	1.2	2.1	2	0.8	190	0.4
Total	100.0	100.0	247	100.0	51,332	100.0

Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area when compared to aggregate data. The bank’s record of originating home mortgage loans in low-income geographies mirrors aggregate data and is slightly lower than census data. Lending performance in moderate-income census tracts is slightly below aggregate and census data, particularly when considering that the bank operates two branches in moderate-income geographies. However, the bank’s performance is reasonable given the significant competition for home mortgage loans in the assessment area as confirmed by HMDA market share data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	1.1	0.8	4	0.8	690	0.5
Moderate	18.0	14.8	50	10.2	10,500	8.2
Middle	56.6	60.0	309	63.2	76,612	60.0
Upper	24.3	24.4	126	25.8	39,891	31.2
Total	100.0	100.0	489	100.0	127,693	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout the assessment area. As reflected in the following table, the bank’s performance in low- and moderate-income geographies is generally consistent with aggregate data. Nonetheless, the table indicates that the bank originated one small farm in a low-income geography and none in moderate-income census tracts; however, this is reasonable given that the low- and moderate-income areas are not in rural areas in which farms would operate.

Geographic Distribution of Small Farm Loans						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low	0.8	0.4	1	0.7	125	0.8
Moderate	5.5	0.7	0	0.0	0	0.0
Middle	82.4	88.7	125	83.3	13,569	82.8
Upper	11.3	10.1	24	16.0	2,690	16.4
NA	0.0	0.1	0	0.0	0	0.0
Total	100.0	100.0	150	100.0	16,384	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

First Bank & Trust’s lending performance demonstrates excellent penetration among businesses and farms of different revenue sizes and individuals of different income levels. This conclusion is primarily supported by the bank’s small business performance, which was considered excellent. Small farm lending performance was also excellent, and home mortgage lending was good; however, these products were given lesser weight when drawing conclusions.

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses with gross annual revenues of \$1 million or less when compared to aggregate data, which is depicted in the following table.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	88.4	51.5	152	61.5	20,284	39.5
> \$1,000,000	2.4	--	86	34.8	30,577	59.6
Revenue Not Available	9.3	--	9	3.6	471	0.9
Total	100.0	100.0	247	100.0	51,332	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Home Mortgage Loans

The distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. As indicated in the following table, the bank's lending to low- and moderate-income borrowers generally mirrors aggregate data. While the bank's lending to low-income borrowers is significantly lower than census data, the bank's performance exceeded aggregate lending.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	18.0	5.9	30	6.1	3,712	2.9
Moderate	17.6	20.5	92	18.8	18,837	14.8
Middle	24.4	23.1	114	23.3	23,475	18.4
Upper	39.9	33.8	218	44.6	65,827	51.6
NA	0.0	16.7	35	7.2	15,842	12.4
Total	100.0	100.0	489	100.0	127,693	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

As reflected in the following table, the distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less when compared to aggregate data.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	98.2	65.2	137	91.3	13,856	84.6
> \$1,000,000	1.0	--	8	5.3	2,236	13.7
Revenue Not Available	0.8	--	5	3.3	292	1.8
Total	100.0	100.0	150	100.0	16,384	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Community Development Loans

First Bank & Trust is a leader in making community development loans in the Sioux Falls Assessment Area. The bank originated 28 community development loans totaling \$79.7 million that promoted all areas of community development. The majority by number and dollar volume promoted economic development, which is an identified credit need within the area. Although the number of community development loans is slightly lower than the 33 community development loans at the prior evaluation, the dollar volume is significantly more than the \$62.6 million at the prior evaluation.

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test in the Sioux Falls Assessment Area. This conclusion is primarily based on the level of investment and grant activity as well as responsiveness to community development needs. While innovativeness and complex investments are occasionally used, this criterion did not negate the overall performance.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants in the Sioux Falls Assessment Area, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made or retained 156 qualified investments and donations totaling \$17.5 million during the evaluation period. Of these, 10 investments totaling \$15.5 million are from the prior evaluation period that remain outstanding; however, one additional investment of \$1.1 million was made in 2024 as well. These 11 investments provided affordable housing for low- and moderate-income individuals, which is an identified need in the area. The remaining 145 are donations totaling \$861,000 that promoted all areas of community development activities. The level of community development investments in the assessment area has increased by dollar volume since the previous evaluation, at which time the bank had \$19.4 million in qualified investments in the assessment area.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs in the assessment area, which is reflected through the bank's qualified investments that supported all community development initiatives including those that were identified as needs in the assessment area.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. While the bank's investments are beneficial to assessment area needs, they are not necessarily considered innovative or complex.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in the Sioux Falls Assessment Area. The level of community development services is adequate; however, the good performance under the accessibility of delivery systems and reasonableness of business hours and services offsets that performance.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the Sioux Falls Assessment Area. The bank operates five full-service branches and one LPO in the assessment area. Based on 2020 Census data, one branch (MN Avenue) is in a low-income census tract, two (Dawley and Sioux Falls I-229) are in moderate-income census tracts, and the remaining two (Canton and Garretson) are in middle-

income geographies. The institution also operates 6 ATMs in the assessment area (3 cash dispensing and 3 that accept deposits). Alternative delivery methods provide further access to bank services to residents 24 hours a day, seven days a week.

Changes in Branch Locations

There have been no changes to the branch locations in the Sioux Falls Assessment Area since the previous evaluation.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals and are consistent with the bank's overall performance.

Community Development Services

The institution provides an adequate level of community development services within the Sioux Falls Assessment Area. During the evaluation period, bank employees provided 50 instances of financial expertise or technical assistance to 19 organizations. The services were to organizations that promote affordable housing, community services, and economic development initiatives. The level of activity has declined from the previous evaluation at which time the bank reported 78 instances of community development services.

