



PUBLIC DISCLOSURE

November 15, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MNB Bank
RSSD# 575759

220 Norris Avenue
McCook, Nebraska 69001

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

This institution is rated: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Outstanding**

MNB Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests.

- The bank's net loan-to-deposit (NLTD) ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas (AAs).
- A majority of the bank's loans are originated inside its AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among businesses 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.
- Community development (CD) activity reflects excellent responsiveness to the CD needs of the bank's AAs.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate 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. Performance was assessed within the bank's Southwest Nebraska and Kit Carson County AAs using a full-scope review. Examiners reviewed the following data:

- The bank's 16-quarter average NLTD ratio.
- The lending analysis included the universe of 56 small business loans originated from January 1, 2020 to December 31, 2020, as well as a sample of 72 small farm loans selected from a universe of 111 loans originated over the same period.
- An initial review of the bank's lending in Colorado revealed a total of only three small farm loans. To provide a more meaningful analysis, the original small farm loan sample was supplemented by including all small farm loans originated in the Kit Carson County AA from the date of the prior CRA evaluation (August 21, 2017 through December 31, 2020). This increased the numbers of small farm loans in Colorado by 16 loans, resulting in a total of 19 small farm loans for review.
- The original loan samples were utilized for the distribution of lending inside the bank's AAs, while the expanded small farm loan sample in the Kit Carson County AA was utilized exclusively for purposes of the geographic and borrower distribution tests in Colorado.
- CD loans, qualified investments, and CD services from August 21, 2017 to September 20, 2021.

In determining the overall institution rating, the bank's performance in the state of Nebraska received significantly more weight than the state of Colorado based on the distribution of total loans, deposits, and banking offices in each respective state. For the lending analysis, considerably more weight was placed on agricultural (small farm) lending, while commercial (small business) lending received less weight. Product weighting was largely determined by loan volume and the bank's business strategy.

In addition, more consideration was given to the volume of loan originations than the dollar amount, as this better represents the number of individuals or entities served. Furthermore, while the geographic and borrower distribution tests in the state of Colorado assessed small farm lending over a four-year period, loan data for each year was aggregated and evaluated collectively given the overall low volume of loans. Similarly, the bank's small farm lending performance in Colorado was compared to the most recent year of demographic data, which did not significantly change over the four-year period.

DESCRIPTION OF INSTITUTION

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

- The bank is a wholly owned subsidiary of MNB Financial Services, Inc.
- The bank had total assets of \$408.3 million (MM) as of June 30, 2021.
- In addition to its main office in McCook, the bank operates three additional branches in Nebraska, including two limited-service facilities in McCook and a full-service branch in Stratton, Nebraska. The bank also operates a full-service branch in Burlington, Colorado.
- The bank maintains cash dispensing-only automated teller machines (ATMs) at its Stratton and Burlington offices, as well as a full-service ATM at one of its two limited-service branches in McCook. The bank also operates three standalone, cash dispensing-only ATMs, with two in McCook and one in nearby Arapahoe, Nebraska, which is outside the bank's Southwest Nebraska AA.
- As indicated in the table below, the bank's primary business focus is agricultural and commercial lending.

Table 1

Composition of Loan Portfolio as of June 30, 2021		
Loan Type	\$(000)	%
Construction and Land Development	9,945	4.5
Farmland	77,418	35.0
1-4 Family Residential Real Estate	20,016	9.0
Multifamily Residential Real Estate	159	0.0
Non-Farm Non-Residential Real Estate	15,496	7.0
Agricultural	68,645	31.0
Commercial and Industrial	22,321	10.1
Consumer	1,714	1.0
Other	5,626	2.5
Gross Loans	221,340	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 August 21, 2017 performance evaluation conducted by the Office of the Comptroller of the Currency. 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 TESTS¹

LENDING TEST

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of the bank’s performance in the states of Nebraska and Colorado. The bank’s overall performance under the lending test is satisfactory based on the institution’s reasonable NLTD ratio; having originated a majority of loans inside its AAs; and the reasonable distribution of loans throughout the bank’s AAs and to businesses and farms of different sizes. In determining the overall lending test rating, equal weight was given to each of the performance criteria. Furthermore, the lending test performance state ratings for Nebraska and Colorado were similarly rated as satisfactory.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend; the availability of lending opportunities; the demographic and economic factors present in the AA; and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, and overlapping markets, although the comparator institutions are located outside the bank’s primary AAs. Overall, the bank’s NLTD ratio is reasonable, as it falls within the range of NLTD ratios reported by similarly situated institutions.

¹ The NLTD ratio and percentage of loans and other lending-related activity in the AAs only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to states and individual AAs.

Table 2

Comparative NLTDR Ratios (September 30, 2017 – June 30, 2021)			
Institution	Location	Asset Size \$(000)	NLTDR Ratio (%)
			16-Quarter Average
MNB Bank	McCook, Nebraska	408,310	74.9
Similarly Situated Institutions			
Equitable Bank	Grand Island, Nebraska	422,526	103.2
The Bank	Oberlin, Kansas	397,722	75.2
First State Bank	Norton, Kansas	482,090	65.1

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank’s AAs. Overall, the bank originated a majority of loans, by number and dollar, inside its AAs, although it is noted that a substantial majority of the bank’s small business lending occurred inside its AAs.

