



PUBLIC DISCLOSURE

July 6, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

NebraskaLand National Bank
Charter Number 23645

1400 South Dewey St.
North Platte, NE 69101

Office of the Comptroller of the Currency

13710 FNB Parkway, Suite 110
Omaha, NE 68154

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- NebraskaLand National Banks's (NLNB) loan-to-deposit ratio (LTD) is reasonable when considering the bank's size, financial condition, and the credit needs of its assessment areas (AAs).
- Management originates and purchases a majority of its loans to customers located in the bank's AAs.
- NLNB's distribution of loans to borrowers of different income levels and businesses of different sizes is excellent.
- NLNB's geographic distribution of loans to census tracts (CTs) of different income levels is excellent.
- There were no complaints regarding the bank's performance in meeting the credit needs of its AA.
- Community development (CD) activities represent excellent responsiveness to AA needs and opportunities.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable. NLNB's average LTD ratio was 82 percent for the 12 quarters from December 31, 2017, to December 31, 2019. The ratio ranged from a quarterly low of 75 percent and a quarterly high of 90 percent.

NLNB's average LTD ratio is comparable to the average LTD ratio of other community banks operating in NLNB's AAs. The average quarterly LTD ratio for competitor banks was 83 percent for the 12 quarters from December 31, 2017, to December 31, 2019. The ratio ranged from an average quarterly low of 35 percent to an average quarterly high of 106 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs.

The bank originated and purchased 78 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	17	85	3	15	20	2,936	85	530	15	3,466
Business	14	70	6	30	20	4,259	56	3,372	44	7,631
Total	31	78	9	22	40	7,195	65	3,902	35	11,097

Description of Institution

NLNB is an interstate financial institution headquartered in North Platte, Nebraska. NLNB had total assets of \$753 million and tier 1 capital of \$90 million as of December 31, 2019. NLNB is wholly-owned by NebraskaLand Financial Services, Inc. (NFS), a one-bank holding company located in North Platte, Nebraska. As of December 31, 2019, NFS had total assets of \$93 million.

NLNB maintains operations in North Platte and Kearney, Nebraska, and Rock Springs, Wyoming, and the surrounding areas. NLNB operates four full-service branches, including its main branch, five deposit-taking automatic teller machines (ATMs), and one cash-dispensing ATM in North Platte, Nebraska. NLNB operates one full-service branch and one deposit-taking ATM in Kearney, Nebraska and one full-service branch and one cash-dispensing ATM in Rock Springs, Wyoming.

NLNB did not merge with or acquire any banking institutions during the evaluation period.

NLNB's primary business focus is consistent with the traditional community bank model. NLNB offers a full range of credit products within its AAs, including agricultural, commercial, consumer, and home mortgage loans. As of December 31, 2019, total loans were \$462 million and represented 61 percent of total assets. The December 31, 2019, call report identifies \$323 million in business loans, \$84 million in agricultural loans, \$49 million in residential real estate loans, and \$5 million in consumer loans.

In addition to lending products, NLNB offers a wide range of retail deposit products, including free checking accounts with no minimum balance and free savings accounts with low opening and minimum balance requirements.

There are no known legal, financial, or other factors impeding the bank's ability to meet the credit needs of its AAs. NLNB received a Satisfactory rating in its last Performance Evaluation dated April 17, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

NLNB was evaluated under the Intermediate Small Bank examination procedures, which include a Lending Test and a CD Test for the State of Nebraska and the State of Wyoming. The Lending Test evaluates the bank's record of meeting the credits needs of its AAs through its lending activities. The

CD Test evaluates the bank’s record of responding to the CD needs of its AAs through CD lending and providing qualified investments, donations, and services.

The Lending Test covers NLNB’s performance from January 1, 2017, to December 31, 2019. The Lending Test evaluated business and home mortgage loans originated during the evaluation period, as these loan types were determined to be the primary loan products originated by NLNB during the evaluation period. The following table summarizes the percentage of loan originations by loan type over the evaluation period.