VERMILLION ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE VERMILLION ASSESSMENT AREA

The Vermillion Assessment Area is a nonmetropolitan area that consists of three census tracts in Clay County. The northern border of the assessment area is contiguous to the southernmost portion of the Sioux Falls Assessment Area, while the southern border is adjacent to the Nebraska border. Based on 2015 ACS and 2020 Census data, two of the census tracts are middle-income geographies that were designated as distressed geographies in 2024, and one census tract is an upper-income geography. The bank continues to operate a branch and three ATMs within the assessment area.

Economic and Demographic Data

The following table reflects select demographic characteristics of the assessment area.

Demographic Information of the Vermillion Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	3	0.0	0.0	66.7	33.3	0.0
Population by Geography	14,967	0.0	0.0	57.8	42.2	0.0
Housing Units by Geography	6,114	0.0	0.0	58.2	41.9	0.0
Owner-Occupied Units by Geography	2,830	0.0	0.0	54.5	45.6	0.0
Occupied Rental Units by Geography	2,429	0.0	0.0	64.7	35.3	0.0
Vacant Units by Geography	855	0.0	0.0	51.7	48.3	0.0
Businesses by Geography	1,226	0.0	0.0	51.1	48.9	0.0
Farms by Geography	152	0.0	0.0	79.0	21.1	0.0
Family Distribution by Income Level	2,699	19.0	14.0	17.9	49.1	0.0
Household Distribution by Income Level	5,259	29.2	15.1	15.0	40.7	0.0
Nonmetropolitan South Dakota Median Family Income	\$72,374	Median Housing Value		\$ 168,035		
		Median Gross Rent		\$723		
		Families Below Poverty Level		8.4%		
<i>Source: 2020 Census; 2024 D&B Data; (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

D&B data for 2024 indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 21.9 percent followed by agriculture, forestry, fishing and hunting at 11.0 percent, and other services (except public administration) at 10.8 percent. Additionally, 69.3 percent of area businesses have 4 or fewer employees, and 90.9 percent operate from a single location.

The FFIEC-estimated median family income levels for nonmetropolitan South Dakota, which are used in the Borrower Profile analysis, were presented under the Brookings Assessment Area section.

Competition

The Vermillion Assessment Area is moderately competitive for financial services despite its rural nature. According to 2024 FDIC Deposit Market Share data, 7 financial institutions operate 7 offices within Clay County. First Bank & Trust ranks 4th with 15.3 percent of the deposit market share by dollar volume. As previously mentioned, this deposit data does not include competition from non-FDIC insured entities, such as credit unions, which are not included in the report.

First Bank & Trust also has moderate competition with regard to lending. For small business loans, 2024 aggregate CRA data shows that 25 CRA data reporters collectively reported 171 small business loans within the assessment area. Of these institutions, First Bank & Trust ranked 2nd with 15.2 percent of the market share by number. These loan totals do not include loans originated by smaller institutions that are not required to report small business lending data but that operate within the assessment area.

There is a high level of competition for home mortgage lending with 65 HMDA-reporting lenders reporting 241 home mortgage loans in the assessment area based on 2024 aggregate data. First Bank & Trust ranked 1st with 11.6 percent market share, followed by a national bank that holds 10.4 percent of the market share, by number. Each of the remaining reporters individually held less than 6.0 percent of the market share by number. These figures do not include loans originated by non-HMDA reporters.

With regard to small farm loans, 14 lenders originated or purchased 108 small farm loans in the assessment area based on 2024 aggregate CRA data. First Bank & Trust ranks 4th with 8.3 percent of the market share by number. The top 3 lenders comprise 71.3 percent of the total small farm loans. These loan totals do not include loans originated by smaller institutions that are not required to report small farm lending data but that operate within the assessment area.

Credit and Community Development Needs and Opportunities

Examiners reviewed demographic and economic data, as well as comments from bank management, and determined that commercial and home mortgage lending represent the primary credit needs of the assessment area followed by agricultural lending. Community development needs are primarily related to economic development, community services, and affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE VERMILLION ASSESSMENT AREA

LENDING TEST

First Bank & Trust demonstrated good performance under the Lending Test in the Vermillion Assessment Area. The bank's good performance under lending activities and community development lending supports this conclusion. While Borrower Profile was excellent, it did not enhance the overall conclusion.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of the Vermillion Assessment Area. In 2024, the bank originated or purchased 63 small business, small farm, and home mortgage loans totaling \$8.7 million in the assessment area. This accounts for 2.2 percent of the total loans reviewed, by number, in 2024. In comparison, 1.7 percent of the bank's deposits were from the assessment area according to FDIC Summary of Deposit data for 2024. Of the 25 CRA and HMDA reporters in the assessment area, the bank ranked 2nd in market share for small business loans, 1st for home mortgage loans, and 4th for small farm loans.

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of geographic distribution would not result in meaningful conclusions. Therefore, this criterion was not evaluated for this assessment area.

Borrower Profile

First Bank & Trust's lending performance demonstrates excellent penetration among businesses and farms of different revenue sizes and individuals of different income levels. This conclusion is primarily supported by the bank's small business performance, which was given the greatest weight and considered excellent. Home mortgage lending performance was good and small farm lending performance was adequate; however, these products were given lesser weight in drawing conclusions.

