



PUBLIC DISCLOSURE

January 9, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Charter West Bank
RSSD# 582953

201 South Main Street
West Point, Nebraska 68788

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: **Satisfactory.**

Charter West 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 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 an excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses 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 adequate responsiveness to the CD needs of its 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. Additionally, for home mortgage lending, emphasis was placed on the bank's performance in comparison to aggregate lending data (aggregate lending) rather than in comparison to respective demographic figures, as aggregate lending is considered representative of credit demand. Further, for commercial lending, available aggregate lending for the most recent three years (2018, 2019, and 2020) was referenced for additional perspective to gauge credit demand within the bank's AA. Performance was assessed within the bank's two AAs. The Omaha-Council Bluffs Metropolitan Statistical Area (MSA) AA and Northeast Nebraska AA were assessed using a full-scope review. In terms of products, more weight was placed on the bank's home mortgage lending given the higher loan volume and the bank's emphasis in strategy. Examiners reviewed the following data:

- The bank's 17-quarter average NLTD ratio;
- A statistical sample of 140 small business loans, from a universe of 448 loans originated from January 1, 2021 through December 31, 2021;
- The universe of 6,458 home mortgage loans reported on the bank's 2020 and 2021 Home Mortgage Disclosure Act (HMDA) Loan/Application Registers; and
- CD loans, qualified investments, and CD services from January 14, 2019 through June 30, 2022.

DESCRIPTION OF INSTITUTION

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

- The bank is a wholly owned subsidiary of Nationwide Bancshares, also headquartered in West Point.
- The bank has total assets of \$414.9 million as of September 30, 2022.
- In addition to its main office in West Point, the bank has four additional offices located in Pender, Walthill, Papillion, and Elkhorn, Nebraska.
- The bank has a Mortgage Center that functions as a department of the bank and originates residential real estate loans for sale on the secondary market. The Mortgage Center is headquartered at the bank's Elkhorn branch office and has another office at the Papillion branch location. The Mortgage Center also operates from 11 additional loan production offices (LPOs), with two locations in Lincoln and Omaha and one each in the cities of Columbus, Council Bluffs, Grand Island, Hastings, Kearney, LaVista, and McCook; all located in Nebraska. Two of these LPOs are new since the prior evaluation, Omaha-Central and Council Bluffs.
- The bank also operates 13 automated teller machines (ATMs) within its AAs, four of which are located at branches. Four of the bank's ATMs have the ability to accept deposits.
- Not fully captured in the table below is the bank's primary business focus, residential real estate lending, as most loans are sold on the secondary market.

Table 1

Composition of Loan Portfolio as of September 30, 2022		
Loan Type	\$(000)	%
Construction and Land Development	18,511	5.8
Farmland	36,385	11.4
1- to 4- Family Residential Real Estate	83,891	26.2
Multifamily Residential Real Estate	10,001	3.1
Non-Farm Non-Residential Real Estate	55,347	17.3
Agricultural	54,811	17.1
Commercial and Industrial	46,132	14.4
Consumer	9,170	2.9
Other	5,530	1.7
Gross Loans	319,778	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 January 14, 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

LENDING TEST

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the Omaha-Council Bluffs MSA and Northeast Nebraska AAs.

The bank’s overall lending test performance is Satisfactory. This conclusion was reached based on a reasonable NLTD ratio, a majority of loans originated within the bank’s AAs, a reasonable geographic distribution of loans, and an excellent borrower distribution of loans. More consideration was given to the volume of loan originations than the dollar amount, as this represents the numbers of individuals or entities served. Throughout the evaluation, more weight was placed on the bank’s performance within the Omaha-Council Bluffs MSA AA when determining the overall institution rating, given the significantly higher loan volume.

Additionally, in the Omaha-Council Bluffs MSA AA, home purchase and home refinance loans were each evaluated independently, while home improvement, multifamily, and other purpose closed/exempt loans were not evaluated due to a lack of volume, making

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

an analysis not meaningful. Further, due to an overall lack of volume, all home mortgage lending was evaluated collectively in the Northeastern Nebraska AA.

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 AAs, 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 operating within the AAs. The bank’s NLTD ratio is reasonable. The bank's NLTD ratio was above three of the five similarly-situated financial institutions.

Table 2

Comparative NLTD Ratios September 30, 2018 – September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			17 Quarter Average
Charter West Bank	West Point, Nebraska	414,929	85.2
Similarly Situated Institutions			
Midstates Bank	Council Bluffs, Iowa	639,170	68.1
First Nebraska Bank	Valley, Nebraska	373,935	70.7
F&M Bank	West Point, Nebraska	370,168	82.1
Arbor Bank	Nebraska City, Nebraska	532,973	92.3
Equitable Bank	Grand Island, Nebraska	478,217	100.3

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, inside the AAs. However, the percent of total HMDA loans originated inside the AAs reflects only a slight majority, at 54.1 percent by number volume, with HMDA Home Purchase – FHA loans reflecting the lowest volume of lending inside the AAs by number, at 38.0 percent. This is consistent with the bank’s business strategy of originating secondary market loans via LPOs, most of which are located outside the bank’s AAs.

Table 3

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
HMDA Home Purchase -	1,213	55.6	270,610	59.2	969	44.4	186,244	40.8
HMDA Home Purchase - FHA	461	38.0	87,734	42.9	751	62.0	116,976	57.1
HMDA Home Improvement	5	83.3	634	88.2	1	16.7	85	11.8
HMDA Multi-Family Housing	18	90.0	13,673	83.4	2	10.0	2,719	16.6
HMDA Other Purpose Closed-End	2	50.0	85	22.7	2	50.0	290	77.3
HMDA Refinancing	1,659	59.4	373,770	63.0	1,132	40.6	219,870	37.0
HMDA Home Purchase - VA	135	55.6	39,550	61.3	108	44.4	24,975	38.7
Total HMDA related	3,493	54.1	786,056	58.8	2,965	45.9	551,159	41.2
Small Business	101	72.1	3,582	58.6	39	27.9	2,527	41.4
TOTAL LOANS	3,594	54.5	789,638	58.8	3,004	45.5	553,686	41.2
<i>Note Percentages may not total 100.0 percent due to rounding.</i>								

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 and dispersion among the different census tracts of the AAs. Performance in the Omaha-Council Bluffs MSA AA was considered reasonable, however the distribution of lending in the Northeastern Nebraska AA was excellent.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has an overall excellent distribution among individuals of different income levels and businesses of different sizes within the AAs. Performance in the Omaha-Council Bluffs MSA AA was considered excellent, however the distribution of lending in the Northeastern Nebraska AA was reasonable.

