



## PUBLIC DISCLOSURE

October 17, 2016

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Midwest Bank, National Association  
Charter Number 23797

114 West Main Street  
Pierce, NE 68767

Office of the Comptroller of the Currency

Sioux Falls Field Office  
4900 S. Minnesota Avenue, Suite 300  
Sioux Falls, SD 57108-2865

**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, nor should it 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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

- The bank's loan-to-deposit (LTD) ratio is reasonable and reflects a willingness to lend.
- A majority of the bank's loans are originated inside the bank's designated assessment areas (AAs).
- The borrower distribution of loans reflects reasonable penetration among farms of different sizes and individuals of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout census tracts (CTs) of different income levels.
- Community development (CD) activities represent adequate responsiveness to the needs and opportunities of the bank's designated AAs.
- Three of the bank's branches are located in underserved or distressed nonmetropolitan middle-income CTs.
- Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## **Scope of Examination**

Examiners evaluated Midwest Bank, N.A. (MWB) using the Intermediate Small Bank examination procedures, which include a Lending Test and a CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in the bank's AAs through CD loans, qualified investments, and services. Both the Lending Test and the CD Test are weighted equally in determining the bank's overall CRA rating.

The Lending Test covers MWB performance from January 1, 2013 through September 30, 2016, as this is representative of its lending strategy since the last Community Reinvestment Act (CRA) examination. The evaluation includes agricultural (farm), consumer, and residential real estate (home) loans that were identified as primary products within the evaluation period. Examiners sampled 60 loans from each primary product in the rural Nebraska AA and 20 loans from each primary product, except farm loans, in the Lincoln Metropolitan Statistical Area (MSA) AA. There were only 13 farm loans originated inside the Lincoln MSA AA during the evaluation period. The bank's Lending Test results were compared to the 2010 U.S. Census and 2012 USDA Census

of Agriculture (Ag Census) demographic data. We also considered CD loans, investments, donations, and services from July 1, 2013 to October 17, 2016 (data since the prior CRA examination).

The following tables reflect details about the bank's loan portfolio at September 30, 2016 and determination for primary products in each of the bank's AAs.

<b>Primary Products for the Nebraska Non-MSA AA</b>				
<b>Loan Origination Volume from January 1, 2014 to September 30, 2016</b>				
	Number of Loans		Dollars of Loans	
	#	%	\$ (000)	%
Commercial Loans	1,523	18%	\$194,647	22%
<b>Farm Loans</b>	<b>2,832</b>	<b>32%</b>	<b>\$551,536</b>	<b>63%</b>
<b>Consumer Loans</b>	<b>3,628</b>	<b>41%</b>	33,693	4%
Home Loans	783	9%	98,240	11%
Total	8,766	100%	\$878,116	100%

<b>Primary Products for the Lincoln MSA AA</b>				
<b>Loan Origination Volume from January 1, 2014 to September 30, 2016</b>				
	Number of Loans		Dollars of Loans	
	#	%	\$ (000)	%
Commercial Loans	118	18	\$27,191	26%
<b>Farm Loans</b>	95	15%	<b>\$41,539</b>	<b>40%</b>
<b>Consumer Loans</b>	<b>240</b>	<b>38%</b>	\$4,257	4%
<b>Home Loans</b>	<b>187</b>	<b>29%</b>	<b>\$31,408</b>	<b>30%</b>
Total	640	100%	\$104,395	100%

## Description of Institution

MWB is a \$657 million financial institution headquartered in Pierce, Nebraska. The bank serves nine communities with branches located in Plainview, Creighton, Pilger, Wisner, Norfolk, Deshler, York, and Lincoln, Nebraska. MWB is 100 percent owned by Midwest Banc Holding Company, located in Pierce, Nebraska. The bank operates 13 automated teller machines (ATMs) within its AA. Eight ATMs are deposit taking and the other five ATMs dispense cash only. Management opened a branch in Wisner, NE on September 29, 2014. The branch was initially opened as a temporary location to serve the bank's Pilger customers after a tornado destroyed the Pilger branch. Management rebuilt the Pilger branch and reopened it in June 2016 and also decided to keep the Wisner branch open.

MWB's business focus is community banking. The bank offers a typical array of community banking products and services to agricultural, commercial, and individual customers. As of June 30, 2016, net loans represented 75 percent of total assets. By dollar volume, the loan portfolio is comprised of agricultural loans (59 percent),

commercial loans (30 percent), residential real estate loans (8 percent), and consumer loans (3 percent). Tier one capital totaled \$71 million.

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AAs. MWB received a Satisfactory rating at its prior CRA examination dated September 26, 2013.

MWB has two AAs, both of which are located in the state of Nebraska--the rural Non-MSA AA and the Lincoln MSA AA. The bank’s AAs are reasonable given the location of the bank’s branches and deposit taking ATMs. The AAs comply with regulatory requirements and do not arbitrarily exclude any low- or moderate-income CTs.

