PUBLIC DISCLOSURE

OCTOBER 21, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PLATTE VALLEY STATE BANK AND TRUST COMPANY
RSSD# 10858

2223 SECOND AVENUE
KEARNEY, NEBRASKA 68847

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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

Community Reinvestment Act (CRA) RATING: Platte Valley State Bank and Trust Company (the bank) is rated ***"Satisfactory"***

The following table indicates the performance level of the bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors supporting the institution's rating include:

- The bank exhibits good responsiveness to the credit needs of its assessment area (AA).
- A high percentage of the bank's business and residential real estate loans were originated within its designated AA, while an adequate percentage of farm loans were originated within the AA.
- The geographic distribution of business and farm loans reflects adequate penetration throughout the AA, while the geographic distribution of residential real estate loans reflects good penetration.
- The distribution of business and farm loans reflects good penetration to businesses and farms of different revenue sizes, and the distribution of residential real estate loans reflects good penetration to individuals of different income levels.
- The bank makes a relatively high level of community development loans.
- The bank uses innovative and flexible lending practices in serving AA credit needs.
- The level of qualified community development investments and donations is significant.
- The bank provides a relatively high level of qualified community development services.
- Delivery systems are accessible to essentially all portions of the AA; products, services, and hours did not vary significantly by branch location in a way that inconveniences portions of the AA, particularly low- and moderate-income (LMI) individuals.

DESCRIPTION OF INSTITUTION

The bank is a $428 million financial institution headquartered in Kearney, Nebraska. It is a wholly-owned subsidiary of First National of Nebraska, Inc., which is a multibank holding company located in Omaha, Nebraska. In addition to the main office, the bank also operates two full-service branches and one limited-service branch in Kearney, and one full-service branch in Grand Island, Nebraska. The bank also operates eight automated teller machines (ATMs), comprised of five full-service and three cash-dispensing machines.

The bank is a full-service institution offering a wide range of credit products within its AA. The June 30, 2013 Consolidated Report of Condition and Income (Call Report) indicates the bank's primary business focus is commercial lending. The bank sells a majority of its residential real estate loans on the secondary market. Therefore, the percentage of real estate loans on the bank's Call Report understates the true volume of this product line. Table 1 below illustrates the bank's loan portfolio.

TABLE 1 BANK'S LOAN PORTFOLIO		
Loan Type	**Amount $(000)**	**Percent of Total**
Commercial	160,676	58.9
Agricultural	64,206	23.5
Residential Real Estate	33,788	12.4
Consumer	11,456	4.2
Other	2,786	1.0
Gross Loans	**272,912**	**100.0**

The bank has a significant presence within its five-county AA. According to the June 30, 2013 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank's 8.3 percent deposit market share ranked third among the 35 FDIC-insured institutions in the AA.

The bank has no financial or legal impediments that prevent it from fulfilling its responsibilities under the CRA. In addition, the bank received an overall Satisfactory rating at the previous CRA examination dated October 3, 2011.

SCOPE OF EXAMINATION

For the bank's overall rating, examiners conducted a full review of the bank's sole AA. The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's Interagency CRA Procedures for Large Institutions. The lending test evaluation included a review of all small business and small farm loans reported by the bank, using CRA data collected from January 1, 2011 through December 31, 2012. A sample of in-house residential real estate loans originated between March 19, 2013 and August 13, 2013 was also included in the analysis. The lending test included loans meeting the definition of community development, as defined under the CRA and its supplementary guidance. Examiners verified the integrity of CRA loan data the bank reported in 2011 and 2012, with no significant errors found.

Services extended between October 4, 2011 and October 21, 2013 were reviewed, as well as community development loans, investments, grants, and donations. The bank's lending performance was compared to the aggregate lending performance of all other financial institutions that report CRA and Home Mortgage Disclosure Act (HMDA) loan data within the bank's AA (referred to as aggregate data).

The focus of the evaluation was narrowed to loans originated inside the AA with respect to geographic and borrower distribution. Conclusions regarding the bank's overall performance for geographic and borrower characteristics in its AA were based on the relative weight of certain loan products as a portion of the bank's total lending volume. In addition, the bank's use of innovative or flexible lending practices to address the credit needs of low- or moderate-income individuals or geographies was also factored into the evaluation. Interviews from members of the community were conducted to ascertain the specific credit needs in the AA, the availability of community development opportunities, and local economic conditions. Community contacts recently conducted in the bank's AA by the Federal Reserve Bank of Kansas City (Reserve Bank) and the FDIC were referenced.

DESCRIPTION OF INSTITUTION'S ASSESSMENT AREA

The bank's AA is a nonmetropolitan statistical area (nonMSA) comprised of five counties (Buffalo, Dawson, Hall, Kearney, and Phelps) in south central Nebraska along Interstate 80. However, all of the bank's facilities are located in Buffalo and Hall Counties. The AA contains 37 census tracts, of which two tracts have been designated as moderate-income, 27 are middle-income, and the remaining eight tracts are upper-income. The bank's AA does not contain any low-income geographies or designated underserved counties. Dawson County is considered to be distressed; however, none of the bank's offices are located in that county.