Loan Originations		
Loan Type	% by Number	% by Dollar
Business	42	61
Home Mortgage	30	12
Agriculture	14	24
Consumer	14	2

Source: Bank-provided loan origination reports; 2017-2019

To evaluate lending performance, we selected a random sample of loans originated and purchased during the evaluation period of each primary loan type in each AA. Examiners sampled 20 loans per primary product type in each AA and used that information in the lending analysis.

The CD Test covers NLNB’s performance from January 1, 2017 to December 31, 2019. We reviewed all CD loans, investments, donations, and services submitted by NLNB management to ensure they met the regulatory definition of CD. We excluded some items submitted for consideration because they did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank-delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank-delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A: Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the two state ratings. The rating for the State of Nebraska was weighted more heavily than the rating for the State of Wyoming because Nebraska accounts for the largest portion of NLNB’s branch locations, deposit activity, and loan volume.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Nebraska

CRA rating for the State of Nebraska¹: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The distribution of loans to businesses of different sizes and borrowers of different income levels is excellent.
- The distribution of loans to CTs of different income levels is excellent.
- NLNB's CD activities demonstrated excellent responsiveness to the CD needs and opportunities in the AA.

Description of Institution's Operations in Nebraska

NLNB operates two AAs in the State of Nebraska. For purposes of this examination, we combined the Lincoln County AA and the Buffalo County AA into the Lincoln-Buffalo County AA because the location, business strategy, and AA demographics are similar between the two counties.

The Lincoln-Buffalo County AA includes all of Lincoln and Buffalo counties in Nebraska. NLNB operates five branches, six deposit-taking ATMs, and one cash-dispensing ATM in the Lincoln-Buffalo County AA. This AA represents NLNB's primary market and includes the bank's main branch, which is home to NLNB's senior management team. NLNB reported \$428 million of deposits in the Lincoln-Buffalo County AA as of June 30, 2019, representing 72 percent of NLNB's total deposits as of that date. According to FDIC market share information as of June 30, 2019, NLNB ranked second in deposit market share in the AA with a market share of 16 percent. Management originated \$591 million in loans out of their Lincoln-Buffalo County AA branches during the evaluation period. This represents 88 percent of NLNB's loan originations by dollar during the evaluation period.

The Lincoln-Buffalo County AA included 19 CTs in 2019. Four CTs are moderate-income, 10 are middle-income, and five are upper-income. The Lincoln-Buffalo County AA had a population of 83,854 according to the 2015 ACS U.S. Census. The population included 21 thousand families and 33 thousand households. Seventeen percent of families were low-income, 16 percent were moderate-income, 21 percent were middle-income, and 46 percent were upper-income. The weighted-average median family income was \$66,500 in 2019. Thirteen percent of households lived below the poverty level.

There were 36 thousand housing units in the Lincoln-Buffalo County AA in 2019. Sixty percent of the total housing units are owner-occupied, and 33 percent are renter-occupied. The median age of housing

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

units in the AA is 47 years, and the weighted-average of median housing costs is \$135 thousand. The weighted-average monthly gross rent is \$680.

The Lincoln-Buffalo County AA included 6,832 businesses in 2019. Ninety percent of the businesses are non-farm businesses. Eighty percent of businesses reported gross annual revenue (GAR) of \$1 million or less in 2019 and 66 percent employed fewer than five people.

Competition in the Lincoln-Buffalo County AA is moderate. As of June 30, 2019, there were 25 institutions operating 54 banking branches in the AA. Competition in the AA primarily includes a large regional institution and smaller community banks.