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank’s responsiveness to 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 CD test performance is Satisfactory and demonstrates adequate responsiveness. Of the bank’s overall CD lending activity, 153 were Small Business Administration Paycheck Protection Program (PPP) loans totaling \$4.1MM. These loans

helped to revitalize or stabilize LMI geographies and distressed/underserved middle-income tracts or supported small businesses and LMI jobs. Performance in the Omaha-Council Bluffs MSA AA is satisfactory, however CD performance within the Northeastern Nebraska AA demonstrates excellent responsiveness to community development needs in the AA.

Additionally, based on the bank meeting the CD needs of its AAs, consideration was given to the following CD activities that took place outside of the bank’s AAs, but within the broader regional area:

- The bank originated 11 loans through the PPP, totaling \$127,706, helping to revitalize or stabilize LMI geographies and to support small businesses and LMI jobs.
- The bank made two CD qualifying investments totaling \$500,000.
- Four donations were made to organizations providing community services targeted at LMI individuals totaling \$1,250.
- Bank staff participated in three CD Services providing their financial expertise to affordable housing organizations.

Table 4

Community Development Activity All Assessment Areas									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	1	250	0	0	0	0	0	0	2
Community Services	1	1,250	0	0	20	14	20	14	13
Economic Development	0	0	0	0	2	26	2	26	4
Revitalization and Stabilization	168	6,423	8	1,630	21	322	29	1,952	53
Totals	170	7,923	8	1,630	43	362	51	2,946	72

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.

**OMAHA-COUNCIL BLUFFS ASSESSMENT AREA
METROPOLITAN AREA
(Full Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN OMAHA-COUNCIL
BLUFFS MSA AA**

The bank's Omaha-Council Bluffs MSA AA consists of the entire MSA, which includes five counties in Nebraska (Cass, Douglas, Sarpy, Saunders, and Washington) and three counties in Iowa (Harrison, Mills, and Pottawattamie) (see Appendix A for an AA map and Appendix B for additional demographic data).

- There have been no changes to the AA delineation since the prior examination.
- The AA is comprised of 30 low-, 54 moderate-, 109 middle-, and 62 upper-income census tracts. There have been no changes in the income level designation of census tracts since the prior evaluation.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 47th of 62 FDIC-insured depository institutions operating in the AA, with a total deposit market share of 0.12 percent.
- Two recently conducted interviews with members of the communities in which the bank operates were referenced during the evaluation. One community member is a representative from an organization that works to find affordable housing for LMI individuals and prevent homelessness. The other community member works for an organization supporting small business development in the AA.

Table 5

Population Change Assessment Area: Omaha-Council Bluffs MSA			
Area	2010 Population	2015 Population	Percent Change
Omaha-Council Bluffs MSA	865,350	895,919	3.5
Harrison County, IA	14,928	14,467	(3.1)
Mills County, IA	15,059	14,862	(1.3)
Pottawattamie County, IA	93,158	93,213	0.1
Cass County, NE	25,241	25,360	0.5
Douglas County, NE	517,110	537,655	4.0
Sarpy County, NE	158,840	169,192	6.5
Saunders County, NE	20,780	20,913	0.6
Washington County, NE	20,234	20,257	0.1
Iowa	3,046,355	3,093,526	1.5
Nebraska	1,826,341	1,869,365	2.4
<i>Source: 2010 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- According to the 2015 American Community Survey (ACS), the population of the AA is younger than other areas of the states. In the AA, 11.9 percent of the population is 65 or older, while in Iowa and Nebraska it is 15.5 percent and 14.1 percent, respectively.
- A community member stated that the population of Omaha has been gradually increasing, and over the past ten years, more people have been moving to the suburbs on the Western side of the city, an area that is more financially affluent.

Table 6

Median Family Income Change			
Assessment Area: Omaha-Council Bluffs MSA			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Omaha-Council Bluffs MSA	75,723	73,632	(2.8)
Harrison County, IA	68,912	65,147	(5.5)
Mills County, IA	80,073	78,556	(1.9)
Pottawattamie County, IA	65,723	65,286	(0.7)
Cass County, NE	78,702	77,731	(1.2)
Douglas County, NE	73,685	71,291	(3.2)
Sarpy County, NE	86,408	81,643	(5.5)
Saunders County, NE	73,558	73,107	(0.6)
Washington County, NE	84,533	83,216	(1.6)
Iowa	67,302	67,466	0.2
Nebraska	67,393	67,225	(0.2)
<i>Source: 2006-2010 U.S. Census Bureau: American Community Survey 2011-2015 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.</i>			

- While Table 6 suggests the median family income is decreasing, a community member stated that more recently, wages have been increasing.

Table 7

Housing Cost Burden						
Assessment Area: Omaha-Council Bluffs MSA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Omaha-Council Bluffs MSA	75.1	30.7	39.7	65.9	34.2	17.5
Harrison County, IA	56.9	7.9	29.9	43.3	14.4	12.0
Mills County, IA	68.3	18.6	39.4	53.5	31.5	16.2
Pottawattamie County, IA	73.8	20.4	38.9	55.1	20.0	15.7
Cass County, NE	70.3	14.0	30.8	68.5	29.0	18.8
Douglas County, NE	76.3	32.0	41.9	69.2	38.0	19.0
Sarpy County, NE	77.0	38.1	34.5	71.7	37.3	14.8
Saunders County, NE	53.3	11.5	25.3	62.2	29.9	16.9
Washington County, NE	60.6	16.1	34.4	54.6	36.1	17.0
Iowa	72.2	24.1	38.0	58.9	25.3	15.2
Nebraska	72.0	26.8	36.8	61.0	29.5	16.2
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source U.S. Department of Housing and Urban Development, 2014-2018 Comprehensive Housing Affordability Strategy</i>						

- According to the 2015 ACS, median housing values are higher in the AA, at \$148,241, compared to Iowa and Nebraska at \$129,200 and \$133,200, respectively.
- A community member commented that while there is a significant amount of construction in the city, affordable housing remains a concern. Both renters and buyers struggle to find housing within their budget due to a focus on high-end development.
- The community member went on to say that it is particularly difficult for low-income individuals to find housing. While the city has some affordable housing programs, the focus tends to be on new development rather than rehabilitation of existing structures or direct aid to individuals. Affordable housing-focused nonprofits have programs to help in these areas, but it remains a significant issue in the AA.

