



PUBLIC DISCLOSURE

May 22, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FirstBank of Nebraska
RSSD# 540056

201 East 5th Street
Wahoo, Nebraska 68066

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

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

FirstBank of Nebraska (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment areas (AAs) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs.

Lending performance was assessed within the bank's two AAs. The Southeast Nebraska AA was assessed using a full-scope review, while the Saunders County AA was assessed using a limited-scope review. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio;
- The universe of 182 home mortgage loans reported on the bank's 2022 Home Mortgage Disclosure Act (HMDA) Loan/Application Register; and
- A statistical sample of 124 small farm loans selected from a universe of 322 loans originated between January 1, 2022 and December 31, 2022.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Wahoo, Nebraska. The bank's characteristics include:

- The bank is wholly owned by Bank Management, Inc., Wahoo, Nebraska.
- The bank has total assets of \$384.2 million as of December 31, 2022.

- In addition to its main office in Wahoo, the bank operates three additional offices located in the rural communities of Burchard, Sterling, and Syracuse, Nebraska.
- The Sterling and Syracuse branches have cash-only automated teller machines (ATMs), and the bank operates two additional standalone cash-only ATMs in Wahoo and one in Sterling.
- As shown in the table below, the bank’s primary business focus is agricultural and residential real estate lending, of which the latter is not fully captured in the table below, as a portion of the home mortgage loans originated by the bank are sold on the secondary market.

Table 1

Composition of Loan Portfolio as of December 31, 2022		
Loan Type	\$(000)	%
Construction and Land Development	7,466	4.3
Farmland	65,480	37.5
1- to 4- Family Residential Real Estate	33,960	19.4
Multifamily Residential Real Estate	822	0.5
Nonfarm Nonresidential Real Estate	19,188	11.0
Agricultural	29,881	17.1
Commercial and Industrial	12,181	7.0
Consumer	3,652	2.1
Other	2,041	1.2
Gross Loans	174,671	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its March 4, 2019 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA¹

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the Southeast Nebraska AA (full-scope review), and concluding with a brief discussion of performance in the Saunders County AA (limited-scope review).

The bank’s overall lending test performance is Satisfactory. The bank’s performance under each of the performance criterion, including the net loan-to-deposit ratio, lending inside the bank’s two AAs, the distribution of lending by tract income level, and the distribution of lending by borrower income level and size of farm, was reasonable. The

¹ The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

institution’s lending performance in the Saunders County AA was consistent with the institution’s performance overall.

When evaluating the bank’s lending performance, greater consideration was given to the volume of loan originations rather than the dollar amount, as it is more representative of the number of individuals and entities served. In addition, more weight was placed on the bank’s small farm lending performance in the overall evaluation, followed by home mortgage lending. This was determined by the bank’s strategic focus on agricultural lending and the bank’s portfolio composition, as well as the number of loan originations for each respective product in 2022.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending considering performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and area of operations within the AAs.

The bank’s NLTD ratio is reasonable. The bank’s NLTD ratio fell within the range of the five similarly situated institutions, with ratios ranging from 63.9 percent to 78.7 percent.

Table 2

Comparative NLTD Ratios September 30, 2018 – December 31, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			18 Quarter Average
FirstBank of Nebraska	Wahoo, Nebraska	384,159	72.6
Similarly Situated Institutions			
Western National Bank	Chester, Nebraska	248,914	78.7
First Northeast Bank of Nebraska	Lyons, Nebraska	419,424	69.5
Jones Bank	Seward, Nebraska	401,999	63.9
First Nebraska Bank	Valley, Nebraska	368,894	71.1

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. The bank originated a majority of loans, by number and dollar volume, inside the two delineated AAs.