Small Business Loans

As illustrated in the following table, the distribution of borrowers reflects excellent penetration among businesses with gross annual revenues of \$1 million or less when compared to aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	86.4	58.6	21	80.8	1,084	51.2
> \$1,000,000	2.7	--	4	15.4	318	15.0
Revenue Not Available	10.9	--	1	3.9	714	33.7
Total	100.0	100.0	26	100.0	2,116	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Home Mortgage Loans

The distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers when compared to aggregate data and when considering additional factors. As depicted in the following table, the bank did not originate any home mortgage loans to low-income borrowers, which is below aggregate performance and significantly below census data. According to 2020 Census data, the median housing value in the Vermillion Assessment Area is \$168,035 and the adjusted 2024 median family income for nonmetropolitan South Dakota is \$87,700. Additionally, 8.4 percent of families in the assessment area live below the poverty level. As such, lower-income borrowers may face challenges in qualifying for a home mortgage loan. Finally, as indicated earlier, the assessment area contains significant competition for home mortgage loans. Not only are there 7 FDIC-insured financial institutions that operate in the assessment area, but the deposit market share report does not include data from non-FDIC insured entities, such as credit unions. This is evidenced by 2024 aggregate data, which shows that there are 65 HMDA-reporting lenders that have originated home mortgage loans in the assessment area, which does not include loans originated by non-HMDA reporters. Given the additional information, the bank’s performance is considered good, particularly since the bank’s performance in lending to moderate-income borrowers exceeds both aggregate and census data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	19.0	6.2	0	0.0	0	0.0
Moderate	14.0	19.1	6	21.4	573	10.0
Middle	17.9	21.6	5	17.9	885	15.4
Upper	49.1	35.7	13	46.4	3,170	55.2
NA	0.0	17.4	4	14.3	1,111	19.4
Total	100.0	100.0	28	100.0	5,739	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The distribution of borrowers reflects adequate penetration among farms of different sizes when compared to aggregate data, as illustrated in the following table.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	99.3	60.2	5	55.6	393	45.8
> \$1,000,000	0.7	--	4	44.4	465	54.2
Revenue Not Available	0.0	--	0	0.0	0	0.0
Total	100.0	100.0	9	100.0	858	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Community Development Loans

First Bank & Trust has made a relatively high level of community development loans in the Vermillion Assessment Area. The bank originated 6 community development loans totaling \$2.2 million that promoted affordable housing, community services, and economic development, all of which were identified credit needs in the area. The number and dollar volume of community development loans at the current evaluation is greater than at the prior evaluation, at which time the bank made 2 community development loans totaling \$100,000.

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test in the Vermillion Assessment Area. This conclusion is primarily based on the level of investment and grant activity. While responsiveness to community development needs is good and innovativeness and complex investments are occasionally used, this criterion did not negatively affect the overall conclusion.

Investment and Grant Activity

First Bank & Trust provided an excellent level of qualified community development investments and grants in the Vermillion Assessment Area. The bank made 11 qualified investments totaling \$1.7 million, of which 8 were donations totaling \$19,000. The investments and donations primarily funded affordable housing and revitalization and/or stabilization efforts, with a smaller amount providing community services to low- and moderate-income individuals. The level of qualified investments in the assessment area, by dollar volume, is nearly double those at the prior evaluation when the bank received credit for \$960,000 in qualified investments.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs in the Vermillion Assessment Area, as demonstrated through the bank's investment activities supporting affordable housing and community services targeted to low-and moderate-income individuals and revitalization and/or stabilization efforts in the distressed portions of the assessment area.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. While the bank's investments are beneficial to assessment area needs, they are not necessarily considered innovative or complex.

SERVICE TEST

First Bank & Trust demonstrated good performance in the Vermillion Assessment Area. This is supported by the combined performance in the following areas.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the assessment area. The bank operates one branch and two ATMs (one that accepts deposits) in a middle-income geography that was distressed in 2024 due to the poverty level. The bank operates another ATM in an upper-income geography as well. Alternative delivery methods provide further access to bank services to residents 24 hours a day, seven days a week.

Changes in Branch Locations

There have been no changes to the branch locations in the Vermillion Assessment Area since the previous evaluation.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals and are consistent with the bank's overall performance.

Community Development Services

First Bank & Trust provides a relatively high level of community development services within the Vermillion Assessment Area. Bank employees provided five instances of financial expertise or technical assistance to two organizations that promote community services and economic development initiatives, both of which were identified needs. While the number of community development services is not excessive, it exceeds community development service activity at the previous evaluation at which time the bank reported one community development service in the assessment area.

MINNESOTA

CRA RATING FOR MINNESOTA: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNESOTA

First Bank & Trust maintains two assessment areas in Minnesota: the Minneapolis Assessment Area and the Pipestone Assessment Area. The bank operates 7 offices and 7 ATMs in the Minnesota assessment areas. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – MINNESOTA

Examiners evaluated the bank's CRA performance for Minnesota through full-scope reviews of both of the assessment areas. When drawing conclusions for the state, examiners gave the greatest weight to the Minneapolis Assessment Area due to the volume of branches, lending, and deposit activity in the assessment area versus the Pipestone Assessment Area. Examiners reviewed small business, home mortgage, and small farm lending in the Pipestone Assessment Area; however, small farm lending was not reviewed in the Minneapolis Assessment Area since it is not a lending focus in the metropolitan area. When analyzing performance, examiners gave the greatest weight to small business lending, followed by home mortgage lending in the Minneapolis Assessment Area. In the Pipestone Assessment Area, examiners gave the greatest weight to small farm lending, followed by small business, then home mortgage lending. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MINNESOTA

LENDING TEST

First Bank & Trust's Lending Test performance in Minnesota is good. This is consistent with the bank's performance in the Minneapolis Assessment Area, which was given the greatest weight. Although performance in the Pipestone Assessment Area was excellent, it did not enhance the overall conclusion. Details are discussed under each assessment area.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs throughout the Minnesota assessment areas. Adequate responsiveness in the Minneapolis Assessment Area, which was given the greatest weight in Minnesota, was offset by the excellent responsiveness in the Pipestone Assessment Area.