We relied on a community representative to gain additional insight of the AA to conduct the examination. The community contact indicated that local economic conditions were stable. The area is predominately agricultural-based, and the contact noted the recent stress in the agricultural economy. The contact felt optimistic that trade agreements may bring some relief. The contact also noted North Platte has a lot business and economic opportunities given its location off the interstate and having the world's largest railroad classification yard. A housing initiative is one of several community projects that local banks could get involved in, along with assistance in upgrading recreational facilities and growing/expanding small businesses. Overall, the contact spoke very highly of all the financial institutions in the area and felt they were appropriately meeting the credit needs of the area.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Lincoln and Buffalo County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	21.1	52.6	26.3	0.0
Population by Geography	83,854	0.0	21.2	51.3	27.4	0.0
Housing Units by Geography	36,146	0.0	20.2	53.4	26.5	0.0
Owner-Occupied Units by Geography	21,590	0.0	15.7	53.6	30.7	0.0
Occupied Rental Units by Geography	11,772	0.0	26.4	52.9	20.7	0.0
Vacant Units by Geography	2,784	0.0	28.6	53.4	18.1	0.0
Businesses by Geography	6,119	0.0	18.5	53.4	28.1	0.0
Farms by Geography	713	0.0	5.0	61.3	33.7	0.0
Family Distribution by Income Level	21,097	16.6	16.2	21.6	45.7	0.0
Household Distribution by Income Level	33,362	22.4	14.7	18.8	44.1	0.0
Median Family Income Non-MSAs - NE		\$61,457	Median Housing Value			\$135,111
			Median Gross Rent			\$680
			Families Below Poverty Level			8.4%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Nebraska

NLNB operates one AA in the State of Nebraska. The rating for the State of Nebraska is based solely on a full-scope review of this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEBRASKA

LENDING TEST

The bank's performance under the Lending Test in Nebraska is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Nebraska is excellent.

Distribution of Loans by Income Level of the Geography

NLNB exhibits excellent geographic distribution of loans in the state. The AA has zero low-income CTs and four moderate-income CTs. We placed more weight on the bank's business lending performance than home mortgage lending, as the bank's level of business lending is more substantial.

Home Mortgage Loans

The geographic distribution of home mortgage loans originated or purchased in the AA is reasonable. Ten percent of NLNB's home mortgage loans were made to borrowers in moderate-income CTs. The bank's level of lending to moderate-income CTs within the AA is comparable to demographic data, which shows that 16 percent of owner-occupied housing units located in moderate-income tracts and 15 percent of aggregate market loans originated in moderate-income tracts.

Refer to Table O in the state of Nebraska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Small Loans to Businesses

The geographic distribution of business loans originated or purchased in the AA is excellent. Thirty percent of NLNB's business loans were made to businesses in moderate-income CTs. The bank's level of lending to moderate-income CTs within the AA exceeds the demographic data, which shows that 19 percent of businesses within the AA are located in moderate-income tracts. The bank's performance also exceeds aggregate market data that reflects 19 percent of market loans originated within the AA were in moderate-income tracts.

Refer to Table Q in the state of Nebraska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Distribution of Loans by Income Level of the Borrower

The bank exhibits excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. We placed more weight on the bank's business lending performance than home mortgage lending, as the bank's level of business lending is more substantial.

Home Mortgage Loans

The distribution of home mortgage loans to families of different income levels is reasonable. Seventeen percent of AA families are low-income, but only five percent of aggregate market loans reported by other financial institutions in the area were made to low-income families. The lower aggregate information is indicative of an external factor that is preventing banks from lending at the demographic level. Through further review of demographic and economic information, we determined that there are barriers to home ownership for low-income borrowers due to the high cost of housing relative to the median family income in the AA. Our analysis determined that rent is a more affordable option for low-income families. The cost of housing relative to income in the AA is why local financial institutions struggle to lend at the demographic level. Zero percent of NLNB's mortgage loans in our sample were originated to low-income families; however, this is comparable to aggregate market data of five percent.

Twenty percent of NLNB's mortgage loans in our sample were originated to moderate-income families, which exceeds the demographic and aggregate data. Approximately 16 percent of AA families are moderate-income, and 19 percent of aggregate market loans reported by other financial institutions in the area were made to moderate-income families.