Table 3

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	52	92.9	4,157	80.3	4	7.1	1,018	19.7
Total Small Business related	52	92.9	4,157	80.3	4	7.1	1,018	19.7
Small Farm	44	61.1	4,857	52.3	28	38.9	4,437	47.7
Total Small Farm related	44	61.1	4,857	52.3	28	38.9	4,437	47.7
Total Loans	96	75.0	9,015	62.3	32	25.0	5,455	37.7

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 bank’s AAs. Overall, the bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout its AAs. The state ratings for Nebraska and Colorado are consistent with the overall rating.

Lending to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. Overall, the bank’s lending has a reasonable penetration among businesses and farms of different sizes. The state ratings for Nebraska and Colorado are consistent with the overall rating.

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank’s responsiveness to the CD needs of its AAs through CD loans, qualified investments, and CD services, considering the bank’s capacity and the need and availability of such opportunities in the bank’s AAs. The bank’s overall performance under the CD test is outstanding based on the excellent responsiveness demonstrated to the CD needs of its AAs. The CD test performance state ratings for Nebraska and Colorado were similarly rated as outstanding.

For this evaluation, acknowledgement is given to the significant number of loans originated by the bank to area businesses and farms through the Small Business Administration’s Paycheck Protection Program (PPP) in response to the COVID-19 health pandemic. These loans are considered particularly responsive to the needs of small businesses and helped revitalize and stabilize distressed and/or underserved areas or moderate-income census tracts within the bank’s AAs. Additionally, based on the bank meeting the CD needs of its AAs, consideration also was given to CD activities that took place outside of the bank’s delineated AAs, but within the broader statewide/regional area, totaling \$1.6MM. All the bank’s CD activities that occurred outside its AAs were within the state of Nebraska and will be further discussed in the specific analysis of that state. Refer to Table 4 below for an itemized summary of the bank’s CD activity.

Table 4

Community Development Activity Assessment Area: All AAs									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	54	5,259	0	0	0	0	0	0	5
Community Services	0	0	7	6,688	14	54	21	6,742	19
Economic Development	1	140	0	0	13	157	13	157	5
Revitalization and Stabilization	390	11,672	15	4,150	21	57	36	4,207	15
Totals	445	17,071	22	10,838	48	268	70	11,106	44

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.

**STATE OF NEBRASKA / SOUTHWEST NEBRASKA ASSESSMENT AREA
NONMETROPOLITAN AREA**

CRA rating for Nebraska: ***Satisfactory***
The Lending Test is rated: ***Satisfactory***
The Community Development Test is rated: ***Outstanding***

This rating is based on the following conclusions with respect to the performance criteria under the Lending and CD Tests:

- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses and farms of different sizes.
- CD activity reflects excellent responsiveness to the CD needs of the bank's AA.

SCOPE OF EXAMINATION

The scope of the review for the state of Nebraska was consistent with the overall scope for the institution. A full-scope review was conducted for the Southwest Nebraska AA, which is the only AA in the state and was evaluated concurrently with the bank's overall state performance. The lending test review in this AA included a total of 42 small business loans and 41 small farm loans.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NEBRASKA/SOUTHWEST NEBRASKA ASSESSMENT AREA

The bank delineates one of its two AAs and operates four of its five branches in the state of Nebraska. The bank's Southwest Nebraska AA consists of Dundy, Hitchcock, and Red Willow Counties in their entireties. Refer to Appendix B for a map of the AA.

- The Southwest Nebraska AA is comprised of one moderate- and four middle-income census tracts. There have been no changes to the AA since the prior evaluation in 2017. According to the Federal Financial Institutions Examination Council's (FFIEC's) List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies, Dundy County is designated as distressed and underserved, while Hitchcock and Red Willow Counties are both considered underserved, except for one moderate-income census tract that encompasses a portion of the town of McCook in Red Willow County.
- The bank operates four banking locations (two full-service and two limited-service) within the AA, with three of those locations within the AA's only moderate-income census tract. Additionally, the bank maintains five ATMs throughout the state, with two in moderate- and three in middle-income census tracts.
- According to the June 30, 2021 FDIC Summary of Deposits Market Share Report, the bank had a 43.0 percent market share, ranking 1st out of 14 FDIC-insured depository institutions operating in the AA.

- To further augment the CRA performance evaluation, a community contact recently conducted as part of the public evaluation of another area financial institution was reviewed to help ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The contact was a representative of an economic development corporation that serves a local community within the AA.

Table 5

Population Change Assessment Area: Southwest Nebraska AA			
Area	2010 Population	2015 Population	Percent Change
Southwest Nebraska AA	15,971	15,840	(0.8)
Dundy County, NE	2,008	2,015	0.3
Hitchcock County, NE	2,908	2,879	(1.0)
Red Willow County, NE	11,055	10,946	(1.0)
NonMSA Nebraska	682,247	679,331	(0.4)
Nebraska	1,826,341	1,869,365	2.4

Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey

- Based on 2015 American Community Survey (ACS) data, approximately 7,600 residents comprising the three-county AA live in the city of McCook, which is the county seat for Red Willow County. The city of McCook serves as a small-scale regional hub for rural counties in both southwest Nebraska and northwest Kansas.

Table 6

Median Family Income Change Assessment Area: Southwest Nebraska AA			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Southwest Nebraska AA	56,351	56,250	(0.2)
Dundy County, NE	58,004	57,250	(1.3)
Hitchcock County, NE	44,012	52,639	19.6
Red Willow County, NE	59,693	57,283	(4.0)
NonMSA Nebraska	58,485	61,457	5.1
Nebraska	67,393	67,225	(0.2)

Source: 2006 – 2010 U.S. Census Bureau American Community Survey
2011 - 2015 U.S. Census Bureau American Community Survey
Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- The percentage of families living below the poverty level in the AA, at 8.7 percent, is similar to the reported figures for statewide rural areas and the state of Nebraska at 8.3 percent and 8.8 percent, respectively. Dundy County had the lowest percentage of families living below the poverty level, at 3.3 percent, while Hitchcock County reported 16.3 percent.