Table 8

Unemployment Rates					
Assessment Area: Omaha-Council Bluffs MSA					
Area	2017	2018	2019	2020	2021
Omaha-Council Bluffs MSA	3.1	3.0	3.1	4.7	3.0
Harrison County, IA	2.7	2.2	2.4	4.0	3.9
Mills County, IA	2.7	2.1	2.2	3.9	3.5
Pottawattamie County, IA	2.7	2.3	2.3	5.2	4.3
Cass County, NE	3.2	3.1	3.4	4.3	2.7
Douglas County, NE	3.2	3.2	3.3	5.0	3.0
Sarpy County, NE	2.8	2.8	2.9	4.0	2.4
Saunders County, NE	2.8	2.8	2.8	3.6	2.2
Washington County, NE	3.1	2.9	2.9	3.6	2.3
Iowa	3.1	2.5	2.6	5.1	4.2
Nebraska	3.0	2.9	3.0	4.1	2.5

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Major industries in the AA include trade, transportation and utilities, professional and business services, and education and health services. Fortune 500 companies headquartered in the AA include Berkshire Hathaway, Inc., Union Pacific Railroad, Peter Kiewit Sons Inc., and Mutual of Omaha.
- A community member stated that the banking and insurance industries are some of the largest employers in the AA. They further explained that there is a lot of competition in the banking industry and small businesses can shop around to get the best rates on loans.
- Further, while most businesses have survived the impacts of the COVID-19 Disease Pandemic, they currently struggle to hire workers due to rising wages and inflation, which are negatively impacting the margins of small businesses.
- The community member also mentioned that because of the pandemic, there has been an increase in interest in entrepreneurship, particularly in Eastern Omaha. However, the community member indicated a lack of initial funds for investment and high commercial real estate costs are the biggest challenges for entrepreneurs in this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OMAHA-COUNCIL BLUFFS MSA AA

LENDING TEST

The bank’s performance under the lending test in the Omaha-Council Bluffs MSA AA is reasonable.

Geographic Distribution of Loans

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

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The bank's 2021 lending in low-income census tracts by number volume was comparable to both aggregate lenders and the percentage of owner-occupied units (demographic figure). Lending in moderate-income census tracts was also comparable to both aggregate lenders and the demographic figure. Total home mortgage lending in 2020 was consistent with 2021 performance. In addition, an evaluation of the dispersion of home mortgage loans revealed no significant lending gaps or lapses throughout the AA.

Home Purchase Lending

The geographic distribution of home purchase lending is reasonable. The bank's 2021 lending in low-income census tracts by number volume was above both aggregate lenders and the demographic figure. Lending in moderate-income census tracts was comparable to both aggregate lenders and the demographic figure. Total home purchase lending in 2020 exceeded 2021 performance. In addition, an evaluation of the dispersion of home purchase loans revealed no significant lending gaps or lapses throughout the AA.

Home Refinance Lending

The geographic distribution of home refinance lending is reasonable. The bank's 2021 lending in low-income census tracts by number volume was comparable to both aggregate lenders and the demographic figure. Lending in moderate-income census tracts was also comparable to aggregate lenders, but was below the demographic figure. Total home mortgage lending in 2020 was lower than 2021 performance. In addition, an evaluation of the dispersion of home refinance loans revealed no significant lending gaps or lapses throughout the AA.

Table 12

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Omaha-Council Bluffs MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	# %	# %	\$ (000)	\$ %	\$ %	#	# %	# %	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Lo w	41	5.0	3.8	5,079	2.9	2.1	61	6.4	4.4	8,155	3.7	2.5	4.6
Mo d e r a t e	158	19.4	15.5	23,031	13.3	9.9	186	19.5	16.6	30,711	13.9	10.7	17.5
M i d d l e	331	40.7	42.1	68,101	39.5	39.3	388	40.6	41.9	85,111	38.5	39.1	46.2
U p p e r	283	34.8	38.6	76,338	44.2	48.8	320	33.5	37.1	96,873	43.9	47.6	31.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	813	100.0	100.0	172,549	100.0	100.0	955	100.0	100.0	220,850	100.0	100.0	100.0
Refinance Loans													
Lo w	13	1.4	1.2	1,737	0.8	0.7	21	3.1	1.7	3,079	2.1	1.0	4.6
Mo d e r a t e	69	7.3	8.3	9,860	4.5	5.0	77	11.5	11.3	10,282	7.0	7.0	17.5
M i d d l e	321	34.0	39.0	71,502	32.5	35.8	245	36.7	41.9	47,797	32.5	38.4	46.2
U p p e r	540	57.3	51.4	136,617	62.2	58.5	324	48.6	45.0	86,083	58.5	53.6	31.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	943	100.0	100.0	219,716	100.0	100.0	667	100.0	100.0	147,241	100.0	100.0	100.0
Home Improvement Loans													
Lo w	0	0.0	1.9	0	0.0	1.7	1	25.0	2.9	61	10.1	2.2	4.6
Mo d e r a t e	0	0.0	11.0	0	0.0	9.8	2	50.0	12.5	355	58.8	10.1	17.5
M i d d l e	0	0.0	41.8	0	0.0	36.3	0	0.0	41.4	0	0.0	38.6	46.2
U p p e r	0	0.0	45.3	0	0.0	52.3	1	25.0	43.2	188	31.1	49.1	31.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	0	0.0	100.0	0	0.0	100.0	4	100.0	100.0	604	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Lo w	3	75.0	24.8	1,761	47.3	10.9	5	35.7	22.8	2,457	24.7	17.9	12.1
Mo d e r a t e	0	0.0	34.9	0	0.0	25.5	1	7.1	27.8	204	2.1	16.1	22.4
M i d d l e	0	0.0	32.6	0	0.0	33.1	7	50.0	39.9	3,290	33.1	45.0	49.6
U p p e r	1	25.0	7.7	1,961	52.7	30.6	1	7.1	9.6	4,000	40.2	21.1	15.8
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	4	100.0	100.0	3,722	100.0	100.0	14	100.0	100.0	9,951	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Lo w	57	3.2	2.4	8,577	2.2	1.7	88	5.4	3.0	13,752	3.6	2.5	4.6
Mo d e r a t e	227	12.9	11.5	32,891	8.3	8.0	266	16.2	13.7	41,552	11.0	9.2	17.5
M i d d l e	652	37.0	40.3	139,603	35.3	37.0	640	39.0	41.9	136,198	36.0	39.1	46.2
U p p e r	824	46.8	45.8	214,916	54.3	53.3	646	39.4	41.4	187,144	49.4	49.2	31.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	1,760	100.0	100.0	395,987	100.0	100.0	1,640	100.0	100.0	378,646	100.0	100.0	100.0