Economic Conditions

Kearney and Grand Island are regional service centers, but the area economy also remains heavily reliant on agriculture. All AA service industries combined comprised approximately 34.9 percent of total private industry, followed by agriculture (17.2 percent), retail trade (9.9 percent), and construction (8.4 percent). Transportation, both rail- and truck-based, is also a large industry due to Nebraska's centralized location and the presence of Union Pacific's headquarters in the state. (Source: CHAT Dun & Bradstreet (D&B) Business Tables, 2010; FDIC RECON - Moody'sEconomy.com, February 2009 and June 2013)

According to a community contact, the general economy of the area has been good, weathering the national recession through its dependence on a strong agricultural economy. The agricultural economy has been supported with several years of high commodity prices and bountiful harvests. Despite the drought in 2012, most farmers continued to produce adequate yields and generate positive earnings. Farming in the area's five counties is primarily concentrated in cattle and corn for grain. Cattle represents 65.7 percent of the head of livestock in the AA, and corn represents 70.9 percent of crop acreage. Soybeans represent 16.6 percent of total crop acreage, and hay 8.5 percent. Dawson County also has a fairly significant concentration in hogs and pigs (17.1 percent of county livestock); and Kearney County is the number one county in the state in turkey production (75.8 percent). (Source: 2007 Census of Agriculture)

The largest employers in the city of Kearney included Good Samaritan Health Systems (1,487 employees), The University of Nebraska at Kearney (948), Kearney Public Schools (850), Baldwin Filters (796), Cabela's (496), and Walmart Superstore (485). The largest employers in the city of Grand Island included Swift & Company (meat processing; 3,500), Chief Industries (manufacturer of building materials; 1,641), Saint Francis Medical Center (1,300), Case IH (1,100), and Grand Island Public Schools (1,050). The largest employer in Dawson County is Tyson Fresh Foods in Lexington (2,450). Other large employers include Tenneco/Monroe in Cozad (shock absorber manuf.; 740) and Becton-Dickinson in Holdrege (medical supply manuf.; 672). (Source: Nebraska Community "Fast Facts", Grand Island Economic Development Corporation)

All area counties had employment gains in both 2011 and 2012. A community contact stated that the local economy has been relatively stable when compared to the national economy. In addition, the state of Nebraska's unemployment figures has been well below the national average. All AA counties, except Dawson, have remained below the statewide figures, and all are well below the U.S. figures over the last two years. (Source: FDIC RECON)

TABLE 2
AA EMPLOYMENT INFORMATION

Region	Employment Growth Rates		Unemployment Rates	
	2011	2012	2011	2012
Buffalo County	2.5	1.6	3.3	3.0
Dawson County	0.2	2.1	5.2	4.5
Hall County	3.2	1.8	4.3	3.8
Kearney County	2.7	1.6	3.2	2.9
Phelps County	1.2	2.0	3.5	2.8
State of Nebraska	2.0	1.8	4.5	4.0
U.S.	0.6	1.9	8.9	8.1

Statewide, Nebraska's recovery has accelerated with job growth in manufacturing, transportation, and services. According to a community contact, many of the manufacturing plants focus on machinery used for agriculture, and the area has also seen an increase in food production processing. As hiring for manufacturing has generally held steady nationwide, the food manufacturers have accelerated hiring, impacting employers within the AA. (Source: FDIC RECON - Moody'sEconomy.com, June 2013)

Population Characteristics and Trends

The bank's AA is large and sparsely populated. Its population equaled 144,712 in 2010, an increase of just 5.8 percent since 2000. Over that period, the highest growth rates were in the two most populous counties, Hall and Buffalo County (9.5 percent and 9.1 percent, respectively). Kearney is the largest city in Buffalo County, with a 2010 population of 30,787. The largest city in the AA is Grand Island, in Hall County, with a 2010 population of 48,520. The only other city in the AA with a population greater than 10,000 is Lexington, in Dawson County, with 10,230. All other municipalities in the five-county area have populations under 5,400. The two least populous counties, Kearney and Phelps, saw a 5.7 percent decline in population. A community contact confirmed that the population trends in the area continue to shift from rural areas to larger cities. Many of the larger cities grew, while many of the small communities continued to shrink.

As of 2010 Census data, 2.6 percent of the area population lived in group quarters in line with the 2.7 percent rate for the overall statewide (non-MSA) population. College dormitories and nursing homes were the area's largest group quarters, with 1.1 percent of the population living in college dormitories and 1.0 percent in nursing homes. The area population living in college dormitories was above the statewide rural average of 0.9 percent, while the nursing home population was slightly below the statewide average of 1.2 percent. The higher concentration of residents living in college dormitories is attributable primarily to presence of The University of Nebraska - Kearney.

The area's age distribution based on 2010 Census data reflected a larger student-age population, a larger labor force, and a lower population of senior citizens compared to the overall statewide non-MSA demographics. This is consistent with the institutional housing demographics. These population figures will not likely have a significant impact on credit demand compared to other non-MSA of the state.

Income Characteristics

In 2010, the area had a median family income (MFI) of $56,398, which was 103.5 percent of the statewide non-MSA MFI of $54,473. The area concentrations of LMI families were smaller than in nonmetropolitan Nebraska as a whole, equaling 17.4 percent low-income vs. 18.2 percent statewide and 17.1 percent moderate-income vs. 18.8 percent statewide. The percentage of families living in poverty was slightly higher than the statewide non-MSA average, equaling 8.7 percent vs. 8.3 percent.

Housing Characteristics and Trends

Table 4, on page 10, shows some of the area's housing stock characteristics. The low level of owner-occupied housing units and the high level of rental units are consistent with the larger population of college students. Overall, 24.7 percent of the housing stock in non-MSA Nebraska, which is below the 29.1 percent for the bank's AA. Also, multifamily (5+) units comprised 10.6 percent of total AA housing stock, compared to 6.9 percent statewide. The largest concentrations of rental units were in Buffalo and Hall Counties, equaling 31.6 percent and 31.2 percent, respectively. Buffalo County also had the highest concentration of multifamily units, at 12.3 percent of housing stock. Buffalo and Hall Counties, where all of the bank's branches are located, contain 70 percent of the AA population and the majority of the bank's loan originations.