Geographic Distribution

Overall, the geographic distribution of loans reflects good penetration throughout the assessment areas in Minnesota. This is primarily supported by the good penetration in the Minneapolis Assessment Area, which was given the greatest weight. Performance in the Pipestone Assessment Area was excellent, but given lesser weight in drawing conclusions.

Borrower Profile

The distribution of borrowers reflects good penetration among business and farm customers of different sizes and retail customers of different income levels in Minnesota. This is consistent with the bank's performance in the Minneapolis Assessment Area, which was given the greatest weight. While the bank's performance in the Pipestone Assessment Area was excellent, it did not change the overall conclusion.

Community Development Loans

First Bank & Trust made a relatively high level of community development loans in Minnesota. This is consistent with performance in the Minneapolis Assessment Area, which was given the greatest weight in drawing conclusions for Minnesota. The level of community development loans originated in the Pipestone Assessment Area was adequate; however, this area was given less weight in drawing conclusions. During the evaluation period, the institution originated 53 community development loans totaling \$112.9 million in the Minnesota assessment areas, as well as 13 loans totaling \$56.3 million in broader statewide Minnesota. Together, these loans represent 48.5 percent, by dollar volume, of all community development loans originated or purchased by the institution. The loans primarily supported economic development initiatives and, to a lesser extent, affordable housing, community service, and revitalization and stabilization efforts. The level of community development loans increased since the prior evaluation, at which time the bank originated 51 community development loans totaling \$121.2 million in Minnesota. Refer to each assessment area for more details.

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test in Minnesota. This is consistent with the performance in the Minneapolis Assessment Area, which was given the greatest weight. Performance in the Pipestone Assessment Area was good but was given less weight in drawing conclusions for Minnesota.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants in Minnesota. Specifically, the institution made or retained 134 qualified investments totaling \$100.3 million in Minnesota, which consists of 56 prior period investments with outstanding balances of \$73.4 million, 8 new investments totaling \$26.5 million, and 70 donations or grants totaling \$360,000. This also includes 9 qualified investments totaling \$6.0 million that were in the broader statewide area since the bank was responsive to the community development needs within its Minnesota assessment areas. The level of investment activity at the current evaluation represents an increase from the previous evaluation, at which time the bank had 98 investments totaling \$100.0 million in Minnesota. Details regarding the level of qualified investment activity for each assessment area within Minnesota are provided under the individual assessment area sections.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs, considering the available opportunities in Minnesota and the investment capacity of the bank. Performance is consistent with both Minnesota assessment areas.

Community Development Initiatives

The institution occasionally uses innovative and/or complex investments to support community development initiatives in Minnesota, which is consistent with all of the assessment areas in Minnesota.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in Minnesota. This is consistent with the bank's performance in both Minnesota assessment areas and the institution overall.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the assessment areas in Minnesota. The bank operates seven branches and seven ATMs, two of which accept deposits, in the Minnesota assessment areas. The accessibility of delivery systems is generally consistent within the Minnesota assessment areas. Refer to the individual assessment area sections for more information.

Changes in Branch Locations

The institution's opening and closing of branches has not adversely affected the accessibility of its banking services and delivery systems, particularly in low- and moderate-income geographies and/or individuals. Refer to the individual assessment area sections for more information.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals, within Minnesota. This performance is consistent with the bank's overall performance.

Community Development Services

First Bank & Trust has provided a relatively high level of community development services in Minnesota. During the current evaluation period, employees provided 35 instances of financial expertise or technical assistance to 14 community development organizations. This is an increase from the prior evaluation at which time bank employees provided 25 instances of financial expertise or technical assistance. Details regarding the level of community development services for each assessment area in Minnesota are provided under the individual assessment area sections.

MINNEAPOLIS ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MINNEAPOLIS ASSESSMENT AREA

The Minneapolis Assessment Area includes all of Anoka, Carver, Dakota, Hennepin, Isanti, Ramsey Scott, and Washington counties, as well as portions of Chisago, Le Seuer, Mille Lacs, and Sherburne counties, which are all part of the Minneapolis-St. Paul-Bloomington, MN-WI MSA. The assessment area also includes two census tracts in northern Rice County, which is contiguous, but outside the MSA. The boundaries of the assessment area as a whole have not changed since the prior evaluation; however, census tract boundaries within some counties, as well as income levels, changed due to the updated census data. Based on 2020 Census data, the assessment area consists of 825 census tracts, including 49 low-, 180 moderate-, 353 middle-, 232 upper-income, and 11 undesignated census tracts. The current assessment area includes 93 more census tracts than at the prior evaluation, which used 2015 ACS data.

The bank operates six branches (Cambridge, East Bethel, Edina, New Prague, Princeton, and Roseville) and five ATMs in the assessment area. As indicated earlier, the only change to the bank's branching structure since the prior evaluation bank is the relocation of its Edina branch in 2024.

Economic and Demographic Data

The table below illustrates select demographic characteristics of the assessment area.