Source: 2021 FFIEC Census Data

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

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

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s small business lending in low-income census tracts by number volume was above the percentage of small businesses in the AA. Lending in moderate-income census tracts was comparable to the percentage of small businesses in the AA.

An evaluation of the dispersion of small business lending revealed lending gaps to the LMI tracts in the North and West areas of the AA. This did not negatively impact the rating due to the distance from these areas to bank branches (at least 20 minutes by car) and data from the FDIC Deposit Market Share report that validates a high level of lending competition from other financial institutions.

Table 13

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Omaha-Council Bluffs MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	4	11.4	896	36.2	6.3
Moderate	4	11.4	274	11.1	15.3
Middle	5	14.3	199	8.0	49.1
Upper	22	62.9	1,108	44.7	29.3
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	35	100.0	2,478	100.0	100.0

Source: 2021 FFIEC Census Data
2021 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 Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank’s lending has a excellent distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is excellent. The bank’s 2021 lending to low-income borrowers by number volume was above aggregate lenders, but below the percentage of low-income families in the AA. Lending to moderate-income borrowers was above both aggregate lenders and the percentage of moderate-income families in the AA. Total home mortgage lending in 2020 was consistent with 2021 performance.

Home Purchase Lending

The borrower distribution of home purchase lending is excellent. The bank's 2021 lending to low-income borrowers by number volume was above aggregate lenders and comparable to the percentage of low-income families in the AA. Lending to moderate-income borrowers was above both aggregate lenders and the percentage of moderate-income families in the AA. Total home purchase lending in 2020 exceeded 2021 performance.

Home Refinance Lending

The borrower distribution of home refinance lending is reasonable. The bank's 2021 lending to low-income borrowers by number volume was comparable to aggregate lenders and below the percentage of low-income families in the AA. Lending to moderate-income borrowers was comparable to both aggregate lenders and the percentage of moderate-income families in the AA. Total home mortgage lending in 2020 was lower than 2021 performance.

Table 14

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Omaha-Council Bluffs MSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	# %	\$ (000)	\$ %	\$ %	#	%	# %	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Low	135	16.6	10.2	18,838	10.9	5.9	144	15.1	8.5	22,404	10.1	4.8	20.4
Moderate	239	29.4	22.8	43,625	25.3	18.0	278	29.1	20.9	55,878	25.3	16.0	17.9
Middle	203	25.0	21.3	46,241	26.8	21.3	238	24.9	20.1	58,893	26.7	19.7	21.5
Upper	210	25.8	27.6	60,640	35.1	38.0	251	26.3	27.5	77,164	34.9	37.3	40.2
Unknown	26	3.2	18.1	3,205	1.9	16.9	44	4.6	23.1	6,511	2.9	22.2	0.0
Total	813	100.0	100.0	172,549	100.0	100.0	955	100.0	100.0	220,850	100.0	100.0	100.0
Refinance Loans													
Low	48	5.1	4.5	5,863	2.7	2.3	44	6.6	6.5	5,337	3.6	3.4	20.4
Moderate	137	14.5	13.7	21,589	9.8	9.2	137	20.5	17.2	20,638	14.0	12.1	17.9
Middle	252	26.7	20.1	52,607	23.9	17.2	159	23.8	20.5	33,310	22.6	18.0	21.5
Upper	430	45.6	39.3	118,790	54.1	47.7	280	42.0	34.4	76,219	51.8	43.4	40.2
Unknown	76	8.1	22.4	20,867	9.5	23.5	47	7.0	21.4	11,737	8.0	23.1	0.0
Total	943	100.0	100.0	219,716	100.0	100.0	667	100.0	100.0	147,241	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.3	0	0.0	3.4	0	0.0	7.5	0	0.0	4.4	20.4
Moderate	0	0.0	17.1	0	0.0	13.7	0	0.0	16.8	0	0.0	12.0	17.9
Middle	0	0.0	23.1	0	0.0	18.8	0	0.0	24.0	0	0.0	21.2	21.5
Upper	0	0.0	46.8	0	0.0	53.5	0	0.0	45.3	0	0.0	52.6	40.2
Unknown	0	0.0	6.6	0	0.0	10.6	4	100.0	6.4	604	100.0	9.7	0.0
Total	0	0.0	100.0	0	0.0	100.0	4	100.0	100.0	604	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	183	10.4	6.6	24,701	6.3	3.7	188	11.6	7.3	27,741	7.5	4.1	20.4
Moderate	376	21.4	16.8	65,214	16.6	12.5	415	25.5	18.6	76,516	20.8	13.8	17.9
Middle	455	25.9	20.3	98,848	25.2	18.6	397	24.4	20.4	92,203	25.0	18.8	21.5
Upper	640	36.4	34.7	179,430	45.7	43.7	531	32.7	31.8	153,383	41.6	40.7	40.2
Unknown	102	5.8	21.6	24,072	6.1	21.6	95	5.8	21.9	18,852	5.1	22.6	0.0
Total	1,756	100.0	100.0	392,265	100.0	100.0	1,626	100.0	100.0	368,695	100.0	100.0	100.0
Source: 2021 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s small business lending to businesses with revenues of \$1MM or less by number volume was comparable to the percentage of small businesses in the AA.