A low housing unit vacancy rate suggests strong area housing demand. In 2010, no area county had a vacancy rate as high as in the statewide non-MSA as a whole, where 12.7 percent of housing stock was vacant. Dawson County had the highest vacancy rate at 11.5 percent, while Buffalo and Hall Counties had the lowest vacancy rates, at 8.4 percent and 5.8 percent, respectively.

The area had a lower median age of area housing stock (42 years, compared to 47 years statewide non-MSA). This indicates there has been more housing developments in the AA than in most rural Nebraska counties. Phelps County had the area's oldest housing stock, with a median age greater than the statewide non-MSA figure. In 2010, the median age of housing stock in Phelps County was 53 years. There may be housing dilapidation in that county, representing a need for home improvement loans.

Area housing stock was more expensive than in statewide non-MSAs. The area's median housing value in 2010 was $105,500, compared to $91,294 in statewide nonmetropolitan areas. As a result, area housing was less affordable. The AA's housing affordability ratio[1] was 43.8 percent, compared to the statewide non-MSA figure of 47.7 percent. The most affordable county was Kearney, with an affordability ratio of 53.9 percent; and the least affordable county was Buffalo, with an affordability ratio of 36.6 percent. The ratio was reduced in Buffalo County due to a high median housing value of $128,600. Between 2000 and 2010 Buffalo and Dawson Counties became less affordable, with their affordability ratios dropping 12.7 percent and 10.7 percentage points, respectively. Buffalo County, where Kearney is located, remains the least affordable county in the AA.

Members of the community confirmed that affordable housing remains an issue. A community contact confirmed that housing in Kearney was especially tight. Although the contact indicated that housing was available, due to the demand in Kearney, the prices are much higher. According to the contact, homes that list on the market for rent or purchase typically occupy fast. Home prices in Grand Island are also high. A community contact stated that most new housing is mainly for the middle- and upper-income segments of the population. The contact stated that, of the current available housing, most of the new units are in the $150,000-$400,000 range. Another contact added that the affordable housing stock has not increased proportionally with the influx of LMI residents in the area. The contact stated Grand Island has experienced an influx of Hispanic residents who are attracted to the area by the availability of employment in the local meat packing facilities. She stated that many of these residents have little credit history or savings and that most of them currently live in rental properties throughout Grand Island. Consequently, the contact stated that sometimes multiple families

[1] The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

will occupy one residence. These factors have contributed to increased demand, which has kept housing prices higher in Grand Island and Kearney than in other rural communities in Nebraska. In addition, a community contact stated that local LMI residents are in need of mortgage products that have more flexibility such as Federal Housing Administration products, which require less of a down payment. Furthermore, she stated that the community needs home improvement financing as many of the housing units are dilapidated and in need of rehabilitation.

Census Tract Income Levels/Characteristics

The AA contains two moderate-income and no low-income census tracts. Of the bank's five area offices, three are located in middle-income tracts and two are in upper-income tracts.

The moderate-income tracts contain just 7.3 percent of the AA population and 3.8 percent of AA housing. In the moderate-income tracts, 59.3 percent of housing is rental and 5.1 percent is vacant. Similarly, nearly 20 percent is multifamily housing and 8.4 percent are mobile homes. This will limit the demand for residential real estate loans in the moderate-income tracts.

The middle-income tracts had larger volume of LMI families, higher family poverty rates, and higher volume of mobile homes. This may somewhat affect the type of housing credit needed in middle-income tracts compared to the upper-income tracts. Housing stock characteristics indicate that there may be a greater need for home rehabilitation loans in the moderate- and middle-income tracts, as the median age of housing stock in the moderate- and middle-income tracts is 54 years and 47 years, respectively. This is compared to 28 years in upper-income tracts. Area middle-income tracts also had a lower owner-occupancy rate than the upper-income tracts, which somewhat reduces credit demand.

Area middle-income tracts were also more agrarian than the moderate- and upper-income tracts, as the moderate- and upper-income tracts are generally located within the cities of Kearney and Grand Island. Based on 2010 Census and 2012 D&B data, 83.8 percent of area farms were located in the middle-income tracts. As a percentage of total businesses and farms combined, 19.4 percent of middle-income tract business entities were farms, while in the upper-income tracts only 11.9 percent of entities were farms.

Table 3, on page 9, shows the area's general income, housing, and business and farm characteristics by tract income level.

TABLE 3
PLATTE VALLEY RURAL AA DEMOGRAPHICS

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,326	17.4
Moderate-income	2	5.4	2,159	5.9	402	18.6	6,216	17.1
Middle-income	27	73.0	25,536	70.3	2,280	8.9	8,856	24.4
Upper-income	8	21.6	8,635	23.8	491	5.7	14,932	41.1
Total AA	37	100.0	36,330	100.0	3,173	8.7	36,330	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Moderate-income	3,980	1,416	3.8	35.6	2,360	59.3	204	5.1
Middle-income	42,364	26,925	72.2	63.6	11,808	27.9	3,631	8.6
Upper-income	12,888	8,937	24.0	69.3	3,070	23.8	881	6.8
Total AA	59,232	37,278	100.0	62.9	17,238	29.1	4,716	8.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Moderate-income	394	4.4	340	4.2	37	6.5	17	5.5
Middle-income	6,381	71.8	5,740	71.7	408	71.2	233	75.2
Upper-income	2,112	23.8	1,924	24.0	128	22.3	60	19.4
Total AA	8,887	100.0	8,004	100.0	573	100.0	310	100.0
Percentage of Total Businesses:				90.1		6.4		3.5
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Moderate-income	11	0.6	10	0.6	1	3.0	0	0.0
Middle-income	1,539	83.9	1,510	83.8	29	87.9	0	0.0
Upper-income	284	15.5	281	15.6	3	9.1	0	0.0
Total AA	1,834	100.0	1,801	100.0	33	100.0	0	0.0
Percentage of Total Farms:				98.2		1.8		0.0