Table 3

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%
Home Purchase – Conventional	55	58.5	12,181	64.2	39	41.5	6,790	35.8
Home Purchase – FHA	2	50.0	177	40.5	2	50.0	260	59.5
Home Improvement	8	66.7	475	85.0	4	33.3	84	15.0
Multi-Family Housing	2	100.0	754	100.0	0	0.0	0	0.0
Other Purpose Closed-End	21	80.8	1,166	82.9	5	19.2	241	17.1
Refinancing	34	77.3	6,044	74.4	10	22.7	2,085	25.6
Total HMDA related	122	67.0	20,797	68.7	60	33.0	9,460	31.3
Small Farm	105	84.7	10,497	81.8	19	15.3	2,343	18.2
Total Loans	227	74.2	31,294	72.6	79	25.8	11,803	27.4

Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts, with consideration given to the dispersion of loans throughout the AAs. The bank’s overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AAs.

Lending to Borrowers of Different Income Levels and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and farms of different revenue sizes. The bank’s lending has an overall reasonable distribution among individuals of different income levels and farms of different sizes.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**SOUTHEAST NEBRASKA ASSESSMENT AREA
NONMETROPOLITAN AREA
(Full-Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE SOUTHEAST NEBRASKA AA

The bank's Southeast Nebraska AA is comprised of Johnson, Otoe, and Pawnee Counties in their entirety. Refer to Appendix A for an AA map and Appendix B for additional demographic data.

- The AA delineation remains unchanged since the prior CRA evaluation. Based on the 2016-2020 American Community Survey (ACS) data, the 2022 AA for this evaluation is comprised of eight census tracts, including one moderate-, four middle-, and three upper-income census tracts.
- The AA composition by tract income level, since the prior evaluation through year-end 2021, was comprised of eight census tracts, including six middle- and two upper-income census tracts.
- According to the June 30, 2022 Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report, the bank ranked 1st of 15 FDIC-insured depository institutions operating from 26 locations in the AA, with a total deposit market share of 18.2 percent.
- An interview with a community member that was recently conducted as part of the CRA evaluation of another financial institution with offices in the AA was reviewed for meaningful performance context related to perspectives on area economic conditions and credit needs. The community member represents an economic development organization that serves the AA.

Table 4

Population Change			
Assessment Area: Southeast Nebraska			
Area	2015 Population	2020 Population	Percent Change
Southeast Nebraska	23,735	23,746	0.0
Johnson County, NE	5,167	5,290	2.4
Otoe County, NE	15,842	15,912	0.4
Pawnee County, NE	2,726	2,544	(6.7)
NonMSA Nebraska	679,331	672,190	(1.1)
Nebraska	1,869,365	1,961,504	4.9
<i>Source: 2020 U.S. Census Bureau Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- According to the 2020 Census data, the largest population center in the AA is the town of Nebraska City in Otoe County, with a population of 7,222.

- The bank’s offices are in the small towns of Syracuse, Sterling, and Burchard with populations of 1,870, 590, and 88 residents, respectively.
- The population in NonMSA Nebraska (rural areas statewide) has experienced a moderate decline, while metropolitan areas in Nebraska and the overall state of Nebraska have experienced an increase in population.
- The population within the AA has been relatively stable, except for Pawnee County, which has experienced a decrease in population from 2015 to 2020.
- The community member stated that the community struggles to attract young professionals and families, due in part to a housing shortage in the area. Many employees of the area commute from Iowa or Lincoln and Omaha, Nebraska, in response to the lack of available housing in the area.

Table 5

Median Family Income Change			
Assessment Area: Southeast Nebraska			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Southeast Nebraska	67,977	73,067	7.5
Johnson County, NE	63,549	61,607	(3.1)
Otoe County, NE	70,840	79,404	12.1
Pawnee County, NE	63,033	60,781	(3.6)
NonMSA Nebraska	67,146	71,424	6.4
Nebraska	73,448	80,125	9.1
<i>Source: 2011-2015 U.S. Census Bureau: American Community Survey 2016-2020 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- Median family income growth in the AA was driven by the significant increase in Otoe County, although the AA was outpaced by the state of Nebraska.
- The portion of families in the AA living below the poverty level based on the 2016-2020 ACS, at 8.0 percent, was above the figures for rural areas statewide and the state of Nebraska, at 7.1 percent and 6.6 percent, respectively. The portion of AA families living below the poverty level ranged from 5.9 percent in Johnson County to 13.1 percent in Pawnee County.