Additional performance context was considered when rating this product. A review of aggregate lending submitted by CRA reporters in the bank’s Omaha-Council Bluffs MSA

AA reflected a lending distribution of 47.4 percent by number to small businesses. While not a direct comparison, as the bank is not a CRA reporter, aggregate data is indicative of overall demand for small business credit in the AA. Also considered were three loans originated to businesses with unknown revenue, all of which were in amounts less than \$250,000, a proxy for small business lending. If included in the bank’s lending to businesses with revenues of \$1MM or less, that figure by number volume would become 77.1 percent.

Table 15

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Omaha-Council Bluffs MSA					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	24	68.6	916	37.0	90.1
Over \$1 Million	8	22.9	1,509	60.9	8.9
Revenue Unknown	3	8.6	53	2.1	1.0
Total	35	100.0	2,478	100.0	100.0
By Loan Size					
\$100,000 or Less	29	82.9	934	37.7	
\$100,001 - \$250,000	5	14.3	794	32.0	
\$250,001 - \$1 Million	1	2.9	750	30.3	
Total	35	100.0	2,478	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	22	91.7	608	66.4	
\$100,001 - \$250,000	2	8.3	308	33.6	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	24	100.0	916	100.0	
<i>Source: 2021 FFIEC Census Data 2021 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 CD performance demonstrates adequate responsiveness. Twelve of the bank’s CD loan originations were PPP loans.

Table 16

Community Development Activity Assessment Area: Omaha-Council Bluffs MSA									
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	1
Community Services	0	0	0	0	4	7	4	7	4
Economic Development	0	0	0	0	1	1	1	1	0
Revitalization and Stabilization	15	1,041	0	0	0	0	0	0	0
Totals	15	1,041	0	0	5	8	5	8	5

**NORTHEAST NEBRASKA ASSESSMENT AREA
NONMETROPOLITAN AREA
(Full Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NORTHEAST NEBRASKA
AA**

The bank's Northeast Nebraska AA consists of Cuming and Thurston counties in their entirety (see Appendix A for an AA map and Appendix B for additional demographic data).

- There have been no changes to the AA delineation since the prior examination.
- The AA is comprised of no low-, two moderate-, three middle-, and no upper-income census tracts. The three middle-income census tracts are distressed and make up the entirety of Cuming County. The two moderate-income census tracts make up the entirety of Thurston County. There have been no changes to the income census tract designations since the prior evaluation.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 1st of 10 FDIC-insured depository institutions operating in the AA, with a total deposit market share of 31.9 percent.
- One recently conducted interview with a member of the community was referenced during the evaluation. The community member is a representative from a CD organization that is focused on addressing workforce housing shortages and revitalizing dilapidated economic areas.

Table 17

Population Change			
Assessment Area: Northeast Nebraska			
Area	2010 Population	2015 Population	Percent Change
Northeast Nebraska	16,079	16,024	(0.3)
Cuming County, NE	9,139	9,078	(0.7)
Thurston County, NE	6,940	6,946	0.1
Nonmetropolitan area (NonMSA) Nebraska	682,247	679,331	(0.4)
Nebraska	1,826,341	1,869,365	2.4
<i>Source: 2010 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- Thurston County includes the Winnebago and Omaha Native American reservations and 55.1 percent of the county population is Native American, which could impact loan demand due to tribal financial programs.
- A community member stated that many projects are underway to attract new residents.

Table 18

Median Family Income Change			
Assessment Area: Northeast Nebraska			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Northeast Nebraska	57,152	56,743	(0.7)
Cuming County, NE	60,527	62,500	3.3
Thurston County, NE	50,573	47,257	(6.6)
NonMSA Nebraska	58,485	61,457	5.1
Nebraska	67,393	67,225	(0.2)
<i>Source 2006-2010 U.S. Census Bureau: American Community Survey</i>			
<i>2011-2015 U.S. Census Bureau: American Community Survey</i>			
<i>Note Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.</i>			

- According to the 2015 ACS, the percent of households below poverty in Thurston County, at 24.3 percent, is significantly higher than in Cuming County, at 12.4 percent, which is in alignment with other rural areas of Nebraska at 12.0 percent.

Table 19

Housing Cost Burden						
Assessment Area: Northeast Nebraska						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Northeast Nebraska	57.6	18.4	26.1	44.4	12.3	9.9
Cuming County, NE	46.8	23.9	19.9	37.3	12.8	7.8
Thurston County, NE	65.2	6.3	34.3	52.6	11.2	14.1
NonMSA Nebraska	63.8	18.0	30.2	55.5	22.5	15.2
Nebraska	72.0	26.8	36.8	61.0	29.5	16.2
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development, 2014-2018 Comprehensive Housing Affordability Strategy</i>						

- According to a community member, the lack of housing is an economic barrier and a 40-unit housing project was recently undertaken to help address this issue. Funding was provided by grants, and financing to purchase the land was provided by local banks. However, credit for housing projects remains the most significant credit need in the AA.

Table 20

Unemployment Rates					
Assessment Area: Northeast Nebraska					
Area	2017	2018	2019	2020	2021
Northeast Nebraska	3.6	3.2	3.3	3.5	2.3
Cuming County, NE	2.7	2.6	2.6	2.5	1.7
Thurston County, NE	5.0	4.2	4.5	5.1	3.3
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

A member of the community stated that:

- The major industries in the area include healthcare and manufacturing, as well as various agricultural operations.
- There are many jobs available in the community, but a barrier to new workers moving to the area is the lack of affordable housing.
- Charter West Bank is involved and proactive in meeting the credit needs of the entire community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHEAST NEBRASKA AA

LENDING TEST

The bank’s performance under the lending test in the Northeast Nebraska AA is excellent.

Geographic Distribution of Loans

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

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. The bank’s 2021 lending in moderate-income census tracts was above aggregate lenders and comparable to the percentage of owner-occupied units in the AA. Total home mortgage lending in 2020 was consistent with 2021 performance. In addition, an evaluation of the dispersion of home mortgage loans revealed no significant lending gaps or lapses throughout the AA.