- According to 2015 ACS data, 42.5 percent of AA families were considered low- and moderate-income (LMI), which is above the reported figures for statewide rural areas and the state of Nebraska at 37.3 percent and 37.5 percent, respectively.

Table 7

Housing Cost Burden						
Assessment Area: Southwest Nebraska AA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Southwest Nebraska AA	51.3	8.8	28.4	53.4	15.8	15.7
Dundy County, NE	20.0	33.3	13.5	56.0	10.4	14.1
Hitchcock County, NE	69.0	17.5	33.5	35.6	10.3	14.0
Red Willow County, NE	52.8	1.6	30.5	59.4	18.3	16.5
NonMSA Nebraska	61.8	15.9	29.5	54.9	21.3	15.4
Nebraska	71.1	23.8	37.2	60.6	28.5	16.5

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy
 Note: Cost Burden is housing cost that equals 30 percent or more of household income.

- The housing affordability ratio² in the AA, at 53.3 percent, was higher than the reported ratios for statewide rural areas and the state of Nebraska at 48.0 percent and 39.8 percent, respectively. Housing affordability ratios also varied across the AA, ranging from a high of 66.4 percent in Hitchcock County to a low of 49.9 percent in Red Willow County.
- The cost burden for renters was particularly favorable for moderate-income individuals and families in Red Willow County, while the cost burden for all AA homeowners was comparable to the statewide rural areas and the state of Nebraska.

Table 8

Unemployment Rates					
Assessment Area: Southwest Nebraska AA					
Region	2016	2017	2018	2019	2020
Southwest Nebraska AA	2.8	2.6	2.5	2.7	3.1
Dundy County, NE	2.2	2.4	2.2	2.4	2.2
Hitchcock County, NE	3.6	3.4	3.4	3.2	3.5
Red Willow County, NE	2.8	2.5	2.4	2.6	3.3
NonMSA Nebraska	2.9	2.8	2.7	2.9	3.4
Nebraska	3.1	2.9	2.9	3.0	4.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- In addition to a significant agricultural economy, the AA is primarily comprised of smaller retail establishments as well as larger employers located in McCook, including the public schools and several larger, big-box retailers.

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

- A community contact stated that low agricultural commodity prices has contributed to a stagnant agricultural economy in the area, which has also impacted other area businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEBRASKA/SOUTHWEST NEBRASKA ASSESSMENT AREA

LENDING TEST

The bank’s performance under the lending test in the state of Nebraska is satisfactory. The bank’s performance under the lending test in the Southwest Nebraska AA is reasonable, which is consistent with the overall state rating. In determining the lending test rating, equal weight was given to each of the performance criteria. In addition, the use of a proxy for business and farm revenue was required for the evaluation of lending by revenue size, as the bank does not collect revenue information for long-standing customer relationships that have demonstrated a satisfactory repayment history.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s lending performance in the AA’s moderate-income census tract is comparable to the demographic figure, which represents the percentage of area businesses located in each census tract category. In addition, an evaluation of the bank’s dispersion of small business lending revealed no significant gaps or lapses throughout the AA.

Table 9

Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Southwest Nebraska AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	12	28.6	1,852	48.2	27.3
Middle	30	71.4	1,993	51.8	72.7
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	42	100.0	3,846	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The bank’s lending performance in the AA’s moderate-income census tract is comparable to the demographic figure, which represents the percentage of area farms located in each census tract category. In addition, an evaluation of the bank’s dispersion of small farm lending revealed no significant gaps or lapses throughout the AA.

Table 10

Distribution of 2020 Small Farm Lending By Income Level of Geography					
Assessment Area: Southwest Nebraska AA					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	2	4.9	180	3.8	4.2
Middle	39	95.1	4,603	96.2	95.8
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	41	100.0	4,783	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Businesses and Farms of Different Sizes

The bank’s lending has a reasonable distribution among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with revenues of \$1MM or less is below the demographic figure, which represents the percentage of small businesses in the AA. As reflected in Table 11 below, the bank also originated 12 loans to businesses with unknown revenues that were to long-standing customer relationships that have demonstrated a satisfactory repayment history. When evaluating these loans with unknown revenues, all 12 were originated in amounts of \$250,000 or less, which are amounts generally requested by smaller business entities. Additionally, a review of aggregate lending data submitted by CRA reporters in the bank’s AA noted an aggregate distribution of 52.2 percent of loans to small businesses. Based on this additional supporting information, the bank’s small business lending performance is reasonable.

Table 11

Distribution of 2020 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Southwest Nebraska AA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	20	47.6	1,260	32.8	90.1
Over \$1 Million	10	23.8	1,913	49.7	7.4
Revenue Unknown	12	28.6	673	17.5	2.5
Total	42	100.0	3,846	100.0	100.0
By Loan Size					
\$100,000 or Less	29	69.0	943	24.5	
\$100,001 - \$250,000	10	23.8	1,503	39.1	
\$250,001 - \$1 Million	3	7.1	1,400	36.4	
Total	42	100.0	3,846	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	15	75.0	560	44.4	
\$100,001 - \$250,000	5	25.0	700	55.6	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	20	100.0	1,260	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with revenues of \$1MM or less is below the demographic figure, which represents the percentage of small farms in the AA. Similar to small business lending, the bank originated 11 farm loans to borrowers with unknown revenues. When evaluating these loans with unknown revenues, all 11 were originated in amounts of \$250,000 or less, which are amounts generally requested by smaller farming operations. Additionally, a review of aggregate lending data submitted by CRA reporters in the bank’s AA noted an aggregate distribution of 56.6 percent of loans to small farms. Based on this additional supporting information, the bank’s small farm lending performance is reasonable.