Table 6

Housing Cost Burden						
Assessment Area: Southeast Nebraska						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Southeast Nebraska	53.1	11.5	26.0	55.7	27.8	18.8
Johnson County, NE	58.0	20.0	34.3	53.3	17.7	15.0
Otoe County, NE	51.3	10.0	23.2	60.4	31.0	19.8
Pawnee County, NE	56.5	0.0	34.5	44.8	29.2	19.0
NonMSA Nebraska	61.2	15.0	30.6	53.1	18.7	14.8
Nebraska	71.0	23.4	36.8	58.9	26.4	15.8

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

- The housing affordability ratio² in the AA, at 46.5 percent, was above the figures for rural areas statewide and the state of Nebraska, at 44.0 percent and 38.4 percent, respectively. Housing affordability ratios for the three AA counties ranged from 44.6 percent in Otoe County to 64.5 percent in Pawnee County.
- The housing cost burden for low-income renters in the AA was below the respective figures for rural areas statewide and the state of Nebraska. The AA figure was skewed lower by the figure for low-income renters in Otoe County, although this county had the highest figure for low- and moderate-income homeowners, as well as all homeowners.
- The median housing value in the AA of \$127,371 was similar to rural areas statewide and below the state of Nebraska, with respective figures of \$126,095 and \$164,000. The median housing values in the three AA counties ranged from \$71,400 in Pawnee County to \$145,100 in Otoe County.
- The community member stated that the community is experiencing a housing shortage, and most of the homes in the area are older.

Table 7

Unemployment Rates					
Assessment Area: Southeast Nebraska					
Area	2017	2018	2019	2020	2021
Southeast Nebraska	3.3	3.0	3.2	3.4	2.3
Johnson County, NE	3.4	3.6	3.4	3.8	2.9
Otoe County, NE	3.4	2.9	3.2	3.5	2.3
Pawnee County, NE	3.0	2.6	2.8	2.7	1.8
NonMSA Nebraska	2.9	2.8	3.0	3.4	2.1
Nebraska	3.0	2.9	3.0	4.1	2.5

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

² The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

- Overall, unemployment in the AA has been relatively stable and commensurate with rural areas statewide and the state of Nebraska. The spike in unemployment resulting from the Coronavirus Disease 2019 pandemic in 2020, reflected in the state of Nebraska's unemployment rate of 4.1 percent, had a minimal impact on the AA's unemployment figure, as it remained relatively stable with previous years.
- The AA has diverse employment opportunities with positions in healthcare, manufacturing, retail, and service industries.
- The community member stated the major employers in the area include Cargill, Honeywell, Lied Lodge, Arbor Lodge, and Saint Mary's Hospital.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE SOUTHEAST NEBRASKA AA

The bank's performance in the Southeast Nebraska AA is reasonable, with more weight attributed to small farm lending based on higher loan volume and portfolio composition, as previously noted. Home improvement, refinance, and multifamily loans were not evaluated individually, given lending levels were too low to conduct meaningful analyses.

Geographic Distribution of Loans

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. The geographic distribution of home mortgage and small farm lending was reasonable for both products.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The bank's lending in the sole moderate-income census tract was comparable to the demographic figure.

A review of the dispersion of total home mortgage lending, which included all sub-products, revealed no significant gaps or lapses in the AA.

Home Purchase Lending

The geographic distribution of home purchase lending is reasonable. The bank's home purchase lending in the AA's moderate-income census tract was below the demographic figure. However, the bank's three branches in the AA are a considerable distance from the AA's only moderate-income tract in Johnson County. The bank's closest branch, in Sterling, is located in a middle-income census tract, approximately 14 miles from the moderate-income census tract. Furthermore, there are four other financial institutions operating from five offices in the cities of Tecumseh and Elk Creek, which are within the boundaries of the moderate-income census tract. Finally, the community member specifically referred to one of these institutions as being particularly responsive to the

credit needs of the area. In light of these factors, the bank's performance is considered reasonable.

