



PUBLIC DISCLOSURE

May 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank in Ord
Charter # 13557

1411 M Street, Ord, NE 68862

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 **Satisfactory**.

The lending test is rated: Satisfactory

The major factors that support this rating include:

- First National Bank in Ord's (FNB or bank) loan-to-deposit ratio (LTD) is reasonable when considering the bank's size, financial condition, and the credit needs of its assessment area (AA).
- FNB originates and purchases a substantial majority of its loans in the bank's AA.
- FNB's distribution of loans to farms of different sizes demonstrates reasonable penetration.
- There were no complaints regarding FNB's performance in meeting the credit needs of its AA.

Loan-to-Deposit Ratio

Considering FNB's size, financial condition, and the credit needs of the AA, the bank's LTD ratio is reasonable. FNB's average LTD ratio was 51 percent from March 31, 2019, to December 31, 2022. The ratio ranged from a quarterly low of 44 percent to a quarterly high of 58 percent.

FNB's average LTD ratio is comparable to the average LTD ratio of other community banks operating in the AA. The average quarterly LTD ratio for competitor banks was 60 percent from March 31, 2019, to December 31, 2022. The ratio ranged from an average quarterly low of 37 percent to an average quarterly high of 79 percent.

Lending in Assessment Area

A substantial majority of FNB's loans were originated inside the bank's AA. FNB has demonstrated strong performance when originating loans within its AA. FNB originated 95 percent by number and close to 100 percent by dollar amount of its total loans inside the AA 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		
	#	%	#	%		\$	%	\$	%	
Small Farm	19	95.0	1	5.0	20	\$4,080	100	\$14	0	\$4,094
Total	19	95.0	1	5.0	20	\$4,080	100	\$14	0	\$4,094

Description of Institution

FNB is a \$150 million dollar institution headquartered in Ord, Nebraska, and 100 percent owned by BBJ Incorporated, a one-bank holding company also located in Ord, Nebraska. FNB operates three branches located in Ord, Sargent, and Greeley, Nebraska, all within the AA, as well as four automated teller machines (ATMs) including one with deposit-taking capabilities.

FNB offers a full range of loan and deposit products, and services to customers. As of December 31, 2021, the loan portfolio totaled \$69.3 million, or approximately 43.6 percent of total assets. Assets as of this date totaled \$159 million. The loan portfolio consisted of \$41.8 million or 60.3 percent agricultural loans, \$14.8 million or 21.4 percent residential real estate loans, \$6.5 million or 9.4 percent commercial loans, and \$2.7 million or 3.9 percent consumer loans.

Competition in FNB's AAs is moderate with a competitive lending environment from Farm Credit and other financial institutions. As of the June 30, 2021 FDIC Deposit Market Share Report, FNB ranks 2nd out of 18 financial institutions in terms of total deposits held within the AA.

There are no legal or financial impediments to FNB's ability to meet the credit needs of the AA. FNB received a satisfactory rating at the prior CRA examination.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) evaluated FNB under the Small Bank examination procedures, which included a Lending Test for the State of Nebraska. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The Small Bank examination procedures do not include the Community Development (CD) Test. The Lending Test covers FNB's performance from January 1, 2019 through December 31, 2021. The OCC did not consider FNB's 2022 performance under this evaluation period's Lending Test criteria as the US Census data for 2022 was not finalized as of the date of this review.

The Lending Test evaluated agricultural loans originated during the evaluation period. The agricultural loan type was determined to be the primary loan product originated by FNB, by both number and dollar, during the evaluation period. The OCC reviewed a sample of the primary product, agricultural loans originated and purchased during the evaluation period, to evaluate FNB's lending performance.

The following table summarizes FNB's percentage of loan originations by loan type over the evaluation period:

Loan Originations		
Loan Type	% by Number	% by Dollar
Agricultural	40.4	60.2
Commercial	10.7	11.8
Consumer	35.8	7.9
Residential Real Estate	12.8	19.9

Source: Bank-provided loan origination reports; 2019-2021

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 state ratings, and where applicable, multistate ratings.

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 does not have additional public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

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 Nebraska: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- FNB originated a substantial majority of its loans in the bank's AA.
- The distribution of small loans to farms is reasonable.

Description of Institution's Operations in Nebraska

FNB operates in one AA within the State of Nebraska. The AA comprises contiguous counties within the relative branch footprint of Valley, Greeley, and Garfield counties, along with part of Custer County. The AA is comprised of five total census tracts, two in Valley County (9713 and 9714), one in Greeley County (9709), one in Garfield County (9732), and one in Custer County (9717). FNB continues to operate three branches (Ord, Sargent, and Greeley) and four ATMs (two in Ord and one each in Greeley and Sargent).