Table 24

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Northeast Nebraska													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#%	\$(000)	\$%	\$%	#	%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	9	39.1	25.2	773	42.9	21.7	7	38.9	28.4	815	30.3	23.2	33.1
Middle	14	60.9	74.8	1,029	57.1	78.3	11	61.1	71.6	1,878	69.7	76.8	66.9
Upper	0	0.0	0.0	0	0.0	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	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	23	100.0	100.0	1,802	100.0	100.0	18	100.0	100.0	2,693	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	7	26.9	26.5	1,339	36.5	26.3	6	26.1	22.7	682	21.7	22.3	33.1
Middle	19	73.1	73.5	2,330	63.5	73.7	17	73.9	77.3	2,462	78.3	77.7	66.9
Upper	0	0.0	0.0	0	0.0	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	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	26	100.0	100.0	3,669	100.0	100.0	23	100.0	100.0	3,144	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	100.0	50.0	30	100.0	37.5	0	0.0	16.7	0	0.0	2.3	33.1
Middle	0	0.0	50.0	0	0.0	62.5	0	0.0	83.3	0	0.0	97.7	66.9
Upper	0	0.0	0.0	0	0.0	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	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	30	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	50.0	0	0.0	32.4	0	0.0	25.0	0	0.0	1.8	30.3
Middle	0	0.0	50.0	0	0.0	67.6	0	0.0	75.0	0	0.0	98.2	69.7
Upper	0	0.0	0.0	0	0.0	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	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	18	34.6	27.5	2,152	38.5	25.9	13	31.7	25.2	1,497	25.6	22.7	33.1
Middle	34	65.4	72.5	3,434	61.5	74.1	28	68.3	74.8	4,340	74.4	77.3	66.9
Upper	0	0.0	0.0	0	0.0	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	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	52	100.0	100.0	5,586	100.0	100.0	41	100.0	100.0	5,837	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
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 Business Lending

The geographic distribution of small business lending is reasonable. The bank’s small business lending in moderate-income census tracts by number volume was below the percentage of small businesses in the AA. An evaluation of the dispersion of small business lending revealed no significant lending gaps or lapses throughout the AA.

Additional performance context was considered when rating this product. A review of aggregate lending submitted by CRA reporters in the bank’s Northeast Nebraska AA reflected a lending distribution of 21.9 percent by number in moderate-income census tracts. While not a direct comparison, as the bank is not a CRA reporter, aggregate data is indicative of overall demand for small business credit in these census tracts. Also considered were the two Native American tribes located in the county’s moderate-income census tracts.

Table 25

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Northeast Nebraska					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	12	18.2	225	20.4	28.1
Middle	54	81.8	879	79.6	71.9
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	66	100.0	1,104	100.0	100.0

*Source: 2021 FFIEC Census Data
2021 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 Borrowers of Different Income Levels and to Businesses of Different Sizes

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

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank’s 2021 lending to low-income borrowers by number volume was below both aggregate lenders and the percentage of low-income families in the AA. Lending to moderate-income borrowers was above both aggregate lenders and the percentage of moderate-income families in the AA. Total home mortgage lending in 2020 exceeded 2021 performance.

Table 26

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Northeast Nebraska													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#%	\$(000)	\$%	\$%	#	%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	4.3	8.7	56	3.1	6.4	0	0.0	5.2	0	0.0	3.2	22.8
Moderate	6	26.1	25.2	514	28.5	21.2	8	44.4	26.1	911	33.8	19.6	19.5
Middle	9	39.1	26.1	838	46.5	25.3	4	22.2	20.1	823	30.6	24.9	23.0
Upper	6	26.1	26.1	369	20.5	35.7	6	33.3	28.4	959	35.6	33.3	34.7
Unknown	1	4.3	13.9	25	1.4	11.5	0	0.0	20.1	0	0.0	19.0	0.0
Total	23	100.0	100.0	1,802	100.0	100.0	18	100.0	100.0	2,693	100.0	100.0	100.0
Refinance Loans													
Low	1	3.8	3.8	45	1.2	1.7	1	4.3	3.8	75	2.4	1.9	22.8
Moderate	6	23.1	17.3	686	18.7	11.4	6	26.1	19.5	457	14.5	12.6	19.5
Middle	9	34.6	18.4	955	26.0	13.2	8	34.8	21.6	1,030	32.8	21.2	23.0
Upper	10	38.5	52.4	1,983	54.0	64.2	7	30.4	37.8	1,482	47.1	47.2	34.7
Unknown	0	0.0	8.1	0	0.0	9.5	1	4.3	17.3	100	3.2	17.1	0.0
Total	26	100.0	100.0	3,669	100.0	100.0	23	100.0	100.0	3,144	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	22.8
Moderate	1	100.0	50.0	30	100.0	37.5	0	0.0	0.0	0	0.0	0.0	19.5
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	33.3	0	0.0	18.1	23.0
Upper	0	0.0	50.0	0	0.0	62.5	0	0.0	66.7	0	0.0	81.9	34.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	1	100.0	100.0	30	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	3.8	5.3	101	1.8	3.1	1	2.4	4.3	75	1.3	2.4	22.8
Moderate	13	25.0	19.5	1,230	22.0	14.0	14	34.1	22.2	1,368	23.4	15.6	19.5
Middle	19	36.5	20.8	1,803	32.3	16.5	12	29.3	21.0	1,853	31.7	22.5	23.0
Upper	17	32.7	42.5	2,427	43.4	54.9	13	31.7	34.3	2,441	41.8	41.9	34.7
Unknown	1	1.9	11.9	25	0.4	11.4	1	2.4	18.2	100	1.7	17.6	0.0
Total	52	100.0	100.0	5,586	100.0	100.0	41	100.0	100.0	5,837	100.0	100.0	100.0
Source: 2021 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
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 Business Lending

The borrower distribution of small business lending is excellent. The bank's lending to businesses with revenues of \$1MM or less by number volume was comparable to the percentage of small businesses in the AA.

Additional performance context was considered when rating this product. A review of aggregate lending submitted by CRA reporters in the bank’s Northwest Nebraska AA reflected a lending distribution of 52.7 percent by number to small businesses. While not a direct comparison as the bank is not a CRA reporter, aggregate data is indicative of overall demand for small business credit in the AA. Also considered was a loan originated to a business of unknown revenue, which was in an amount of \$250,000 or less, a proxy for small business lending. If included in the bank’s lending to businesses with revenues of \$1MM or less, the bank’s number volume figure would become 96.9 percent.