A review of dispersion for home purchase lending revealed conspicuous gaps and lapses in portions of the AA. However, they were not considered significant given the lower lending volume for this product, the bank's locations, and competition from other financial institutions.

Table 11

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Southeast Nebraska					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	8.4
Middle	12	40.0	1,981	37.9	51.8
Upper	18	60.0	3,243	62.1	39.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	30	100.0	5,224	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	8.4
Middle	7	43.8	1,298	43.8	51.8
Upper	9	56.3	1,663	56.2	39.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	16	100.0	2,961	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	2	33.3	56	26.0	8.4
Middle	1	16.7	14	6.5	51.8
Upper	3	50.0	145	67.4	39.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	6	100.0	215	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	22.1
Middle	0	0.0	0	0.0	57.1
Upper	0	0.0	0	0.0	20.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	4	6.1	138	1.5	8.4
Middle	23	34.8	3,345	37.5	51.8
Upper	39	59.1	5,442	61.0	39.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	66	100.0	8,925	100.0	100.0

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The bank’s lending in the AA’s moderate-income census tract was below the demographic figure. However, performance is considered reasonable given the distance of the three bank offices to the moderate-income census tract, as well as the presence of five competitor banking offices operating within the moderate-income census tract. A review of 2022 Dun & Bradstreet data also indicated a limited number of farms in the AA, with only 25 farming operations in the moderate-income census tract.

A review of the dispersion of small farm lending revealed no conspicuous gaps and lapses in the AA.

Table 12

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Southeast Nebraska					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	2	2.3	448	4.9	8.8
Middle	51	58.0	4,415	48.8	39.1
Upper	35	39.8	4,188	46.3	52.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	88	100.0	9,051	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Farms of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and farms of different sizes. The distribution of home mortgage and small farm lending was reasonable for both products.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank’s lending to low-income borrowers was below the demographic figure, while lending to moderate-income borrowers was comparable the demographic figure.

Home Purchase Lending

The borrower distribution of home purchase lending is reasonable. The bank’s lending to low-income borrowers was below the demographic figure, while lending to moderate-income borrowers was above the demographic figure.

Table 13

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Southeast Nebraska					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	%	\$(000)	%	
Home Purchase Loans					
Low	3	10.0	279	5.3	18.8
Moderate	7	23.3	926	17.7	17.2
Middle	8	26.7	1,378	26.4	22.2
Upper	11	36.7	2,529	48.4	41.8
Unknown	1	3.3	112	2.1	0.0
Total	30	100.0	5,224	100.0	100.0
Refinance Loans					
Low	2	12.5	130	4.4	18.8
Moderate	4	25.0	721	24.3	17.2
Middle	5	31.3	678	22.9	22.2
Upper	5	31.3	1,432	48.4	41.8
Unknown	0	0.0	0	0.0	0.0
Total	16	100.0	2,961	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	18.8
Moderate	1	16.7	40	18.6	17.2
Middle	2	33.3	40	18.6	22.2
Upper	3	50.0	135	62.8	41.8
Unknown	0	0.0	0	0.0	0.0
Total	6	100.0	215	100.0	100.0
Total Home Mortgage Loans					
Low	6	9.1	459	5.1	18.8
Moderate	13	19.7	1,696	19.0	17.2
Middle	20	30.3	2,222	24.9	22.2
Upper	26	39.4	4,436	49.7	41.8
Unknown	1	1.5	112	1.3	0.0
Total	66	100.0	8,925	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.
Multifamily loans are not included in the borrower distribution analysis.
Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to small farms with gross annual revenues of \$1 million or less is comparable to the demographic figure. Additionally, 95.0 percent of all loans made to farms with gross annual revenues of \$1 million or less were in amounts of \$250,000 or less, which demonstrates a willingness to meet the credit demands of smaller farming operations.