Table 12

Distribution of 2020 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Southwest Nebraska AA					
	Bank Loans				Total Farms
	#	#%	\$(000)	%	%
By Revenue					
\$1 Million or Less	27	65.9	4,027	84.2	98.3
Over \$1 Million	3	7.3	116	2.4	1.7
Revenue Unknown	11	26.8	640	13.4	0.0
Total	41	100.0	4,783	100.0	100.0
By Loan Size					
\$100,000 or Less	24	58.5	1,128	23.6	
\$100,001 - \$250,000	13	31.7	2,240	46.8	
\$250,001 - \$500,000	4	9.8	1,415	29.6	
Total	41	100.0	4,783	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	12	44.4	682	16.9	
\$100,001 - \$250,000	11	40.7	1,930	47.9	
\$250,001 - \$500,000	4	14.8	1,415	35.1	
Total	27	100.0	4,027	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the CD test in the state of Nebraska is outstanding. The bank’s CD performance similarly demonstrated excellent responsiveness in the Southwest Nebraska AA, which is consistent with the overall state rating. For this evaluation, a substantial portion of the bank’s CD activity was related to PPP loan originations, which comprised 310 of the 314 CD loans originated by the bank. These loans helped with revitalization and stabilization efforts within the AA.

Table 13

Community Development Activity Assessment Area: Southwest Nebraska AA									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	54	5,259	0	0	0	0	0	0	5
Community Services	0	0	6	1,640	10	52	16	1,692	12
Economic Development	1	140	0	0	13	157	13	157	5
Revitalization and Stabilization	314	9,403	15	4,150	20	52	35	4,202	15
Totals	369	14,802	21	5,790	43	261	64	6,051	37

In addition to the CD activities reflected in Table 13, the bank also is credited for the following CD loans, investments, and donations that took place outside of its AA but were within the broader statewide/regional area.

- Two affordable housing loans totaling \$216,300 were originated in communities directly outside of the Southwest Nebraska AA.
- Five community service investments totaling \$1.7MM and four revitalization and stabilization investments totaling \$700,000 were purchased by the bank during the evaluation period.
- Four community service donations totaling \$1,200 were made to a social service organization that provides aid to LMI individuals and families.

**STATE OF COLORADO / KIT CARSON COUNTY ASSESSMENT AREA
NONMETROPOLITAN AREA**

CRA rating for Colorado: ***Satisfactory***
The Lending Test is rated: ***Satisfactory***
The Community Development Test is rated: ***Outstanding***

This rating is based on the following conclusions with respect to the performance criteria under the Lending and CD Tests:

- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses and farms of different sizes.
- CD activity reflects excellent responsiveness to the CD needs of the bank's AA.

SCOPE OF EXAMINATION

The scope of the review for the state of Colorado was consistent with the overall scope for the institution. A full-scope review was conducted for the Kit Carson County AA, which is the only AA in the state and was evaluated concurrently with the bank's overall state performance. The lending test review in this AA initially included ten small business loans and three small farm loans. However, in consideration of the bank's emphasis on agricultural lending and the rural nature of this AA, the small farm lending sample was expanded to include the entire universe of small farm loans originated in the AA from the date of the prior CRA evaluation (August 21, 2017) in order to provide a more meaningful analysis. This increased the sample size by 16 loans, resulting in a total of 19 small farm loans for review in the AA. While the evaluation of the bank's small farm lending was based on aggregate data from August 21, 2017 through December 31, 2020, Tables 19 and 21 below reflect the bank's small farm lending data for 2019 and 2020 only, with the demographic figures in both tables based on 2020 data. For a summary of the bank's small farm lending data for 2017 and 2018, refer to Appendix C of this performance evaluation.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN COLORADO/KIT CARSON COUNTY ASSESSMENT AREA

The bank delineates one of its two AAs and operates one of its five branches in the state of Colorado. The bank's Kit Carson County AA consists of Kit Carson County in its entirety. Refer to Appendix B for a map of the AA.

- The Kit Carson County AA is comprised of one moderate- and two middle-income census tracts. There have been no changes to the AA since the prior evaluation in 2017. According to the FFIEC's List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies, the two middle-income census tracts in the AA are considered underserved.

- The bank operates one full-service branch and one cash dispensing-only ATM within the AA, both of which are located in a middle-income census tract.
- According to the June 30, 2021 FDIC Summary of Deposits Market Share Report, the bank had a 9.0 percent market share, ranking 6th out of 8 FDIC-insured depository institutions operating in the AA.
- To further augment the CRA performance evaluation, a community contact recently conducted as part of the public evaluation of another area financial institution was reviewed to help ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The contact was a representative of a cooperative that provides credit to rural inhabitants, farmers, and ranchers in portions of Colorado.

Table 14

Population Change			
Assessment Area: Kit Carson County AA			
Area	2010 Population	2015 Population	Percent Change
Kit Carson County AA	8,270	7,980	(3.5)
NonMSA Colorado	687,293	688,010	0.1
Colorado	5,029,196	5,278,906	5.0

*Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- The city of Burlington, Colorado is the county seat for Kit Carson County, which is the largest town in the AA with a reported population of 3,931 residents based on 2015 ACS data.