Refer to Table P in the state of Nebraska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Small Loans to Businesses

The distribution of loans to businesses of different sizes is excellent. Eighty percent of NLNB's commercial loans by number were made to businesses with GAR of \$1 million or less, which exceeds both demographic and aggregate data. Seventy-eight percent of AA businesses reported GAR of \$1 million or less in 2019, while 48 percent of aggregate market loans reported by other financial institutions in the area were made to businesses with GAR of \$1 million or less.

Refer to Table R in the state of Nebraska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Responses to Complaints

There were no complaints related to NLNB's CRA performance in the Lincoln-Buffalo County AA during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Nebraska is rated Outstanding.

CD activities demonstrated excellent responsiveness to CD needs and opportunities in the bank's AA. CD loans, investments, and donations totaled \$21.6 million during the evaluation period. This represents 33.2 percent of the AA's allocated tier 1 capital as of December 31, 2019. Sixteen bank employees provided 1,351 service hours to 11 qualified CD organizations during the evaluation period.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

Number and Amount of Community Development Loans

Management originated 14 CD loans totaling \$16 million in the Lincoln-Buffalo County AA during the evaluation period. Ten loans totaling \$10 million were used to retain or create approximately 50 jobs for LMI individuals. Four loans totaling \$6 million were used to assist in disaster recovery due to the flooding that took place in March and July of 2019.

The Community Development Loans table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Lincoln-Buffalo County	14	100	16,055	100

Number and Amount of Qualified Investments

NLNB received credit for two CD investments that were purchased in a prior period and remained outstanding at the end of the current evaluation period. The two qualifying CD investments totaled \$5.48 million. One investment supported a multi-family housing complex that provide affordable housing in the AA. The other investment provided rental assistance to seniors and elderly tenants.

Management made 17 qualified donations totaling \$27 thousand during the evaluation period. The donations primarily supported organizations that provide community services to assist LMI individuals in the bank's AA. Notable donations include nearly \$11 thousand to an affordable housing agency and \$8 thousand to an organization that provides services to battered women and children.

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Lincoln-Buffalo County	2	5,484	17	27	19	100	5,511	100	--	--

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Extent to Which the Bank Provides Community Development Services

Sixteen bank employees provided 1,351 service hours to 11 qualified CD organizations during the evaluation period. Examples of CD services provided by management include:

- One employee served on the board of directors providing financial management to the community homeless shelter.
- One employee served on the board of directors providing financial management and oversight of a domestic abuse organization that serves the local community.
- Two employees served on the board of directors providing financial management for an organization that provides affordable housing for LMI individuals.

State Rating

State of Wyoming

CRA rating for the State of Wyoming²: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The distribution of loans to businesses of different sizes and borrowers of different income levels is reasonable.
- NLNB's CD activities demonstrated adequate responsiveness to the CD needs and opportunities in the AA.

Description of Institution's Operations in Wyoming

NLNB operates one AA in the State of Wyoming. The Sweetwater County AA includes all of Sweetwater County in Wyoming. NLNB operates one branch and one cash-dispensing ATM in the Sweetwater County AA. NLNB reported \$165 million of deposits in the Sweetwater County AA as of June 30, 2019. This represents 28 percent of NLNB's total deposits as of that date. According to FDIC market share information as of June 30, 2019, NLNB ranked second in deposit market share in the AA with a market share of 18 percent. Management originated \$81 million in loans out of their Sweetwater County AA branch during the evaluation period. This represents 12 percent of NLNB's loan originations by dollar during the evaluation period.

The Sweetwater County AA included 12 CTs in 2019. Seven are middle-income and five are upper-income. The Sweetwater County AA had a population of 44,772 according to the 2015 ACS U.S. Census. The population included 11 thousand families and 17 thousand households. Nineteen percent of families were low-income, 16 percent were moderate-income, 21 percent were middle-income, and 44 percent were upper-income. The weighted-average of median family income was \$79,700 in 2019. Ten percent of households lived below the poverty level.