Based on 2010 Census tract boundaries, 2010 American Community Survey (ACS) data, and 2012 D&B business data.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The bank's lending performance is rated "high satisfactory". The bank's credit products reflect a good responsiveness to the credit needs of the AA based on the overall lending test performance in its only designated AA. An adequate percentage of the bank's loans were originated within its AA. The geographic distribution of business and farm loans reflects adequate penetration throughout the bank's AA, while the distribution of residential real estate loans reflects good penetration. The borrower distribution reflects a good distribution to businesses and farms of different revenue sizes and to borrowers of different income levels. In addition, the bank employed innovative and/or flexible lending practices to help meet AA credit needs. The bank extended 14 qualified community development loans within its AA, which was deemed strong due to the limited opportunities and stiff competition. The use of innovative and/or flexible lending products, combined with the high level of community development loans supports the overall high satisfactory rating.

Lending Activity:

Based on a review of the bank's loan products, comparison of aggregate data, and information gathered from bank management and community contacts, the bank's lending activity reflected willingness to extend credit and good responsiveness to retail credit needs in the AA. The bank offers a full range of credit products, including commercial, agricultural, construction, residential real estate, and secondary market loans. In addition, the bank participates in government guaranteed loan programs such as the Small Business Administration (SBA), Farm Service Agency (FSA), United States Department of Agriculture Rural Development (USDA RD), Veteran's Administration (VA), Federal Housing Authority (FHA), and the Nebraska Investment Finance Authority (NIFA). The flexible loan products offer low down payment requirements, lower interest rates, and flexible underwriting criteria. This includes 96 SBA loans totaling over $11 Million, 26 FSA loans in excess of $4 Million, 22 NIFA loans in excess of $2 Million and 16 USDA rural Development loans exceeding $1.5 million. The sample used to evaluate the bank's lending activity is reflected below in Table 4, with business and farm loans representing the highest percentage of the lending activity based on the number volume of loans.

TABLE 4
SUMMARY OF LENDING ACTIVITY REVIEWED

	#	$(000)	#%	$%
Farm Loans	750	82,276	52.5	48.9
Business Loans	606	77,664	42.4	46.2
Residential Real Estate Loans	73	8,266	5.1	4.9
TOTAL ALL LOANS	**1,429**	**168,206**	**100.0**	**100.0**

Note: If applicable, affiliate loans include only loans originated or purchased within the bank's AA.

Assessment Area Concentration:

Table 5 depicts the number and dollar amount of loans that were originated within the AA by product type. It also illustrates the bank originated a majority of its loans, approximately 65 percent, within the AA. However, when looking at each individual product type, a majority of the bank's farm loans were originated outside its AA. Discussions with bank management indicated that the bank was purchasing loans from an affiliated entity that originates agricultural loans all over the country. Only loans made within the bank's AA are considered for the remaining lending analysis. Furthermore, the following analysis and tables focus on the number of originations as opposed to dollar volume, as it better represents the number of affected applicants.

TABLE 5
LENDING INSIDE AND OUTSIDE THE BANK'S AA

Bank Loans	Inside				Outside			
	#	$(000)	#%	$%	#	$(000)	#%	$%
Residential Loans	64	7,712	87.7	93.3	9	553	12.3	6.7
Business Loans	516	62,854	85.1	80.9	90	14,810	14.9	19.1
Farm Loans	347	42,308	46.3	51.4	403	39,968	53.7	48.6
Total Loans	**927**	**112,874**	**64.9**	**67.1**	**502**	**55,331**	**35.1**	**32.9**

Geographic Distribution:

The bank's distribution of loans by geographic income level reflected an adequate dispersion of lending throughout its AA. This performance criterion compares the bank's residential real estate lending activity to the percentage of owner-occupied housing units in each census tract income category, as well as to the activity of aggregate HMDA reporters in the area. In addition, the bank's business and farm loans were compared to the percentage of all businesses and farms located in each income tract category. The AA contained no LMI tracts based on 2000 Census data (used for comparison to 2011 loans) but had two moderate-income tracts based on 2010 Census data (used for comparison to 2012 loans). Since the bank's AA does not contain any low-income tracts, an in-depth analysis was performed for the three remaining tract levels.

Of the bank's five locations, three are located in middle-income tracts and two are in upper-income tracts. As illustrated in Table 6, on page 12, the bank's distribution of loans in the moderate-income tracts reasonably reflected the demographics of area businesses and farms with adequate penetration throughout all geographies of the AA. Moreover, the bank's distribution of business and farm loans, when compared to the aggregate data, was generally consistent with its peer institutions.

The bank's geographic distribution of business and farm loans for 2011 was not illustrated in a table due to having only middle- and upper-income census tracts per the 2000 Census data.