Demographic Information of the Minneapolis Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	825	5.9	21.8	42.8	28.1	1.3
Population by Geography	3,357,617	5.4	20.6	43.8	29.3	0.8
Housing Units by Geography	1,324,071	5.1	20.9	44.5	28.8	0.7
Owner-Occupied Units by Geography	883,908	2.4	16.9	47.7	32.9	0.1
Occupied Rental Units by Geography	384,868	11.0	30.1	37.6	19.5	1.9
Vacant Units by Geography	55,295	7.8	21.6	41.0	28.5	1.1
Businesses by Geography	387,587	4.3	19.7	41.1	34.0	0.9
Farms by Geography	3,648	1.0	11.4	50.5	36.9	0.3
Family Distribution by Income Level	804,300	19.6	17.9	22.6	39.9	0.0
Household Distribution by Income	1,268,776	23.0	16.7	19.0	41.2	0.0
Minneapolis-St. Paul-Bloomington, MN-WI MSA Median Family Income	\$103,977	Median Housing Value				\$ 288,318
Nonmetropolitan Minnesota Median Family Income	\$74,710	Median Gross Rent				\$1,163
					Families Below Poverty Level	5.2%
<i>Source: 2020 Census; 2024 D&B Data; (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

D&B data for 2024 indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 26.3 percent followed by professional, scientific, and technical services at 11.3 percent, and other services (except public administration) at 7.6 percent. Additionally, 64.7 percent of area businesses have 4 or fewer employees, and 93.5 percent operate from a single location.

The table below represents the 2024 FFIEC-estimated median family income levels for the Minneapolis-St. Paul-Bloomington, MN-WI MSA, which is used to analyze home mortgage loans under the Borrower Profile criterion. As indicated earlier, the assessment area also includes two adjacent census tracts that are in a nonmetropolitan area. Median family income figures for the nonmetropolitan portion of Minnesota are included within the Brookings Assessment Area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2024 (\$123,700)	<\$61,850	\$61,850 To <\$98,960	\$98,960 To <\$148,440	≥\$148,440
<i>Source: FFIEC</i>				

Competition

The Minneapolis Assessment Area is highly competitive for financial services. According to June 2025 FDIC Market Share data, 117 other banks operate within the counties in the assessment area. Of these institutions, First Bank & Trust ranked 28th with 0.3 percent of the deposit market share. As previously mentioned, this deposit data does not include competition from non-FDIC insured entities, such as credit unions, which are not included in the report.

There is also a high level of competition for small business and home mortgage lending. For small business loans, 2024 aggregate CRA data shows that 170 CRA data reporters collectively reported 75,347 small business loans within the assessment area. Of these institutions, First Bank & Trust ranked 25th with 0.3 percent of the market share by number. The top 3 lenders comprise 61.3 percent of these loans. As indicated earlier, these loan totals do not include loans originated by smaller institutions that are not required to report small business lending data but that operate within the assessment area.

In regard to home mortgage loans, 2024 HMDA aggregate data shows that 673 lenders subject to HMDA data collection requirements reported 80,286 home mortgage loans originated or purchased, with First Bank & Trust ranking 77th with 0.2 percent of the market share by number.

Community Contact

Examiners relied on a previously conducted interview with a representative of a community organization familiar with the assessment area to assist in identifying the credit needs of the assessment area. The individual stated the local economy was stationary after the pandemic. Businesses had an influx of funds; therefore, they were not aggressively borrowing for a few years. Demand for financing has been steadily on the rise with some disruption due to recent economic uncertainty. The contact indicated that the area includes start-up businesses as well as existing businesses that are expanding. The contact also noted that lending standards, regulatory limits, and credit education are challenges businesses and consumers face in the community. The individual confirmed that community banks have opportunities to get involved with small business lending and identified small business loans as the primary credit need within the area. In addition, the contact noted that local lenders have been responsive in helping to meet the credit needs of the area.

Credit and Community Development Needs and Opportunities

Considering information from bank management, a community contact, and demographic and economic data, examiners determined that commercial and home mortgage lending are the primary credit needs within the metropolitan area. Community development needs are primarily related to economic development and affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MINNEAPOLIS ASSESSMENT AREA

LENDING TEST

First Bank & Trust demonstrated good performance under the Lending Test in the Minneapolis Assessment Area. The bank's good performance under geographic distribution, borrower profile, and community development lending supports this conclusion. While the bank exhibited adequate performance under lending activities, it did not adversely affect the overall performance.

Lending Activity

The bank's lending activity reflects adequate responsiveness to the credit needs of the Minneapolis Assessment Area. In 2024, the bank originated or purchased 409 small business, small farm, and home mortgage loans totaling \$84.2 million in the assessment area. This accounts for 14.4 percent of the total loans reviewed, by number, in 2024. In comparison, 14.3 percent of the bank's deposits were from the assessment area according to FDIC Summary of Deposit data for 2024. Further, aggregate data for 2024 reveals that the bank ranked 25th in market share for small business loans and 77th for home mortgage loans.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. This is primarily supported by the excellent performance in small business lending, which was given the greatest weight, but is offset by the home mortgage lending performance, which was adequate.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. As reflected in the following table, the bank's lending in low- and moderate-income geographies exceeds aggregate and demographic data.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low	4.3	3.1	12	5.2	3,948	8.5
Moderate	19.7	16.9	53	22.8	13,571	29.2
Middle	41.1	41.7	121	51.9	17,754	38.2
Upper	34.0	37.5	47	20.2	11,175	24.1
NA	0.9	0.7	0	0.0	0	0.0
Total	100.0	100.0	233	100.0	46,448	100.0

Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

As illustrated in the following table, the geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area when compared to aggregate data. The bank's record of originating home mortgage loans in low- and moderate-income geographies lags aggregate performance for all years reviewed (2022-2024); however, it drops to the lowest level in 2024. Although three of the bank's branches in the assessment area operate in moderate-income census tracts, performance is considered adequate due to the highly competitive metropolitan market.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	2.4	3.3	1	0.6	264	0.7
Moderate	16.9	18.0	16	9.2	2,495	6.6
Middle	47.7	46.6	118	67.8	22,555	60.0
Upper	32.9	32.0	39	22.4	12,311	32.7
NA	0.1	0.1	0	0.0	0	0.0
Total	100.0	100.0	174	100.0	37,625	100.0

Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects good penetration throughout the assessment area. This is primarily supported by the excellent small business lending performance, which was given the greatest weight. However, this performance is offset by home mortgage lending performance, which was adequate.