There were 19 thousand housing units in the Sweetwater County AA in 2019. Sixty-two percent of the total housing units are owner occupied and 25 percent are renter-occupied. The median age of housing units in the AA is 41 years and the weighted-average of median housing costs is \$179 thousand. The weighted-average of monthly gross rent is \$873.

The Sweetwater County AA included 2,675 businesses in 2019. Ninety-eight percent of the businesses are non-farm businesses. Seventy-three percent of businesses reported GAR of \$1 million or less in 2019 and 60 percent employed fewer than five people.

² This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Competition in the Sweetwater County AA is moderate. As of June 30, 2019, there were nine institutions operating 13 banking branches in the AA. Competition in the AA primarily includes branches of large national banks and regional institutions.

We relied on a community representative to gain additional insight of the AA to conduct the examination. The community contact indicated that local economic conditions were improving and noted increased sales tax revenues in the area. The local economy is tied to natural resources, and the workforce can fluctuate when any one resource experiences a downturn. There is additional demand for quality of life aspects such as parks, concert halls, and beautification of community spaces. The contact stated there are not a lot of community development opportunities for banks to participate in, as most projects are funded by the state and local governments. The contact felt that all banks have worked hard to meet the needs of consumers and businesses.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Sweetwater County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	0.0	58.3	41.7	0.0
Population by Geography	44,772	0.0	0.0	63.6	36.4	0.0
Housing Units by Geography	19,042	0.0	0.0	65.5	34.5	0.0
Owner-Occupied Units by Geography	11,841	0.0	0.0	63.7	36.3	0.0
Occupied Rental Units by Geography	4,838	0.0	0.0	69.2	30.8	0.0
Vacant Units by Geography	2,363	0.0	0.0	66.9	33.1	0.0
Businesses by Geography	2,624	0.0	0.0	68.2	31.8	0.0
Farms by Geography	51	0.0	0.0	54.9	45.1	0.0
Family Distribution by Income Level	11,412	18.7	15.6	21.4	44.4	0.0
Household Distribution by Income Level	16,679	18.8	14.3	17.6	49.3	0.0
Median Family Income Non-MSAs - WY		\$72,833	Median Housing Value			\$178,660
			Median Gross Rent			\$873
			Families Below Poverty Level			8.6%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Wyoming

NLNB operates one AA in the State of Wyoming. The rating for the State of Wyoming is based solely on a full-scope review of this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WYOMING

LENDING TEST

The bank's performance under the Lending Test in Wyoming is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Wyoming is satisfactory.

Distribution of Loans by Income Level of the Geography

There are no LMI CTs in the Sweetwater County AA. A geographic analysis of this AA would not be meaningful.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

The distribution of home mortgage loans to families of different income levels is satisfactory. Nineteen percent of AA families are low-income; however, only seven percent of aggregate market loans reported by other financial institutions in the area were made to low-income families. The lower aggregate information is indicative of an external factor that is preventing banks from lending at the demographic level. Through further review of demographic and economic information, we identified there are barriers to home ownership for low-income borrowers due to the high cost of housing relative to the median family income in the AA. Our analysis determined that rent is a more affordable option for low-income families. The cost of housing in the AA relative to income is why local financial institutions struggle to lend at the demographic level. Five percent of NLBN's mortgage loans in our sample were originated to low-income families; while this is below the demographic level, it is comparable to aggregate market data.

Fifteen percent of NLNB's mortgage loans in our sample were originated to moderate-income families, which is comparable to the demographic and aggregate data. Sixteen percent of AA families are moderate-income, and 19 percent of aggregate market loans reported by other financial institutions in the area were made to moderate-income families.