TABLE 6
DISTRIBUTION OF 2012 BUSINESS AND FARM LOANS BY INCOME LEVEL OF GEOGRAPHY
PLATTE VALLEY RURAL AA

Census Tract Income Level	Business Loans[1]				Aggregate CRA Data[2]		% of Businesses[3]
	#	$(000)	#%	$%	#%	$%	
Moderate	8	484	3.2	1.5	3.9	2.3	4.4
Middle	144	18,035	57.6	57.5	59.2	64.5	71.8
Upper	98	12,844	39.2	41.0	23.5	28.9	23.8
Unknown[4]	0	0	0.0	0.0	13.3	4.3	0.0
Census Tract Income Level	**Farm Loans[1]**				**Aggregate CRA Data[2]**		**% of Farms[3]**
	#	$(000)	#%	$%	#%	$%	
Moderate	1	230	0.6	1.1	0.4	0.4	0.6
Middle	115	15,724	67.3	73.5	82.1	83.8	83.9
Upper	55	5,441	32.2	25.4	17.1	15.6	15.5
Unknown[4]	0	0	0.0	0.0	0.4	0.1	0.0

1 CRA Loan/Application Register (LAR) data reports only business loans in the amount of $1 million or less and farm loans in the amount of $500 thousand or less.
2 Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.
3 The percentage of businesses/farms located in each tract category in the AA is based on 2010 Census tract boundaries and 2012 D&B data.
4. Does not include tracts where the income level is unknown, which for the business loans was 13.3 percent by number for aggregate lenders and for the farm loans it was 0.4 percent in 2012. Only includes tract locations not reported.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

Business Loans

The bank's geographic distribution of lending to businesses among tracts of various income levels was considered adequate. Table 6 reflects the geographic distribution of the bank's 2012 business loans compared to the number of businesses located in each tract income category.

The loan samples included only 2012 loans and was compared to 2010 Census tracts, which included two moderate-income tracts in the AA. Of the bank's business loan originations in the AA, 3.2 percent were originated in the moderate-income tracts compared to 4.4 percent of businesses located in those tracts. This distribution was below the percentage of businesses in the area; however, the bank's branch structure limits the bank's ability to penetrate those particular tracts. The bank does not have any branch offices in moderate-income tracts. Most of the bank's business loans (96.8 percent) are located in middle- and upper-income tracts, which basically mirror the demographic figures, at 95.6 percent. Although the bank's performance is slightly less than demographics, when considering the performance context and the bank's lending in relation to peer lending, the bank's distribution of business loans is considered to be adequate.

Farm Loans

The bank's geographic distribution of farm loans by income level of geography was considered adequate. As illustrated in Table 6, on page 12, the bank's agricultural loans (0.6 percent) in the moderate-income tracts mirrored the AA demographics and slightly exceeded peer performance at 0.4 percent. However, this performance reflects only one loan. The bank's 2011 geographic distribution performance was not as meaningful, as the bank did not have any LMI tracts at that time.

Residential Real Estate Loans

The bank's geographic dispersion of residential real estate loans for the 2012 review period was considered good relative to aggregate data and AA demographics given the bank's branching structure. As noted in Table 7, the bank had good penetration of 2012 residential real estate loans within the AA's two moderate-income tracts. The majority of the bank's residential real estate lending was performed in the middle- and upper-income tracts, where a majority of the bank's offices reside. However, the bank's performance in the moderate-income tracts was noteworthy as it exceeded demographics and aggregate performance. Although the bank's percentage of real estate loans in the moderate-income tracts is low, very minimal penetration would be expected, as a very small percentage of owner-occupied housing units are even located in the moderate-income tracts. Demographic data (2010 Census) indicated that only 3.8 percent of the AA's owner-occupied housing units were located in the moderate income tracts, which inherently limits the bank's ability to extend residential real estate loans in the tracts.

TABLE 7
DISTRIBUTION OF 2012 RESIDENTIAL REAL ESTATE LOANS BY INCOME LEVEL OF GEOGRAPHY [1] PLATTE VALLEY RURAL AA

Census Tract Income Level	Bank Loans				Aggregate HMDA Data[2]		% of Owner Occupied Units[3]
	#	$(000)	#%	$%	#%	$%	
Total Home Mortgage Loans							
Moderate	3	367	4.7	4.8	4.1	3.4	3.8
Middle	25	2,660	39.1	34.5	59.3	48.3	72.2
Upper	36	4,686	56.3	60.8	36.6	48.3	24.0

1 Low-income census tracts are those geographies with MFI less than 50 percent of the nonMSA statewide MFI based on 2010 Census data; moderate-income equals 50-80 percent; middle-income is 80-120 percent; and upper-income is greater than 120 percent.
2 Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
3 The percentage of owner-occupied housing units by tract category are based on 2010 Census tract boundaries and 2010 ACS data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

Distribution by Revenue Size of Businesses and Farms and Borrower Income

The bank's distribution of residential real estate, business, and farm lending reflects good penetration among borrowers of different income levels and businesses and farms of different revenue sizes. This criterion compares the bank's lending to the percentages of low-, moderate-, middle-, and upper-income families, with emphasis on LMI families, and the percentage of small businesses and small farms in the AA. Tables 8, 9, and 10 illustrate the bank's lending performance in detail for each product evaluated.

The revenue sizes of businesses and farms, percentage of LMI families, area housing costs, performance context issues, aggregate performance within the AA, and information obtained from community contacts were all considered for comparison purposes in the analysis.