Table 15

Median Family Income Change			
Assessment Area: Kit Carson County AA			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Kit Carson County AA	60,700	52,575	(13.4)
NonMSA Colorado	62,960	60,701	(3.6)
Colorado	76,277	74,826	(1.9)

*Source: 2006 – 2010 U.S. Census Bureau American Community Survey
2011 - 2015 U.S. Census Bureau American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- The percentage of families living below the poverty level in the AA, at 11.8 percent, is higher than the reported figures for statewide rural areas and the state of Colorado at 10.0 percent and 8.5 percent, respectively.

Table 16

Housing Cost Burden						
Assessment Area: Kit Carson County AA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Kit Carson County AA	45.1	38.6	31.4	57.1	21.4	17.6
NonMSA Colorado	72.7	39.4	41.3	58.6	35.6	24.0
Colorado	79.9	51.2	46.4	65.0	43.1	21.8

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy
Note: Cost Burden is housing cost that equals 30 percent or more of household income.

- The housing affordability ratio in the AA, at 33.2 percent, was higher than the reported ratios for statewide rural areas and the state of Colorado at 22.0 percent and 24.5 percent, respectively.

Table 17

Unemployment Rates					
Assessment Area: Kit Carson County AA					
Region	2016	2017	2018	2019	2020
Kit Carson County AA	2.0	1.6	1.9	1.6	2.8
NonMSA Colorado	3.3	2.6	3.1	2.7	7.1
Colorado	3.1	2.6	3.0	2.7	7.3

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The primary employment industry in the AA is agriculture, with resources largely directed to grain and livestock production. The largest businesses in the area include Midwest Farms, a large-scale hog feeding operation, and Burlington Livestock Exchange, an auction house that specializes in on-site and web-based cattle sales.
- A community contact discussed the difficult economic conditions in the area due to the impact of a recent drought and the COVID-19 pandemic on farming and the agricultural industry, which is the primary economic sector in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLORADO/KIT CARSON COUNTY ASSESSMENT AREA

LENDING TEST

The bank’s performance under the lending test in the state of Colorado is satisfactory. The bank’s performance under the lending test in the Kit Carson County AA is reasonable, which is consistent with the overall state rating. In determining the lending test rating, equal weight was given to each of the performance criteria.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s lending performance in the AA’s moderate-income census tract is below the demographic figure. However, when considering the bank’s only branch in the AA is located approximately 30 miles from the AA’s moderate-income census tract, the proximity of other financial institutions located in Flagler, Colorado, and Stratton, Colorado are more apt to serve this area. The city of Flagler is located within the moderate-income census tract, while Stratton is located approximately seven miles away. Therefore, based on the bank’s distance from the moderate-income census tract and the competition presented by other area financial institutions, the bank’s performance is considered reasonable. In addition, an evaluation of the bank’s dispersion of small business lending revealed no significant gaps or lapses throughout the AA.

Table 18

Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Kit Carson County AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	1	10.0	30	9.6	16.1
Middle	9	90.0	282	90.4	83.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	10	100.0	312	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

Small Farm Lending

The geographic distribution of small farm lending is reasonable. For the evaluation period, the bank did not originate any small farm loans within the AA’s moderate-income census tract, which is below the demographic figure. However, as noted in the previous section, the bank’s only branch in the AA is located a considerable distance from the AA’s moderate-income census tract and other area financial institutions are located in closer proximity to serve this area. Therefore, based on these factors, the bank’s performance is considered reasonable. In addition, when evaluating loan dispersion within the AA, gaps were noted, as no small farm loans were originated in the AA’s moderate-income census tract. However, this lending gap is considered reasonable given the bank’s only branch in the AA is located approximately 30 miles away.

Table 19

Distribution of 2019 and 2020 Small Farm Lending By Income Level of Geography Assessment Area: Kit Carson County AA									
Geographic Income Level	Bank Loans By Year								Total Farms %
	2019				2020				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	21.0
Middle	6	100.0	563	100.0	7	100.0	184	100.0	79.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	6	100.0	563	100.0	7	100.0	184	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

Lending to Businesses and Farms of Different Sizes

The bank’s lending has a reasonable distribution among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with revenues of \$1MM or less is comparable to the demographic figure. For additional context, the bank also originated four loans to businesses with unknown revenues. When evaluating these loans, all four were originated in amounts of \$250,000 or less, which are amounts generally requested by smaller business entities. Additionally, a review of aggregate lending data submitted by CRA reporters in the bank’s AA noted an aggregate distribution of 45.1 percent of loans to small businesses. This additional supporting information further supports the bank’s reasonable small business lending performance.

Table 20

Distribution of 2020 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Kit Carson County AA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	6	60.0	90	28.8	88.5
Over \$1 Million	0	0.0	0	0.0	9.0
Revenue Unknown	4	40.0	222	71.2	2.5
Total	10	100.0	312	100.0	100.0
By Loan Size					
\$100,000 or Less	9	90.0	177	56.7	
\$100,001 - \$250,000	1	10.0	135	43.3	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	10	100.0	312	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	6	100.0	90	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	6	100.0	90	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with revenues of \$1MM or less is below the demographic figure. Similar to small business lending, the bank originated eight farm loans to borrowers with unknown revenues. When evaluating these loans, all eight loans were originated in amounts of \$100,000 or less, which are amounts generally requested by smaller farming operations. Additionally, a review of aggregate lending data submitted by CRA reporters in the bank’s AA noted an aggregate distribution of 50.0 percent of loans to small farms. Based on this additional supporting information, the bank’s small farm lending performance is reasonable.