Table 14

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Southeast Nebraska					
	Bank Loans				Total Farms
	#	#%	\$(000)	%	%
By Revenue					
\$1 Million or Less	80	90.9	6,737	74.4	99.3
Over \$1 Million	5	5.7	1,517	16.8	0.7
Revenue Unknown	3	3.4	797	8.8	0.0
Total	88	100.0	9,051	100.0	100.0
By Loan Size					
\$100,000 or Less	54	61.4	1,760	19.4	
\$100,001 - \$250,000	26	29.5	4,221	46.6	
\$250,001 - \$500,000	8	9.1	3,070	33.9	
Total	88	100.0	9,051	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	52	65.0	1,648	24.5	
\$100,001 - \$250,000	24	30.0	3,889	57.7	
\$250,001 - \$500,000	4	5.0	1,200	17.8	
Total	80	100.0	6,737	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**SAUNDERS COUNTY ASSESSMENT AREA
METROPOLITAN AREA
(Limited-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE SAUNDERS
COUNTY AA**

The bank's delineated AA is comprised of Saunders County, Nebraska in its entirety. Saunders County is part of the Omaha-Council Bluffs Nebraska-Iowa Metropolitan Statistical Area (MSA). Refer to Appendix A for an AA map.

- The AA's delineation and composition have not changed since the previous performance evaluation. The AA is comprised of five middle-income census tracts.
- The AA's composition of families by income level includes 16.2 percent low-, 21.6 percent moderate-, 25.0 percent middle-, and 37.2 percent upper-income families.
- This AA includes the bank's main office in Wahoo, Nebraska. While the main office does not offer an ATM, there are two standalone ATMs in Wahoo located at a medical center and a fast-food restaurant.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 1st of 14 FDIC-insured depository institutions operating from 20 locations in the AA, with a total deposit market share of 16.2 percent.
- According to the 2016-2020 ACS, the AA population is 22,278.

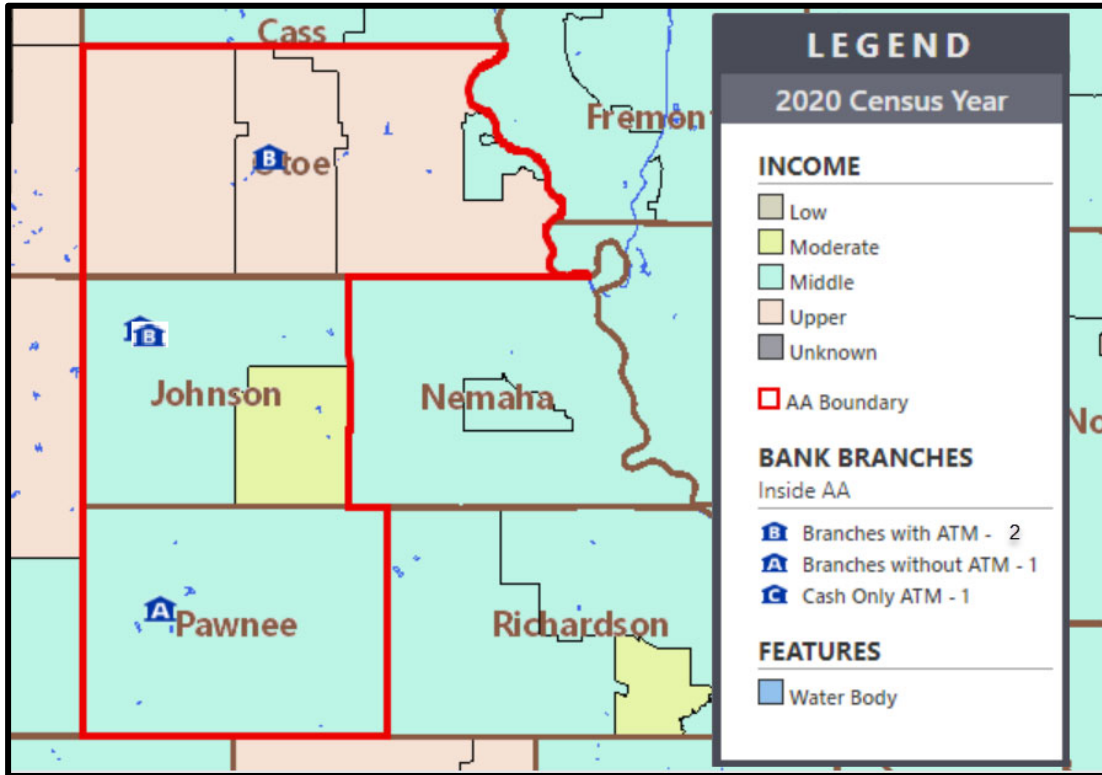
**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE SAUNDERS
COUNTY AA**