TABLE 8
DISTRIBUTION OF 2012 BUSINESS AND FARM LOANS BY REVENUE SIZE
PLATTE VALLEY RURAL AA

Business Revenue By Size	Business Loans[1]				Aggregate CRA Data[2]		% of Businesses[3]
	#	$(000)	#%	$%	#%	$%	
$1MM or less	154	14,902	61.6	47.5	24.2	35.7	90.1
Over $1MM	68	13,748	27.2	43.8	Not Reported		6.4
Not Known	28	2,713	11.2	8.7			3.5
Farm Revenue By Size	**Farm Loans[1]**				**Aggregate CRA Data[2]**		**% of Farms[3]**
	#	$(000)	#%	$%	#%	$%	
$1MM or less	138	16,707	80.7	78.1	50.3	62.5	98.2
Over $1MM	17	3,188	9.9	14.9	Not Reported		1.8
Not Known	16	1,500	9.4	7.0			0.0

1 CRA LAR data reports only business loans in the amount of $1 million or less and farm loans in the amount of $500 thousand or less.
2 Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.
3 The percentage of businesses and farms in the AA is based on 2012 D&B data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

TABLE 9 DISTRIBUTION OF 2011 BUSINESS AND FARM LOANS BY REVENUE SIZE PLATTE VALLEY RURAL AA							
Business Revenue By Size	Business Loans[1]				Aggregate CRA Data[2]		% of Businesses[3]
	#	$(000)	#%	$%	#%	$%	
$1MM or less	163	15,129	61.3	48.0	45.7	43.7	90.5
Over $1MM	72	13,863	27.1	44.0	Not Reported		6.0
Not Known	31	2,499	11.7	7.9			3.5
Farm Revenue By Size	Farm Loans[1]				Aggregate CRA Data[2]		% of Farms[3]
	#	$(000)	#%	$%	#%	$%	
$1MM or less	131	15,316	74.4	73.2	65.3	57.2	97.3
Over $1MM	26	4,415	14.8	21.1	Not Reported		2.0
Not Known	19	1,182	10.8	5.7			0.7

[1] CRA LAR data reports only business loans in the amount of $1 million or less and farm loans in the amount of $500 thousand or less.
[2] Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.
[3] The percentage of businesses and farms in the AA is based on 2011 D&B data.
(NOTE: Total percentages shown may vary by 0.1percent due to automated rounding differences.)

Business Loans

The bank's distribution of loans to businesses of different sizes was considered good for both 2012 and 2011. Emphasis is placed on loans made to businesses with gross annual revenues of $1 million or less, which are considered small businesses under the CRA. As depicted in Table 8, on page 14, 61.6 percent of the bank's 2012 commercial loan originations in the AA were made to small businesses, which is below the 90.1 percent of area businesses classified as small businesses. Demographic data represents potential lending opportunity in the area, but generally more emphasis is placed on the bank's comparison to aggregate lenders in the area as a better determinant of loan demand. When compared to 2012 aggregate data (24.2 percent), the bank's performance is well above other lenders in the area. The bank's lending performance in 2011 was similar. As noted in Table 9, 61.3 percent of the bank's loans were originated to small businesses, compared to 90.5 percent of the AA small businesses. Although the bank's performance was less than demographics, it also exceeded those of aggregate performers, who only extended 45.7 percent of their loans to small businesses in 2011.

The dollar size of business loans was also reviewed, and it was noted that 66.4 percent and 68.4 percent of the loans sampled in 2012 and 2011, respectively, were in amounts of $100,000 or less. Typically, smaller businesses do not have the need or the capacity to borrow large loan amounts, and as such, smaller loan amounts are used as a proxy to estimate the bank's support of smaller businesses. Therefore, this further supports the bank's willingness to serve the credit needs of small businesses in the AA.

Farm Loans

The bank's distribution of loans to farms of different revenue sizes in the AA was also considered good. Emphasis was placed on loans made to farms with gross annual revenues of $1 million or less, which are considered small farms under the CRA. As noted in Table 8, on page 14, 80.7 percent of the bank's 2012 agricultural loan originations in this AA were made to small farms. This is less than the 98.2 percent of area farms that are classified as small farms. However, when comparing the bank's lending performance to 2012 aggregate data (50.3 percent), the bank's performance in meeting the needs of small farms is again well above other lenders in the area. The bank's performance in 2011 was similar. As noted in Table 10, on page 17, 74.4 percent of the bank's loans were originated to small farms, compared to 97.3 percent of the AA small farms. Although the bank's performance was less than demographics (97.3 percent), it also exceeded those of aggregate performers, who only extended 65.3 of their loans to small farms in 2011.

To further support the bank's commitment to small farm lending, the bank offers loans through the FSA, originating 26 loans since the prior evaluation. This government guaranteed loan program assists beginning farmers and ranchers, targeting small farm operations, and can be used to purchase land, livestock, equipment, feed, seed, and supplies. The applicants that generally qualify for these loans have insufficient assets or resources to qualify for bank loans without some form of guarantee.

The dollar size of farm loans was also reviewed, and it was noted that 60.2 percent and 61.9 percent of the loans sampled in 2012 and 2011, respectively, were in amounts of $100,000 or less, which are amounts typically needed by small farm operations. This further supports the bank's willingness to meet the credit needs of small farms in their AA.

Residential Real Estate Loans

Table 10, on page 17, reflects the bank's 2012 real estate lending performance compared to AA demographic data and the aggregate lending performance of HMDA filing lenders within the AA. Although the bank is not currently a HMDA reporter, the aggregate data was utilized for performance context purposes. The bank's distribution of residential real estate loans by borrower income level is considered good. Additionally, residential lending is not the main thrust of the bank's lending focus, representing only 12.4 percent of all lending. Therefore, the weighting of this product is less than that of commercial and agricultural loans

The bank's percentage of real estate lending to LMI borrowers in 2012 at 37.5 percent compared favorably to 34.5 percent of families that are considered to be LMI. In addition, the bank's performance exceeded the aggregate figure of 20.4 percent. Although the bank's lending to moderate-income borrowers was significantly less than demographics, its lending to low-income borrowers almost doubled the demographic figure. The bank's performance toward low-income borrowers was especially noteworthy at 34.4 percent as it greatly exceeded AA demographics of 17.4 percent and aggregate performance of only 5.7 percent. Although the bank's lending performance to moderate-income borrowers was not as strong, it was still considered adequate based on the demographics of the area.