FNB reported approximately \$136.5 million in deposits as of June 30, 2021. Valley County accounts for approximately 71 percent of deposits, with Greeley County accounting for 14 percent, and Custer County accounting for 15 percent of total deposits as of that date. According to the FDIC market share information as of June 30, 2021, FNB had the second largest market share, at 14.2 percent, within their AA. Competition in the AA is high. As of June 30, 2021, there were 18 institutions operating 28 offices.

The AA is comprised solely of middle-income tracts. Of the five CTs in the AA, there are three designated as remote rural and underserved, Greeley (9709), Valley (9714), and Garfield (9732). The AA had an estimated population of slightly over 11 thousand according to the 2015 American Community Survey (ACS) and 2021 D&B Data. The population included 3 thousand families and 5 thousand households. Approximately 20 percent of families are low-income, 22 percent are moderate-income, 25 percent are middle-income, and 34 percent are upper-income. The median family income was \$61,547, and seven percent of families lived below the poverty level.

The OCC relied on community representatives to gain additional insight of the AA to conduct the examination. The contact described the local economy as agricultural focused and strong with good growth due to high commodity prices. The source indicated the primary credit need in the AA is agricultural loans. The contact noted that there is a need for additional housing availability and small business space. Lastly the contact noted that banks are meeting the community's needs.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Valley-Custer-Greeley-Garfield AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	11,441	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	6,192	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	3,766	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,220	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,206	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,161	0.0	0.0	100.0	0.0	0.0
Farms by Geography	437	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	3,323	19.8	21.7	24.8	33.7	0.0
Household Distribution by Income Level	4,986	26.1	16.8	21.1	36.0	0.0
Median Family Income Non-MSAs - NE		\$61,457	Median Housing Value			\$80,198
			Median Gross Rent			\$483
			Families Below Poverty Level			7.2%
<i>Source: 2015 ACS and 2021 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

FNB 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.

LENDING TEST

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

The distribution of agricultural loans to borrowers of different income levels is satisfactory and reflects reasonable penetration compared to the AA demographics. A substantial majority of loans originated were within the AA.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, FNB's performance in the Nebraska AA is reasonable.

Distribution of Loans by Income Level of the Geography

An analysis of FNB's geographic distribution of small loans to farms is not meaningful as all of the CTs in the bank's AA are middle income CTs.

Refer to Table S in Appendix D for the facts and data concerning the geographic distribution of FNB's originations and purchases of small loans to farms.

Distribution of Loans by Income Level of the Borrower

FNB exhibits a reasonable distribution of small loans to farms of different sizes, given the product lines offered by the bank.

Small Loans to Farms

The distribution of loans to farms of different sizes is satisfactory with FNB originating 84 percent (by number) of these loans to farms with gross annual revenues of \$1 million or less. Although this is below the demographic of 97 percent, it is above the aggregate market loans reported by other financial institutions in the area of 57 percent. Revenue information was available for all loans within the loan sample. The AA is primarily served by community banks under the reporting threshold along with other lending institutions such as credit unions and Farm Credit. Therefore, it is reasonable to conclude that the aggregate market percentage is understated and not reflective of the level of lending to small farms in the AA. The OCC placed more reliance on the demographic percentage. FNB's performance is comparable to demographic data and reflects reasonable distribution of lending to small farms.

Refer to Table T in Appendix D for the facts and data used to evaluate the borrower distribution of FNB's originations and purchases of small loans to farms.

Responses to Complaints

There were no complaints related to FNB's CRA performance in the State of Nebraska 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 MSAs and non-MSAs 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:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Agricultural Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Valley-Custer-Greeley-Garfield	Full Scope	Single AA
States		
Nebraska	Full Scope	Single State

Appendix B: Summary of MMSA and State Ratings

RATINGS First National Bank in Ord	
Overall Bank:	Lending Test Rating
Satisfactory	Satisfactory
State of Nebraska:	Lending Test Rating
Satisfactory	Satisfactory

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 (Aggt.): 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 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 S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2019-2021		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Valley-Custer-Greeley-Garfield AA	20	4,094	100	196	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total	20	4,094	100	196	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0		

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues												2019-2021	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
State of NE AA	20	4,094	100	196	97.2	84.2	57.1	1.3	15.8	1.5	0		
Total	20	4,094	100	196	97.2	84.2	57.1	1.3	15.8	1.5	0		

Source: 20XX D&B Data; 01/01/20XX - 12/31/20XX Bank Data; "--" data not Available. Due to rounding, totals may not equal 100.0