Table 27

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Northeast Nebraska					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	63	95.5	965	87.4	86.2
Over \$1 Million	2	3.0	126	11.4	10.8
Revenue Unknown	1	1.5	13	1.2	3.0
Total	66	100.0	1,104	100.0	100.0
By Loan Size					
\$100,000 or Less	64	97.0	863	78.2	
\$100,001 - \$250,000	2	3.0	241	21.8	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	66	100.0	1,104	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	62	98.4	831	86.1	
\$100,001 - \$250,000	1	1.6	134	13.9	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	63	100.0	965	100.0	
<i>Source: 2021 FFIEC Census Data 2021 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 CD performance demonstrates excellent responsiveness. Examples of particularly impactful activities include:

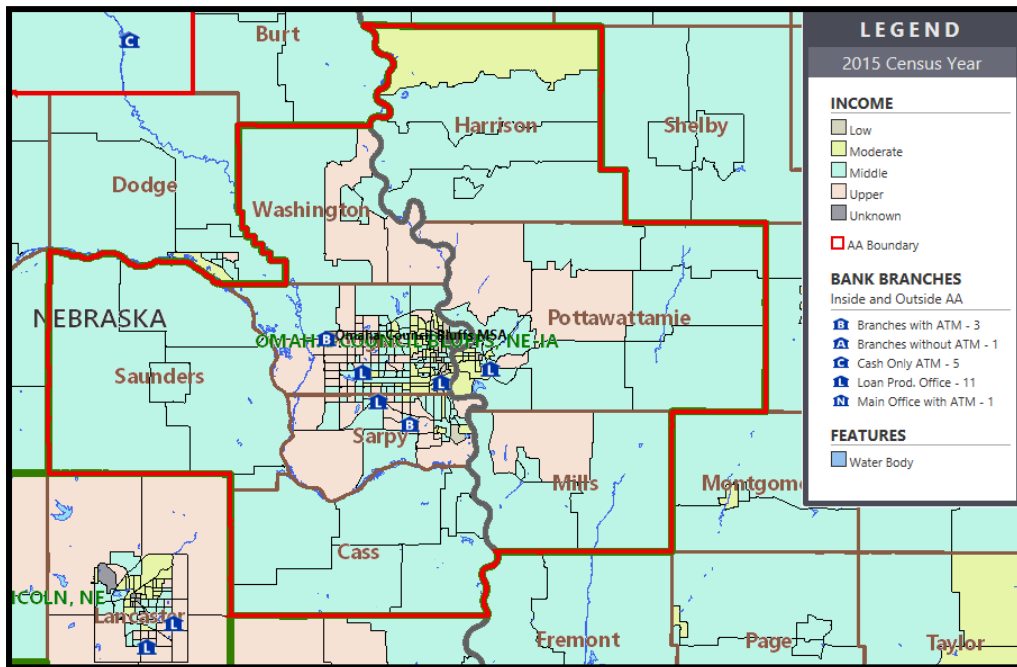
- The bank originated 141 PPP loans totaling \$3.5MM for revitalization and stabilization.

- The bank originated one loan for \$1.25MM to fund a school district where 100 percent of the students receive a free or reduced lunch. The school district is also located in a moderate-income census tract.
- The bank purchased multiple investments in critical healthcare organizations serving the distressed nonmetropolitan middle-income and moderate-income census tracts of the AA.
- The bank demonstrated support to its community through numerous large donations to business incubators, medical care facilities, and community revitalization foundations.
- Ten different bank employees serve on the boards of healthcare, economic development, and educational foundations within distressed nonmetropolitan middle- and moderate-income census tracts. This board service provides critical financial and business expertise to ensure the success of the organizations.

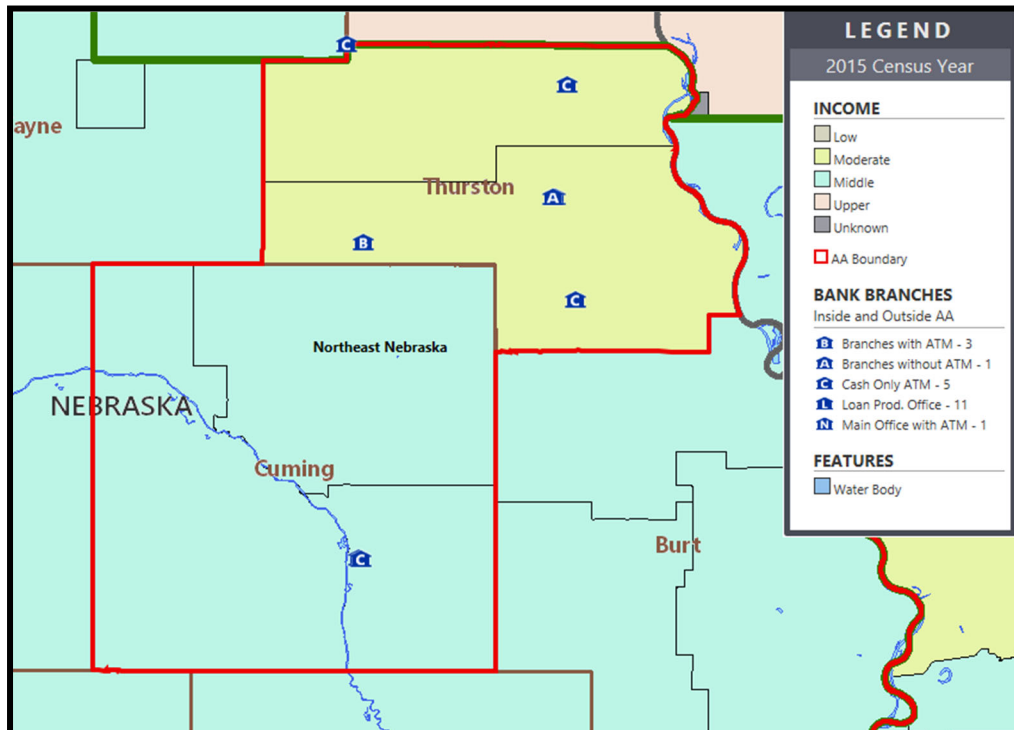
Table 28

Community Development Activity									
Assessment Area: Northeast Nebraska									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	1	250	0	0	0	0	0	0	1
Community Services	1	1,250	0	0	16	7	16	7	9
Economic Development	0	0	0	0	1	25	1	25	4
Revitalization and Stabilization	153	5,381	8	1,630	21	322	29	1,952	53
Totals	155	6,881	8	1,630	38	354	46	1,984	67