Demographic data indicates that the AA has higher median housing values and lower housing affordability when compared to the statewide nonMSA. Community contacts also confirmed a lack of affordable housing in the AA and indicated that the demand for home purchases is lower due to the higher concentration of college students in the AA and the need for more affordable rental units. One community contact stated that there is more affordable housing in the area for low-income borrowers, but that housing for the moderate-income borrowers is more difficult to obtain. According to a contact, much of the area housing is dilapidated or in need of home improvements. Therefore, there is a limited supply of quality, affordable housing stock.

The bank's performance in residential real estate lending by borrower income level is further supported by the bank's secondary market participation, which is not reflected in the loan sample. The bank offers FHA, VA, and Rural Development loans through the secondary market that can assist LMI borrowers given the flexibility these programs offer regarding the down payment requirements, lower interest rates, and longer loan terms.

TABLE 10
DISTRIBUTION OF 2012 REAL ESTATE LOANS BY BORROWER INCOME LEVELS[1]
PLATTE VALLEY RURAL AA

Borrower Income Level	Bank Loans				Aggregate HMDA Data[1]		% of Families[3]
	#	$(000)	#%	$%	#%	$%	
Total Home Mortgage Loans							
Low	22	1,473	34.4	19.1	5.7	2.7	17.4
Moderate	2	245	3.1	3.2	14.7	9.8	17.1
Middle	3	338	4.7	4.4	22.4	18.8	24.4
Upper	33	5,247	51.6	68.0	40.9	47.1	41.1
Unknown	4	409	6.3	5.3	16.3	21.5	0.0

1. Low-income level borrowers are those with annual income less than 50 percent of the statewide (nonMSA) MFI; moderate-income equals 50-80 percent; middle-income is 80-120 percent; and upper-income is greater than 120 percent. The statewide nonmetropolitan MFI is based on the annual HUD-adjusted MFI for 2012 of $57,000.
2. Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
3. The percentage of families in each income category are based on 2010 ACS data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

Community Development Lending

The bank reported a relatively high level of community development loans. During the evaluation period of October 4, 2011 through October 21, 2013, the bank originated 14 community development loans, which was an improvement over the previous examination where no community development loans were presented for review.

The qualified credits consisted of eight loans for affordable housing, three for economic development, and three for revitalizing and stabilizing purposes. The bank also originated a loan through the SBA 504 loan program and worked with the Community Action Partnership of Mid-Nebraska for low-income housing. Although the bank's community development loans were not considered overly complex or innovative, the bank's increased efforts in this area were acknowledged.

Information from a community contact indicated that there was a significant level of competition and limited opportunities for participation by local financial institutions for qualified community development activities within the AA. The contact stated that Grand Island has been the focus of redevelopment efforts and several financial institutions have contributed to those efforts. In addition, the contact stated that the financial institutions in the area were civic minded and willing to participate in community development when available.

INVESTMENT TEST

The bank's overall investment test performance is rated "high satisfactory" and remains unchanged from the previous examination. This test evaluates the dollar amount of qualified investments; the innovativeness or complexity of qualified investments; the responsiveness of qualified investments to credit and community development needs; and the degree to which the qualified investments are not routinely provided by private investors. The bank's investment performance demonstrates significant level of qualified CD investments and grants particularly those not routinely provided by private investors, occasionally in a leadership position.

The level of qualified investments in the bank's AA was significant. As reflected in Table 11, the bank had $2,023,457 in total qualified investments and donations. The bank reported six qualified debt/equity investments, totaling $2,005,053, four of which are outstanding since the previous examination. These investments include two bonds for local school districts in which 68.3 percent of the students qualify for free and reduced price lunches; an equity investment through a community development financial institution that promotes economic development throughout the bank's AA; and an equity equivalent that provides direct loans to start-up and existing micro/small businesses across Nebraska. The bank had two new bonds totaling $1 million for a local school district in which 68.3 percent of the students qualify for the free and reduced lunch program. The following table details the bank's community development investment and donation activity.

TABLE 11
COMMUNITY DEVELOPMENT INVESTMENTS/DONATIONS

Community Development Purpose	Investments		Donations		Total Investments	
	#	$(000)	#	$(000)	#	$(000)
Affordable Housing	1	250,000	0	0	1	250,000
Community Services	4	1,505,053	6	15,904	10	1,520,957
Economic Development	1	250,000	1	2,500	2	252,500
Revitalization and Stabilization	0	0	0	0	0	0
Totals	**6**	**2,005,053**	**7**	**18,404**	**13**	**2,023,457**

The bank is also illustrates good responsiveness to area credit and community development needs through its donation activities. In addition to investments, the bank extended $18,404 in qualified community development donations, primarily directed at seven organizations providing community services targeted to LMI individuals within its AA. Listed below are examples of the bank's donations:

- Crossroads Center – The organization provides food, clothing, and safe shelter to homeless individuals and families.
- Buffalo County Economic Development Council – A nonprofit corporation that supports and promotes responsible and sustainable economic development in Buffalo and Kearney Counties. The Council works to develop and implement programs designed to promote start up, relocation, expansion, and retention of businesses in Buffalo County.
- Third City Community Clinic – A clinic that provides basic pharmaceutical care to low-income individuals ineligible for medical insurance or government medical assistance.
- Hope Harbor – An organization with a mission to lift those in need to lives of sustainable self-sufficiency. They provide services to needy and displaced homeless families.