Table 21

Distribution of 2019 and 2020 Small Farm Lending By Revenue Size of Farms									
Assessment Area: Kit Carson County AA									
	Bank Loans By Year								Total Farms %
	2019				2020				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
By Revenue									
\$1 Million or Less	3	50.0	429	76.2	4	57.1	116	63.0	96.3
Over \$1 Million	0	0.0	0	0.0	0	0.0	0	0.0	3.7
Revenue Unknown	3	50.0	134	23.8	3	42.9	68	37.0	0.0
Total	6	100.0	563	100.0	7	100.0	184	100.0	100.0
By Loan Size									
\$100,000 or Less	5	83.3	228	40.5	7	100.0	184	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0	
\$250,001 - \$500,000	1	16.7	335	59.5	0	0.0	0	0.0	
Total	6	100.0	563	100.0	7	100.0	184	100.0	
By Loan Size and Revenue \$1 Million or Less									
\$100,000 or Less	2	66.7	94	21.9	4	100.0	116	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0	
\$250,001 - \$500,000	1	33.3	335	78.1	0	0.0	0	0.0	
Total	3	100.0	429	100.0	4	100.0	116	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>									
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>									

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the CD test in the state of Colorado is outstanding. The bank’s CD performance similarly demonstrated excellent responsiveness in the Kit Carson County AA, which is consistent with the overall state rating. For this evaluation, the bank’s CD rating was driven largely by the 76 PPP loans originated by the bank. These loans helped with revitalization and stabilization efforts within the AA’s moderate-income census tract and underserved areas.

Table 22

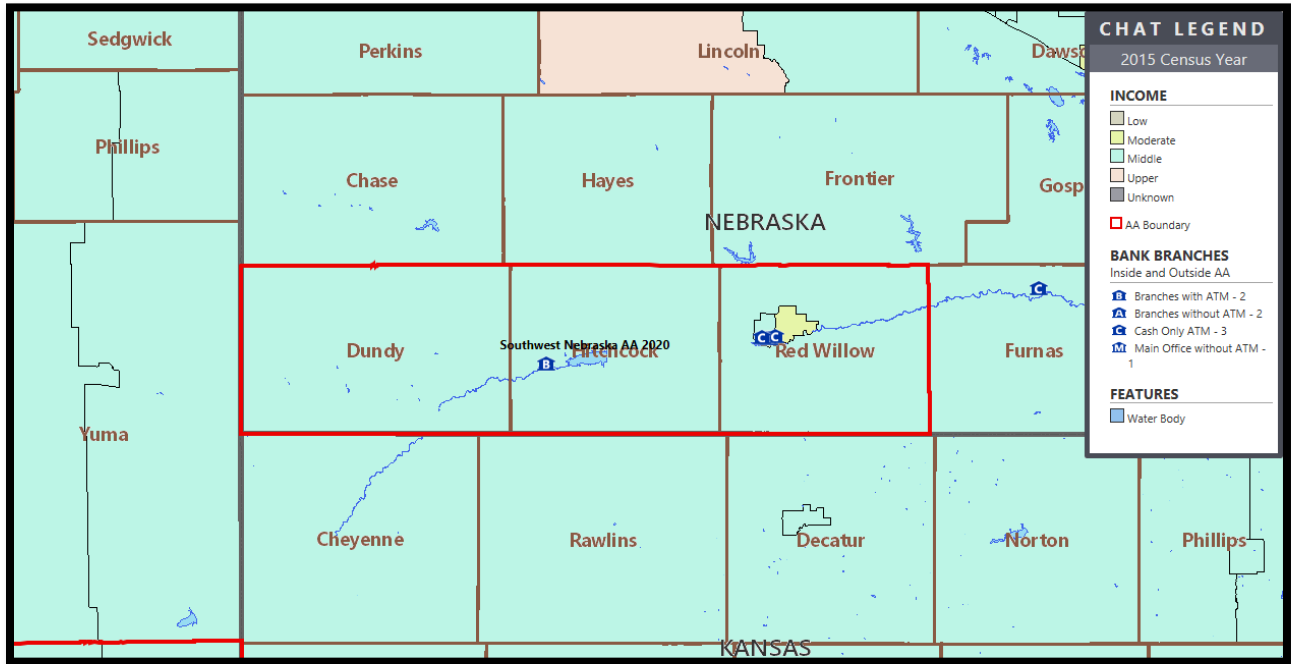
Community Development Activity									
Assessment Area: Kit Carson County AA									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	1	5,048	4	2	5	5,050	7
Economic Development	0	0	0	0	0	0	0	0	0
Revitalization and Stabilization	76	2,268	0	0	1	5	1	5	0
Totals	76	2,268	1	5,048	5	7	6	5,055	7