Small Business Loans

As illustrated in the following table, the distribution of borrowers reflects excellent penetration among businesses of different sizes when compared to aggregate lending. The bank’s performance significantly lags demographic data; however, this data is comprised of a voluntary survey request that is used only as a general indicator of business demographics within the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	90.3	50.0	134	57.5	22,050	47.5
> \$1,000,000	3.0	--	95	40.8	23,075	49.7
Revenue Not Available	6.7	--	4	1.7	1,323	2.9
Total	100.0	100.0	233	100.0	46,448	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among individuals of different income levels. As reflected in the following table, First Bank & Trust’s lending performance to low-income borrowers is slightly above aggregate data, yet below census data. Lending performance to moderate-income borrowers is lower than aggregate data yet exceeds census data. Given the competition for all types of lending in the highly populated metropolitan area coupled with home mortgage not being a primary lending focus of the institution in the assessment area, the bank’s performance is adequate.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	19.6	9.7	18	10.3	2,498	6.6
Moderate	17.9	25.9	32	18.4	6,123	16.3
Middle	22.6	22.6	32	18.4	5,128	13.6
Upper	39.9	28.6	74	42.5	19,786	52.6
NA	0.0	13.2	18	10.3	4,090	10.9
Total	100.0	100.0	174	100.0	37,625	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%.</i>						

Community Development Loans

First Bank & Trust made a relatively high level of community development loans in the Minneapolis Assessment Area. Specifically, the bank originated 48 community development loans totaling \$110.8 million, primarily promoting economic development in the area. The level of community development lending is similar to the prior evaluation, at which time the bank made 47 community development loans totaling \$115.4 million in the assessment area.

INVESTMENT TEST

First Bank & Trust demonstrated excellent performance under the Investment Test in the Minneapolis Assessment Area. This conclusion is primarily based on the level of investment and grant activity. While responsiveness to credit and community development needs was good and innovativeness and complex investments are occasionally used, these criteria did not negatively affect the overall conclusion.

Investment and Grant Activity

First Bank & Trust has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors, in the Minneapolis Assessment Area. The bank made or retained 104 qualified investments and donations totaling \$91.6 million during the evaluation period. The majority by dollar volume (\$70.8 million) are prior period investments that remain outstanding. Of these prior period investments, \$60.4 million provided affordable housing to low- and moderate-income individuals, which is an identified community development need in the area. The remaining investments and donations promoted affordable housing, community services, or revitalization and/or stabilization efforts throughout the assessment area. The level of community development investments in the assessment area has declined slightly since the previous evaluation at which time the bank had \$97.1 million in qualified investments. Similar to earlier comments, the decline is due to various factors and is not concerning as the bank's investment activity is higher than similarly situated institutions that operate in the metropolitan area.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs in the assessment area, which is reflected through the bank's qualified investments that supported affordable housing to low- and moderate-income individuals, which was an identified need in the assessment area. Investments also helped to provide community services and revitalization or stabilization efforts for low- and moderate-income individuals and/or low- and moderate-income geographies.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. While the bank's investments are beneficial to assessment area needs, they are not necessarily considered innovative or complex.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in the Minneapolis Assessment Area. This is primarily based on the performance under community development services, changes in branch locations, and reasonableness of business hours and services. While accessibility of delivery systems is adequate, this performance did not adversely affect the overall conclusion.

Accessibility of Delivery Systems

The institution's delivery systems are reasonably accessible to essentially all portions of the Minneapolis Assessment Area. The bank operates six full-service branches and five ATMs in the assessment area. The offices are located throughout the assessment area, which spans a large geographic area. Based on 2020 Census data, three of the branches, as well as two ATMs, are in moderate-income census tracts. The remaining three branches and three ATMs, one of which accepts deposits, operate in middle-income geographies.

At the last evaluation, only one branch was located in a moderate-income census tract; however, the increased number of branches in moderate-income geographies is solely due to census tract income designation changes. Furthermore, the alternative delivery methods provide further access to bank services that are essentially available to residents 24 hours a day, seven days a week.

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or individuals. The bank closed a branch in Edina, located in a middle-income census tract, in preparation for the move to a new location in Edina the following week. The change of location for the branch had minimal impact, since the new location is still in a middle-income geography.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals and are consistent with the bank's overall performance.

Community Development Services

First Bank & Trust provides a relatively high level of community development services within the Minneapolis Assessment Area. Bank employees provided 23 instances of financial expertise or technical assistance to 10 organizations, which exceeds the 19 instances reported at the prior evaluation. The services were to organizations that promote affordable housing, community services, and economic development initiatives.

PIPESTONE ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PIPESTONE ASSESSMENT AREA

The Pipestone Assessment Area is comprised of Lincoln and Pipestone counties in Minnesota. As indicated earlier, the assessment area previously included a portion of Rock County; however, since Rock County became a part of the Sioux Falls, ND-MN MSA in 2023, examiners included Rock County in the Sioux Falls Assessment Area to coincide with OMB changes. Based on 2020 Census data, the adjusted assessment area consists of one moderate-income census tract and six middle-income geographies with some of the census tracts being designated underserved during the evaluation period. Comparatively, it consisted of nine census tracts at the prior evaluation (one moderate-income and eight middle-income geographies). The bank operates one branch and two ATMs within the assessment area.