SERVICE TEST

The bank's performance under the service test is rated "high satisfactory" and represents an increase in activity from the prior evaluation. The conclusion is based on accessible delivery systems, reasonableness of business hours, the effect of branch openings and closings, and the level of community development services within the bank's AA.

Retail Services

The bank's offices are accessible to all portions of the AA. The bank operates four full-service branches; three are located in middle-income tracts and one in an upper-income tract. The bank also operates one limited service branch, which is located at a retirement home in an upper-income tract. In addition, the bank operates one ATM at the upper-income tract branch location, four ATMs at middle-income branch locations, and three cash dispensing only ATMs in middle-income tracts. The accessibility in the AA has not changed substantially since the previous CRA examination. As previously discussed, there are no low-income tracts in the bank's AA.

The bank's services, products, and business hours are comparable to other banks operating in the bank's AA, and its hours provide reasonable accessibility to its services. For the convenience of its customers, the bank offers 24-hour online and telephone banking for balance inquiries, account transfers, and bill payment.

Community Development Services

This criterion evaluates the extent of the bank staff involvement in community development services, the extent to which the bank provides community development services; and the innovativeness and responsiveness of the community development services. Qualified community development services include those that have a primary purpose of community development and are related to the provision of financial services. In addition, they must not have been considered in the evaluation of the bank's other retail banking services.

The bank also exhibited a strong level of participation in community development services. Bank staff provided their financial expertise to three organizations that promote affordable housing, 27 organizations that provide community services for LMI individuals, three organizations that provide economic development, and two organizations that provide revitalization and stabilization efforts within the AA. The bank reported a total of 35 qualified community development services that were performed by 12 employees and officers for a total of 981 hours or approximately 81.7 hours per person to ten different organizations. The bank's performance reflected an increase over its prior examination. Bank staff provided financial expertise through participation on boards of directors or advisory committees and by providing financial education sessions for LMI individuals. A few other examples of community development services include:

- Buffalo County Goodfellows – A bank employee serves as treasurer and chairman of the finance committee to an organization that supplies money, goods, and services to impoverished community members.

- Economic Development Council (EDC) of Buffalo County – A bank employee serves as a board member for the EDC of Buffalo County, a nonprofit corporation that supports and promotes responsible and sustainable economic development in Kearney and Buffalo Counties. The Council works to develop and implement programs designed to promote startup, relocation, expansion and retention of businesses in Buffalo County.

- Community Redevelopment Authority – A bank employee serves as chairman of the board of an organization charged with the conservation and rehabilitation of substandard or blighted areas within the city of Grand Island.

- Community Action Partnership – A bank employee serves as an instructor for a homebuyer education program for an organization that assists LMI individuals in the homeownership process and promotes an adequate supply of decent, affordable housing.

TABLE 12
QUALIFIED COMMUNITY DEVELOPMENT SERVICES

Purpose	#
Affordable Housing	3
Community Services	27
Economic Development	3
Revitalization and Stabilization	2
Totals	**35**

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary supervisory authority over insured depository institutions and their affiliates with total assets of more than $10 billion when assessing compliance with the requirements of federal consumer financial laws. The Reserve Bank, however, retains authority to enforce compliance with the bank's CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation, October 4, 2011 through October 21, 2013, the Reserve Bank did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Reserve Bank's evaluation of the bank's CRA performance. As of the date of this report, the Reserve Bank is unaware of any violations of Equal Credit Opportunity Act, Regulation B, or UDAAP identified by the CFPB.

CRA APPENDIX A

SCOPE OF EXAMINATION

FINANCIAL INSTITUTION	PRODUCTS/SERVICES REVIEWED	
Platte Valley State Bank & Trust Company Kearney, Nebraska	• Home Mortgage Loans • Business Loans • Farm Loans	• Community Development Loans • Community Development Investments • Community Development Services

TIME PERIODS REVIEWED

CRA LAR Loans:	January 1, 2011 to December 31, 2012
Residential Real Estate Loans	March 19, 2013 to August 13, 2013
Community Development Activities:	October 4, 2011 to October 21, 2013

LIST OF AFFILIATES CONSIDERED IN THIS EVALUATION

AFFILIATES	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
First National Bank of Omaha	Sub of Holding Company	None
First National Bank South Dakota	Sub of Holding Company	None
Fremont National Bank and Trust Company	Sub of Holding Company	None
First National Bank and Trust Company of Columbus	Sub of Holding Company	None

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED	COMMUNITY CONTACTS
NEBRASKA MSA 99999 Platte Valley Rural AA	Full Review	2223 Second Avenue, Kearney, Nebraska	6 prior

CRA APPENDIX B

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.

Census tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons and average about 4,000 inhabitants.

Community development: Includes affordable housing (including multifamily rental housing) for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies. Effective September 1, 2005, the Board of Governors of the Federal Reserve System, adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize (i) low-or moderate-income geographies; (ii) designated disaster areas; or (iii) distressed or underserved nonmetropolitan middle-income geographies designated by the Board, based on: (a) rates of poverty, unemployment, and population loss; or (b) population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

Full-scope review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act ("HMDA"): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing's of home improvement and home purchase loans.

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

Limited-scope review: Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area ("MA"): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economical and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

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

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

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

Rated area: A rated area is a state or multistate 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.

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

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

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