APPENDIX A – SCOPE OF EXAMINATION TABLE

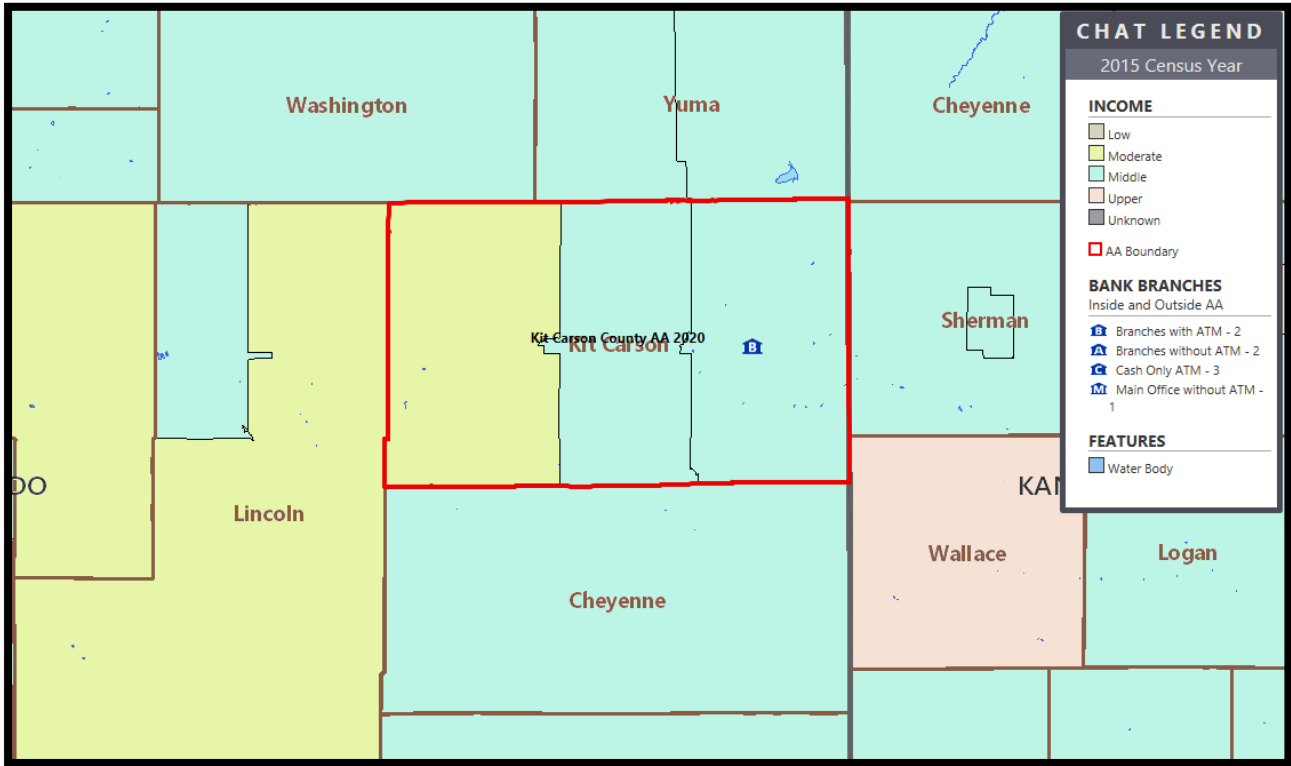
SCOPE OF EXAMINATION			
<u>FINANCIAL INSTITUTION</u>		<u>PRODUCTS/SERVICES REVIEWED</u>	
MNB Bank McCook, Nebraska		<ul style="list-style-type: none"> • Small Business • Small Farm • Community Development Loans • Qualified Investments & Donations • Community Development Services 	
<u>TIME PERIODS REVIEWED</u>			
<u>Small Business Loans:</u>		January 1, 2020 to December 31, 2020	
<u>Small Farm Loans – Nebraska:</u>		January 1, 2020 to December 31, 2020	
<u>Small Farm Loans – Colorado:</u>		August 21, 2017 to December 31, 2020	
<u>Community Development Activities:</u>		August 21, 2017 to September 20, 2021	
LIST OF AFFILIATES CONSIDERED IN THIS EVALUATION			
AFFILIATES		AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
Not Applicable			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED	OTHER INFORMATION
<u>Nebraska</u> Southwest Nebraska AA	Full Review	None	1 prior community contact
<u>Colorado</u> Kit Carson County AA	Full Review	None	1 prior community contact

APPENDIX B – MAPS OF THE ASSESSMENT AREAS

Southwest Nebraska Assessment Area



Kit Carson County Assessment Area



APPENDIX C – ADDITIONAL LENDING TABLES

Table C-1

Distribution of 2017 and 2018 Small Farm Lending By Income Level of Geography Assessment Area: Kit Carson County AA									
Geographic Income Level	Bank Loans By Year								Total Farms %
	2017				2018				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	21.6
Middle	2	100.0	240	100.0	4	100.0	87	100.0	78.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	2	100.0	240	100.0	4	100.0	87	100.0	100.0

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

Table C-2

Distribution of 2017 and 2018 Small Farm Lending By Revenue Size of Farms Assessment Area: Kit Carson County AA									
	Bank Loans By Year								Total Farms %
	2017				2018				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
By Revenue									
\$1 Million or Less	2	100.0	240	100.0	2	50.0	49	56.3	95.5
Over \$1 Million	0	0.0	0	0.0	0	0.0	0	0.0	4.0
Revenue Unknown	0	0.0	0	0.0	2	50.0	38	43.7	0.6
Total	2	100.0	240	100.0	4	100.0	87	100.0	100.0
By Loan Size									
\$100,000 or Less	1	50.0	25	10.4	4	100.0	87	100.0	
\$100,001 - \$250,000	1	50.0	215	89.6	0	0.0	0	0.0	
\$250,001 - \$500,000	0	0.0	0	0.0	0	0.0	0	0.0	
Total	2	100.0	240	100.0	4	100.0	87	100.0	
By Loan Size and Revenue \$1 Million or Less									
\$100,000 or Less	1	50.0	25	10.4	2	100.0	49	100.0	
\$100,001 - \$250,000	1	50.0	215	89.6	0	0.0	0	0.0	
\$250,001 - \$500,000	0	0.0	0	0.0	0	0.0	0	0.0	
Total	2	100.0	240	100.0	2	100.0	49	100.0	