Refer to Table P in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Small Loans to Businesses

The distribution of loans to businesses of different sizes is satisfactory. Seventy-two percent of AA businesses reported GAR of \$1 million or less, while 45 percent of aggregate market loans reported by other financial institutions in the area were made to small businesses with GAR of \$1 million or less. The lower aggregate market data in comparison to demographic data could be an indication of lower

business loan demand in comparison to the level of businesses operating in the AA. Upon review of business demographic information for the AA, we determined that nearly 20 percent of AA businesses are branches and not headquartered in the AA or single business locations. This could equate to the lack of financing opportunity available in the AA. The AA is served by a number of small community banks, and the aggregate market data (which is reported from larger financial institutions) could be under reported. Fifty-five percent of NLNB’s commercial loans by number were made to businesses with GAR of \$1 million or less, which is reflective of satisfactory performance.

Refer to Table R in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to businesses.

Responses to Complaints

There were no complaints related to NLNB’s CRA performance in the Sweetwater County AA during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the state of Wyoming is rated Satisfactory.

CD activities demonstrated adequate responsiveness to CD needs and opportunities in the bank’s AA. CD loans, investments, and donations totaled \$3.1 million during the evaluation period. This represents 12.5 percent of the AA’s allocated tier 1 capital as of December 31, 2019.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for CD in the bank’s AA.

Number and Amount of Community Development Loans

The Community Development Loans table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Management originated two CD loans totaling \$3.1 million in the Sweetwater County AA during the evaluation period. The CD loans provide support for economic development by creating jobs in the AA.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Sweetwater County	2	100	3,116	100

Number and Amount of Qualified Investments

Management made six qualified donations totaling \$3,630 during the evaluation period. Donations were made to organizations that provide social services to assist LMI individuals. Notable donations include \$1,150 to an organization that provides local area youth free access to experiences that help build strong character and responsible citizens and \$815 to a local food pantry.

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Sweetwater County	0	0	6	4	6	100	4	100	--	--

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Extent to Which the Bank Provides Community Development Services

Management did not provide any qualified service hours to CD organizations in the Sweetwater County AA during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope.”

Time Period Reviewed:	01/01/17 to 12/31/19	
Bank Products Reviewed:	Home mortgage and small business Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State: Nebraska Lincoln-Buffalo County AA	Full Scope	Rural area with branches in North Platte and Kearney, Nebraska
State: Wyoming Sweetwater County AA	Full Scope	Rural area with one branch in Rock Spring, Wyoming

Appendix B: Summary of State Ratings

RATINGS NebraskaLand National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
NebraskaLand National Bank	Outstanding	Outstanding	Outstanding
State of Nebraska	Outstanding	Outstanding	Outstanding
State of Wyoming	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features but may follow legal geography boundaries and other non-visible features in some instances. Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report) 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.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Lincoln-Buffalo County NE	20	3,919	100	1,914	0.0	0.0	0.0	15.7	10.0	14.6	53.6	50.0	55.5	30.6	40.0	29.9	0.0	0.0	0.0

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Lincoln-Buffalo County NE	20	4,147	100	1,260	0.0	0.0	0.0	18.5	30.0	19.4	53.4	60.0	52.6	28.1	10.0	28.0	0.0	0.0	0.0

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lincoln-Buffalo County NE	20	3,919	100	1,914	16.6	0.0	5.4	16.2	20.0	18.6	21.6	5.0	22.6	45.7	40.0	36.1	0.0	35.0	17.2

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lincoln-Buffalo County NE	20	4,147	100	1,260	78.3	80.0	48.1	6.0	20.0	15.8	0.0

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Sweetwater County WY	20	4,202	100	989	18.7	5.0	7.1	15.6	15.0	18.7	21.4	20.0	31.5	44.4	40.0	27.7	0.0	20.0	15.0

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Sweetwater County WY	20	\$14,413	100	575	72.3	55.0	44.5	6.9	45.0	20.8	0

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data
Due to rounding, totals may not equal 100.0%*