APPENDIX A – MAP OF THE ASSESSMENT AREA
Appendix A-1
Omaha-Council Bluffs MSA



Appendix A-2
Northeast Nebraska



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2021 Omaha-Council Bluffs MSA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	30	11.8	16,190	7.2	5,434	33.6	46,139	20.4
Moderate	54	21.2	42,182	18.7	6,165	14.6	40,382	17.9
Middle	109	42.7	100,530	44.5	6,256	6.2	48,585	21.5
Upper	62	24.3	66,977	29.7	1,577	2.4	90,773	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	255	100.0	225,879	100.0	19,432	8.6	225,879	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	33,806	10,354	4.6	30.6	18,335	54.2	5,117	15.1
Moderate	77,316	39,755	17.5	51.4	31,420	40.6	6,141	7.9
Middle	169,400	104,847	46.2	61.9	52,730	31.1	11,823	7.0
Upper	90,679	71,847	31.7	79.2	15,136	16.7	3,696	4.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	371,201	226,803	100.0	61.1	117,621	31.7	26,777	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	2,512	6.3	2,224	6.2	269	7.5	19	4.8
Moderate	6,138	15.3	5,540	15.3	572	16.1	26	6.5
Middle	19,688	49.1	17,471	48.4	1,975	55.4	242	60.5
Upper	11,758	29.3	10,898	30.2	747	21.0	113	28.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	40,096	100.0	36,133	100.0	3,563	100.0	400	100.0
Percentage of Total Businesses:				90.1	8.9	1.0		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	13	0.8	13	0.8	0	0.0	0	0.0
Moderate	79	4.9	77	4.8	2	11.8	0	0.0
Middle	1,148	70.7	1,137	70.9	9	52.9	2	66.7
Upper	384	23.6	377	23.5	6	35.3	1	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,624	100.0	1,604	100.0	17	100.0	3	100.0
Percentage of Total Farms:				98.8	1.0	0.2		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table B-2

2020 Omaha-Council Bluffs MSA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	30	11.8	16,190	7.2	5,434	33.6	46,139	20.4
Moderate	54	21.2	42,182	18.7	6,165	14.6	40,382	17.9
Middle	109	42.7	100,530	44.5	6,256	6.2	48,585	21.5
Upper	62	24.3	66,977	29.7	1,577	2.4	90,773	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	255	100.0	225,879	100.0	19,432	8.6	225,879	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	33,806	10,354	4.6	30.6	18,335	54.2	5,117	15.1
Moderate	77,316	39,755	17.5	51.4	31,420	40.6	6,141	7.9
Middle	169,400	104,847	46.2	61.9	52,730	31.1	11,823	7.0
Upper	90,679	71,847	31.7	79.2	15,136	16.7	3,696	4.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	371,201	226,803	100.0	61.1	117,621	31.7	26,777	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	2,495	6.1	2,189	5.9	289	7.9	17	4.2
Moderate	6,265	15.3	5,653	15.3	583	16.0	29	7.2
Middle	20,237	49.4	17,981	48.6	2,015	55.3	241	60.1
Upper	12,010	29.3	11,137	30.1	759	20.8	114	28.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	41,007	100.0	36,960	100.0	3,646	100.0	401	100.0
Percentage of Total Businesses:				90.1	8.9	1.0		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	14	0.8	14	0.8	0	0.0	0	0.0
Moderate	82	4.9	80	4.8	2	11.1	0	0.0
Middle	1,190	70.7	1,179	70.9	9	50.0	2	66.7
Upper	398	23.6	390	23.5	7	38.9	1	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,684	100.0	1,663	100.0	18	100.0	3	100.0
Percentage of Total Farms:				98.8	1.1	0.2		
<i>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.</i>								

Table B-3

2021 Northeast Nebraska 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	908	22.8
Moderate	2	40.0	1,479	37.2	344	23.3	778	19.5
Middle	3	60.0	2,502	62.8	190	7.6	914	23.0
Upper	0	0.0	0	0.0	0	0.0	1,381	34.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	3,981	100.0	534	13.4	3,981	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	2,396	1,288	33.1	53.8	796	33.2	312	13.0
Middle	4,196	2,601	66.9	62.0	1,098	26.2	497	11.8
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	6,592	3,889	100.0	59.0	1,894	28.7	809	12.3
	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	242	28.1	193	26.0	35	37.6	14	53.8
Middle	620	71.9	550	74.0	58	62.4	12	46.2
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	862	100.0	743	100.0	93	100.0	26	100.0
Percentage of Total Businesses:				86.2		10.8		3.0
	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	74	23.1	71	22.8	3	33.3	0	0.0
Middle	246	76.9	240	77.2	6	66.7	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	320	100.0	311	100.0	9	100.0	0	0.0
Percentage of Total Farms:				97.2		2.8		0.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-4

2020 Northeast Nebraska 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	908	22.8
Moderate	2	40.0	1,479	37.2	344	23.3	778	19.5
Middle	3	60.0	2,502	62.8	190	7.6	914	23.0
Upper	0	0.0	0	0.0	0	0.0	1,381	34.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	3,981	100.0	534	13.4	3,981	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	2,396	1,288	33.1	53.8	796	33.2	312	13.0
Middle	4,196	2,601	66.9	62.0	1,098	26.2	497	11.8
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	6,592	3,889	100.0	59.0	1,894	28.7	809	12.3
	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	246	28.8	198	26.9	35	37.2	13	52.0
Middle	609	71.2	538	73.1	59	62.8	12	48.0
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	855	100.0	736	100.0	94	100.0	25	100.0
Percentage of Total Businesses:				86.1		11.0		2.9
	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	75	23.0	74	23.4	1	11.1	0	0.0
Middle	251	77.0	242	76.6	8	88.9	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	326	100.0	316	100.0	9	100.0	1	100.0
Percentage of Total Farms:				96.9		2.8		0.3

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.

APPENDIX C – 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.