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

APPENDIX D – DEMOGRAPHIC INFORMATION

Table D-1

2020 Southwest 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	867	20.1
Moderate	1	20.0	790	18.3	107	13.5	965	22.4
Middle	4	80.0	3,520	81.7	266	7.6	1,035	24.0
Upper	0	0.0	0	0.0	0	0.0	1,443	33.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	4,310	100.0	373	8.7	4,310	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	1,774	895	18.1	50.5	606	34.2	273	15.4
Middle	6,388	4,058	81.9	63.5	1,334	20.9	996	15.6
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	8,162	4,953	100.0	60.7	1,940	23.8	1,269	15.5
	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	250	27.3	226	27.4	21	30.9	3	13.0
Middle	667	72.7	600	72.6	47	69.1	20	87.0
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	917	100.0	826	100.0	68	100.0	23	100.0
Percentage of Total Businesses:				90.1		7.4		2.5
	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	10	4.2	10	4.3	0	0.0	0	0.0
Middle	226	95.8	222	95.7	4	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	236	100.0	232	100.0	4	100.0	0	0.0
Percentage of Total Farms:				98.3		1.7		0.0
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table D-2

2020 Kit Carson 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	498	24.8
Moderate	1	33.3	282	14.0	38	13.5	416	20.7
Middle	2	66.7	1,727	86.0	198	11.5	401	20.0
Upper	0	0.0	0	0.0	0	0.0	694	34.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,009	100.0	236	11.7	2,009	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	675	360	17.6	53.3	153	22.7	162	24.0
Middle	2,828	1,685	82.4	59.6	805	28.5	338	12.0
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	3,503	2,045	100.0	58.4	958	27.3	500	14.3
	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	70	16.1	61	15.9	7	17.9	2	18.2
Middle	364	83.9	323	84.1	32	82.1	9	81.8
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	434	100.0	384	100.0	39	100.0	11	100.0
Percentage of Total Businesses:				88.5		9.0		2.5
	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	34	21.0	34	21.8	0	0.0	0	0.0
Middle	128	79.0	122	78.2	6	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	162	100.0	156	100.0	6	100.0	0	0.0
Percentage of Total Farms:				96.3		3.7		0.0
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

Table D-3

2019 Kit Carson 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	498	24.8
Moderate	1	33.3	282	14.0	38	13.5	416	20.7
Middle	2	66.7	1,727	86.0	198	11.5	401	20.0
Upper	0	0.0	0	0.0	0	0.0	694	34.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,009	100.0	236	11.7	2,009	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	675	360	17.6	53.3	153	22.7	162	24.0
Middle	2,828	1,685	82.4	59.6	805	28.5	338	12.0
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	3,503	2,045	100.0	58.4	958	27.3	500	14.3
	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	73	16.7	64	16.6	7	17.9	2	16.7
Middle	363	83.3	321	83.4	32	82.1	10	83.3
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	436	100.0	385	100.0	39	100.0	12	100.0
Percentage of Total Businesses:				88.3		8.9		2.8
	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	36	21.6	36	22.2	0	0.0	0	0.0
Middle	131	78.4	126	77.8	5	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	167	100.0	162	100.0	5	100.0	0	0.0
Percentage of Total Farms:				97.0		3.0		0.0
Source: 2019 FFIEC Census Data								
2019 Dun & Bradstreet Data								
2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table D-4

2018 Kit Carson 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	498	24.8
Moderate	1	33.3	282	14.0	38	13.5	416	20.7
Middle	2	66.7	1,727	86.0	198	11.5	401	20.0
Upper	0	0.0	0	0.0	0	0.0	694	34.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,009	100.0	236	11.7	2,009	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	675	360	17.6	53.3	153	22.7	162	24.0
Middle	2,828	1,685	82.4	59.6	805	28.5	338	12.0
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	3,503	2,045	100.0	58.4	958	27.3	500	14.3
	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	78	16.1	69	16.1	7	17.1	2	13.3
Middle	407	83.9	360	83.9	34	82.9	13	86.7
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	485	100.0	429	100.0	41	100.0	15	100.0
Percentage of Total Businesses:				88.5		8.5		3.1
	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	38	21.6	38	22.6	0	0.0	0	0.0
Middle	138	78.4	130	77.4	7	100.0	1	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	176	100.0	168	100.0	7	100.0	1	100.0
Percentage of Total Farms:				95.5		4.0		0.6
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau; American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table D-5

2017 Kit Carson 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	498	24.8
Moderate	1	33.3	282	14.0	38	13.5	416	20.7
Middle	2	66.7	1,727	86.0	198	11.5	401	20.0
Upper	0	0.0	0	0.0	0	0.0	694	34.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,009	100.0	236	11.7	2,009	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	675	360	17.6	53.3	153	22.7	162	24.0
Middle	2,828	1,685	82.4	59.6	805	28.5	338	12.0
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	3,503	2,045	100.0	58.4	958	27.3	500	14.3
	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	72	16.4	64	16.6	7	16.7	1	9.1
Middle	366	83.6	321	83.4	35	83.3	10	90.9
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	438	100.0	385	100.0	42	100.0	11	100.0
Percentage of Total Businesses:				87.9		9.6		2.5
	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	42	22.6	42	23.5	0	0.0	0	0.0
Middle	144	77.4	137	76.5	7	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	186	100.0	179	100.0	7	100.0	0	0.0
Percentage of Total Farms:				96.2		3.8		0.0
Source: 2017 FFIEC Census Data								
2017 Dun & Bradstreet Data								
2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX E – 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.