Economic and Demographic Data

The following table reflects select demographic characteristics of the assessment area.

Demographic Information of the Pipestone Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	15,064	0.0	16.7	83.3	0.0	0.0
Housing Units by Geography	7,641	0.0	16.1	83.9	0.0	0.0
Owner-Occupied Units by Geography	5,027	0.0	14.1	85.9	0.0	0.0
Occupied Rental Units by Geography	1,434	0.0	25.5	74.5	0.0	0.0
Vacant Units by Geography	1,180	0.0	13.1	86.9	0.0	0.0
Businesses by Geography	1,370	0.0	12.8	87.2	0.0	0.0
Farms by Geography	325	0.0	0.6	99.4	0.0	0.0
Family Distribution by Income Level	3,944	19.4	22.5	22.7	35.4	0.0
Household Distribution by Income Level	6,461	25.4	19.4	18.3	37.0	0.0
Nonmetropolitan Minnesota Median Family Income	\$74,710	Median Housing Value				\$ 107,897
		Median Gross Rent				\$628
		Families Below Poverty Level				8.1%
<i>Source: 2020 Census; 2024 D&B Data; (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

D&B data for 2024 indicates that agriculture, forestry, fishing and hunting represent the largest portion of businesses in the assessment area at 19.2 percent followed by non-classifiable establishments at 14.2 percent, and other services (except public administration) at 10.1 percent. Additionally, 76.3 percent of area businesses have 4 or fewer employees, and 91.6 percent operate from a single location.

The FFIEC-estimated median family income levels for nonmetropolitan Minnesota, which are used in the Borrower Profile analysis, were presented under the Brookings Assessment Area section.

Competition

The Pipestone Assessment Area is moderately competitive for financial services. Based on June 30, 2025, FDIC Deposit Market Share data, 7 FDIC-insured financial institutions operate 10 offices within Lincoln and Pipestone counties in Minnesota. First Bank & Trust ranked 1st with a deposit market share of 41.7 percent by dollar volume. As previously mentioned, this deposit data does not include competition from non-FDIC insured entities, such as credit unions, which are not included in the report.

The bank also has moderate competition with regard to lending. For small business loans, 2024 aggregate CRA data shows that 22 CRA data reporters collectively reported 222 small business loans within the assessment area. Of these institutions, First Bank & Trust ranked 1st with 37.4 percent of the market share by number. These loan totals do not include loans originated by smaller institutions that are not required to report small business lending data but that operate within the assessment area.

Competition for home mortgage lending is higher. In 2024, 70 HMDA-reporting institutions originated 300 home mortgage loans in the assessment area. First Bank & Trust ranked 1st with 28.3 percent market share by number. These figures do not include loans originated by non-HMDA reporters.

With regard to small farm loans, there were 20 lenders that originated 271 small farm loans in the assessment area per 2024 CRA aggregate data. First Bank & Trust ranked 1st with 42.4 percent of the market by number. These loan totals do not include loans originated by smaller institutions that are not required to report small farm lending data but that operate within the assessment area.

Community Contact

To assist in identifying the credit needs of the assessment area, examiners relied on a previously conducted interview with a representative of an organization active in the agricultural industry. The contact indicated that the overall trend of the agricultural economy has been declining in the past few years, and many dairy operations have had to close due to rising input costs and lower prices. This has also resulted in small to mid-sized operations seeking financing programs or financial assistance to help offset rising costs. Land prices continue to remain steady and larger farming operations continue to grow in order to remain viable. The individual noted that Pipestone County seems to have a much older generation of farmers due to little interest in taking over operations from the younger generations.

Overall, the contact indicated that financial institutions are meeting the credit needs in the area, specifically for agricultural lending and added that they were not aware of any discriminatory practices by area financial institutions.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural and commercial lending represent primary credit needs within the assessment area, followed by home mortgage lending. Community development needs include, in no particular order, affordable housing, community services, and economic development.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PIPESTONE ASSESSMENT AREA

LENDING TEST

First Bank & Trust demonstrated excellent performance under the Lending Test in the Pipestone Assessment Area. The bank's excellent performance under lending activities, geographic distribution, and borrower profile supports this conclusion. While the bank exhibited adequate performance under community development lending, it did not adversely affect the overall conclusion.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Pipestone Assessment Area. In 2024, the bank originated or purchased 283 small business, small farm, and home mortgage loans totaling \$35.6 million in the assessment area. This accounts for 10.0 percent of the total loans reviewed, by number, in 2024. In comparison, 7.1 percent of the bank's deposits were from the assessment area according to FDIC Summary of Deposit data for 2024. Most notably, the bank ranked 1st in market share for small business, small farm, and home mortgage loans.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment area. This is supported by the bank's excellent lending performance for small business, small farm, and home mortgage lending performance.

Small Business Loans

As illustrated in the following table, the geographic distribution of small business loans in the moderate-income geography reflects excellent penetration when compared to demographic and aggregate data.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Moderate	12.8	15.4	20	24.1	1,108	11.8
Middle	87.2	84.6	63	75.9	8,315	88.2
Total	100.0	100.0	83	100.0	9,423	100.0

Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The geographic distribution of home mortgage loans, as evidenced in the following table, reflects excellent penetration in the moderate-income census tract when compared to census and aggregate data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Moderate	14.1	18.7	25	29.4	2,512	27.3
Middle	85.9	81.3	60	70.6	6,708	72.8
2024	100.0	100.0	85	100.0	9,220	100.0

Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Small Farm Loans

As depicted in the following table, the geographic distribution of small farm loans reflects excellent penetration in the moderate-income census tract when compared to demographic and aggregate data.