Conclusions regarding the institution's CRA performance are drawn from a review of available facts and data, including performance figures, aggregate lending comparisons, and demographic information. The geographic distribution of lending for the Saunders County AA was not evaluated, as the area was comprised exclusively of middle-income tracts and would not render meaningful analyses.

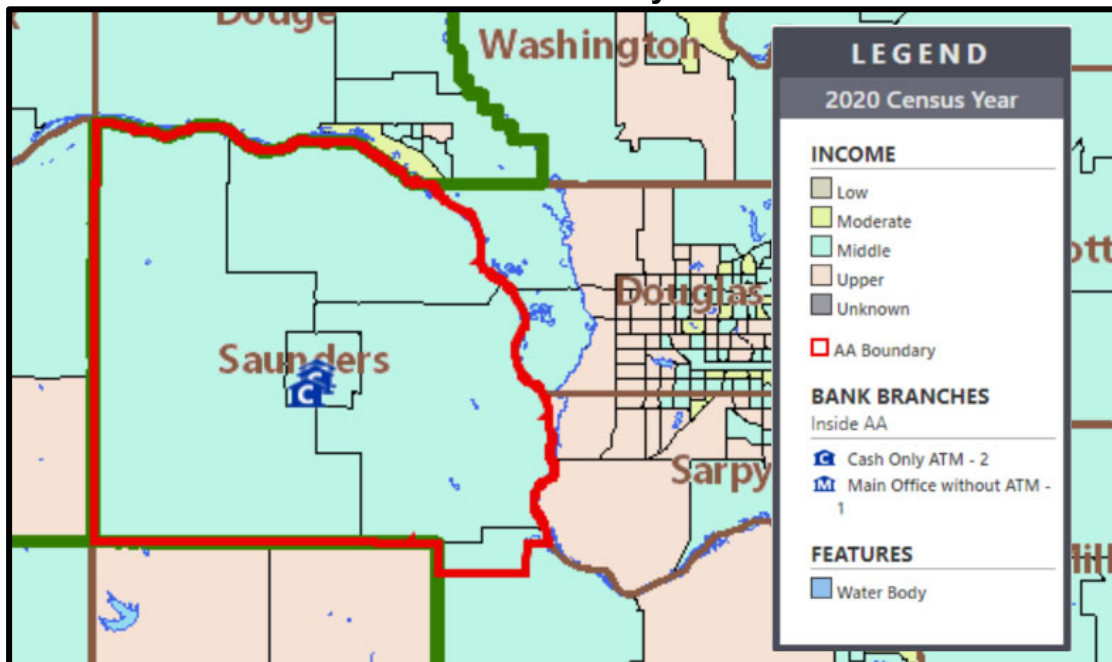
The institution's lending performance in the area is consistent with the institution's lending performance overall. The conclusions regarding the bank's performance in this area do not change the rating for the institution.