Geographic Distribution of Small Farm Loans						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Moderate	0.6	3.3	7	6.1	736	4.4
Middle	99.4	96.7	108	93.9	16,201	95.7
Total	100.0	100.0	115	100.0	16,937	100.0

Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%

Borrower Profile

First Bank & Trust’s lending demonstrates excellent penetration among businesses and farms of different revenue sizes and individuals of different income levels. This conclusion is primarily supported by the bank’s excellent small farm performance, which was given the greatest weight in the assessment area. Small business lending performance was also excellent, and home mortgage lending was good; however, these products were given lesser weight when drawing conclusions for this assessment area.

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses of different sizes. As illustrated in the following table, the bank’s small business lending exceeds aggregate lending performance.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	85.6	61.5	63	75.9	4,026	42.7
> \$1,000,000	2.3	--	20	24.1	5,397	57.3
Revenue Not Available	12.1	--	0	0.0	0	0.0
Total	100.0	100.0	83	100.0	9,423	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available</i>						

Home Mortgage Loans

The distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers when compared to available data. As reflected in the following table, the bank's performance lags aggregate performance for both low- and moderate-income borrowers; however, the bank's lending to moderate-income borrowers exceeds census data. Furthermore, the bank's performance is good considering the 8.1 percent poverty level in the assessment area. Based on calculations derived from the average median housing value within the assessment area and industry-standard underwriting criteria, examiners confirmed that lower income individuals and those living below the poverty level are very likely to experience difficulty in qualifying for home mortgage loans due to monthly payment and down-payment requirements.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	19.4	12.3	9	10.6	605	6.6
Moderate	22.5	29.0	23	27.1	1,636	17.7
Middle	22.7	19.3	16	18.8	1,510	16.4
Upper	35.4	25.7	32	37.7	5,031	54.6
NA	0.0	13.7	5	5.9	438	4.8
Total	100.0	100.0	85	100.0	9,220	100.0
<i>Source: 2020 Census; 2024 HMDA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different sizes when compared to aggregate lending data, as reflected in the following table.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000	97.5	52.0	80	69.6	9,009	53.2
> \$1,000,000	1.5	--	33	28.7	7,909	46.7
Revenue Not Available	0.9	--	2	1.7	19	0.1
Total	100.0	100.0	115	100.0	16,937	100.0
<i>Source: 2024 D&B Data; 2024 CRA Aggregate Data; Bank Data; Due to rounding, totals may not equal 100.0% "--" data not available.</i>						

Community Development Loans

The bank has made an adequate level of community development loans in the Pipestone Assessment Area. More specifically, the bank made five community development loans totaling \$2.1 million during the evaluation period. While this reflects one more community development loan than the previous evaluation, the dollar volume declined by \$3.7 million from the prior evaluation.

INVESTMENT TEST

First Bank & Trust demonstrated good performance under the Investment Test in the Pipestone Assessment Area, which is primarily based on the responsiveness to community development needs. Although the bank demonstrated adequate performance under the level of qualified investments and activities and innovativeness and complex criterion, these did not negatively impact the overall conclusion.

Investment and Grant Activity

First Bank & Trust provided an adequate level of qualified community development investments and grants in the assessment area, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The bank made or retained 21 qualified investments and donations totaling \$2.6 million during the evaluation period. Of these, 14 investments totaling \$2.6 million are prior period investments that remain outstanding. These investments funded revitalization and/or stabilization efforts of qualifying geographies. The remaining 7 are donations totaling \$44,000 that promoted community services for low- and moderate-income individuals and families. The level of community development investments in the assessment area has declined slightly since the previous evaluation, at which time the bank had \$2.9 million in qualified investments.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community development needs in the assessment area, as demonstrated through the bank's qualified investment activities supporting community services targeted to low- and moderate-income individuals, which was an identified need in the area. While revitalization and/or stabilization is not an identified need, the bank's efforts to serve the underserved portions of the assessment area are noteworthy.

Community Development Initiatives

First Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives in the assessment area. While the bank's investments are beneficial to assessment area needs, they are not necessarily considered innovative or complex.

SERVICE TEST

First Bank & Trust demonstrated good performance under the Service Test in the Pipestone Assessment Area. Performance under the following criterion supports this conclusion.

Accessibility of Delivery Systems

The institution's delivery systems are reasonably accessible to essentially all portions of the Pipestone Assessment Area. The bank operates one branch and one deposit-taking ATM in the moderate-income census tract within the assessment area. It operates a second ATM in a middle-income geography that was designated underserved in 2025 due to its remote rural location. Furthermore, the alternative delivery methods provide further access to bank services that are essentially available to residents 24 hours a day, seven days a week.

Changes in Branch Locations

There have been no changes to the branch locations in the Pipestone Assessment Area since the previous evaluation.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals and are consistent with the bank's overall performance.

Community Development Services

First Bank & Trust provides a relatively high level of community development services within the Pipestone Assessment Area. Bank employees provided ten instances of financial expertise or technical assistance to four organizations. The services were to organizations that promote community services and revitalization and stabilization efforts. The number of community development services reported during the current evaluation period is slightly higher than the six community development services reported during the prior evaluation period.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (e.g., RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
SOUTH DAKOTA	Outstanding	Outstanding	High Satisfactory	Outstanding
MINNESOTA	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs

include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 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 (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years.

For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.