APPENDIX A – MAPS OF THE ASSESSMENT AREAS

Southeast Nebraska AA



Saunders County AA



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2022 Southeast Nebraska AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,217	18.8
Moderate	1	12.5	704	10.9	52	7.4	1,113	17.2
Middle	4	50.0	3,311	51.3	348	10.5	1,432	22.2
Upper	3	37.5	2,444	37.8	114	4.7	2,697	41.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8	100.0	6,459	100.0	514	8.0	6,459	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	1,254	586	8.4	46.7	455	36.3	213	17.0
Middle	5,984	3,634	51.8	60.7	1,494	25.0	856	14.3
Upper	3,779	2,795	39.8	74.0	613	16.2	371	9.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	11,017	7,015	100.0	63.7	2,562	23.3	1,440	13.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	133	11.5	113	10.9	11	14.5	9	22.5
Middle	599	52.0	535	51.6	46	60.5	18	45.0
Upper	421	36.5	389	37.5	19	25.0	13	32.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,153	100.0	1,037	100.0	76	100.0	40	100.0
Percentage of Total Businesses:				89.9		6.6		3.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	25	8.8	25	8.9	0	0.0	0	0.0
Middle	111	39.1	111	39.4	0	0.0	0	0.0
Upper	148	52.1	146	51.8	2	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	284	100.0	282	100.0	2	100.0	0	0.0
Percentage of Total Farms:				99.3		0.7		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C – LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES

Saunders County AA

Table C-1

Distribution of 2022 Home Mortgage Lending By Borrower Income Level Assessment Area: Saunders County					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	%	\$(000)	%	
Home Purchase Loans					
Low	4	14.8	409	5.7	16.2
Moderate	4	14.8	535	7.5	21.6
Middle	9	33.3	2,114	29.6	25.0
Upper	9	33.3	4,021	56.4	37.2
Unknown	1	3.7	55	0.8	0.0
Total	27	100.0	7,134	100.0	100.0
Refinance Loans					
Low	2	11.1	133	4.3	16.2
Moderate	4	22.2	566	18.4	21.6
Middle	8	44.4	1,456	47.2	25.0
Upper	4	22.2	928	30.1	37.2
Unknown	0	0.0	0	0.0	0.0
Total	18	100.0	3,083	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	16.2
Moderate	0	0.0	0	0.0	21.6
Middle	1	50.0	185	71.2	25.0
Upper	1	50.0	75	28.8	37.2
Unknown	0	0.0	0	0.0	0.0
Total	2	100.0	260	100.0	100.0
Total Home Mortgage Loans					
Low	6	11.1	542	4.9	16.2
Moderate	9	16.7	1,126	10.1	21.6
Middle	21	38.9	4,091	36.8	25.0
Upper	16	29.6	5,264	47.3	37.2
Unknown	2	3.7	95	0.9	0.0
Total	54	100.0	11,118	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.
Multifamily loans are not included in the borrower distribution analysis.
Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.

Table C-2

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Saunders County					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	17	100.0	1,445	99.9	98.7
Over \$1 Million	0	0.0	0	0.0	1.3
Revenue Unknown	0	0.0	0	0.0	0.0
Total	17	100.0	1,446	100.0	100.0
By Loan Size					
\$100,000 or Less	9	52.9	260	18.0	
\$100,001 - \$250,000	7	41.2	855	59.1	
\$250,001 - \$500,000	1	5.9	330	22.8	
Total	17	100.0	1,446	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	9	52.9	260	18.0	
\$100,001 - \$250,000	7	41.2	855	59.2	
\$250,001 - \$500,000	1	5.9	330	22.8	
Total	17	100.0	1,445	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Table C-3

2022 Saunders County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	947	16.2
Moderate	0	0.0	0	0.0	0	0.0	1,266	21.6
Middle	5	100.0	5,849	100.0	193	3.3	1,461	25.0
Upper	0	0.0	0	0.0	0	0.0	2,175	37.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	5,849	100.0	193	3.3	5,849	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	9,791	6,831	100.0	69.8	1,711	17.5	1,249	12.8
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	9,791	6,831	100.0	69.8	1,711	17.5	1,249	12.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,115	100.0	1,018	100.0	67	100.0	30	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,115	100.0	1,018	100.0	67	100.0	30	100.0
Percentage of Total Businesses:				91.3		6.0		2.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	228	100.0	225	100.0	3	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	228	100.0	225	100.0	3	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX D – 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 subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 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 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 applications, the amount of loan requested, and the 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 refinancings 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 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 economic 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.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. 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.