The Non-MSA AA consists of nine counties in eastern Nebraska. The northern portion of the AA consists of six contiguous counties--Pierce, Madison, Cuming, Stanton, the southwest quarter of Knox, and the northern half of Antelope counties. The southern portion of the AA consists of three counties--York, Thayer, and the majority of Nuckolls counties. There are 26 CTs in the AA. Two CTs are moderate-income and 8 CTs are underserved and/or distressed nonmetropolitan middle-income CTs. There are no low-income CTs in the AA.

MWB operates nine branches in seven counties in the rural Non-MSA AA:

<b><u>County:</u></b>	<b><u>City:</u></b>
Pierce	Pierce and Plainview
Madison	Norfolk (2 branches)
Stanton	Pilgar
Cuming	Wisner
Knox	Creighton
York	York
Thayer	Deshler

The nine branches in this AA represent 89 percent of the bank’s total deposits and 93 percent of the total number of loans the bank originated during the evaluation period.

The Lincoln MSA AA consists of Lancaster County which has 74 CTs. Ten CTs are low-income and 15 CTs are moderate-income. MWB operates one branch in the AA located in Lincoln. The Lincoln MSA AA represents 11 percent of the bank’s total deposits and 7 percent of the total number of loans the bank originated during the evaluation period.

Economic conditions in the AAs are generally good. The total population for the AAs is 371,828. Major industries in Nebraska include agriculture, manufacturing, government employment, health services, telecommunications, information technology, and insurance. As of October 2016, the unemployment rate in the Non-MSA AA (2.16 percent) was lower than the state unemployment rate (3.3 percent) and the national unemployment rate (4.9 percent). The Lincoln MSA AA unemployment rate (3.82 percent) was slightly higher than the state average but lower than the national average.

The 2016 Federal Financial Institutions Examination Council updated MSA median family income for the Non-MSA AA and the Lincoln MSA AA were \$60,500 and \$70,400, respectively.

Competition from other financial institutions is strong in the bank's AAs. Based on June 30, 2016 Federal Deposit Insurance Corporation deposit market share data, there are 42 financial institutions serving the bank's Non-MSA AA and 23 institutions serving the Lincoln MSA AA. Elkhorn Valley Bank & Trust owns the largest share of the Non-MSA AA deposit market with 13.50 percent. Cornerstone Bank ranks second with 11.76 percent, followed closely by MWB at 11.56 percent. Union Bank and Trust Company leads the deposit market share in the Lincoln MSA AA with 26.81 percent, followed by Wells Fargo Bank at 18.66 percent, and U.S. Bank at 12.40 percent. Comparatively, MWB has less than 1 percent of the total market share in the Lincoln MSA AA.

Activity in the Non-MSA AA was given more weight in the overall analysis as about 90% of the bank's deposits, loans, and branch locations are in the Non-MSA AA.

We did not identify any unmet credit needs in any of MWB's AAs. We contacted two local government officials and both stated that local financial institutions satisfactorily meet financing needs in the AAs. Credit needs and CD opportunities within the bank's AAs are typical of those in most small cities and rural communities and include farm, small business, affordable housing, and consumer lending.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

MWB's performance under the Lending Test is Satisfactory. MWB's LTD ratio is reasonable and MWB originates a majority of their loans inside the bank's AA. Borrower distribution reflects reasonable dispersion among farms of different sizes and borrowers of different income levels. The bank's geographic distribution of loans is reasonable.

### **Loan-to-Deposit Ratio**

MWB's net LTD ratio is reasonable given the bank's size, financial condition, and AA needs. The bank's quarterly net LTD ratio averaged 84 percent over 13 quarters from September 30, 2013 to June 30, 2016. MWB's LTD ratio totaled 90 percent as of June 30, 2016.

The bank's average net LTD ratio is within a reasonable range of seven other community banks of similar asset size (total assets between \$258 million to \$1.4 billion) and loan mix (agricultural lenders without heavy commercial real estate concentrations) in the AAs. MWB ranks third of eight similarly-situated banks serving the AAs. The other seven banks had a combined quarterly average net LTD ratio of 85 percent and

ranged individually from 51 percent to 127 percent over the same 13 quarter time period.

### Lending in Assessment Area

MWB originated a majority of its loans to borrowers located inside its AAs. Examiners sampled 40 agricultural loans, 40 consumer loans and 20 home loans originated from January 1, 2014 through June 30, 2016. Seventy percent by number and 63 percent by dollar volume were originated within the bank's AAs. The table below shows loans originated inside and outside the AAs by primary product.

Lending in Nebraska Non-MSA and Lincoln MSA AAs										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
Farm Loans	24	60%	16	40%	40	\$3,464	62%	\$2,119	38%	\$5,583
Consumer Loans	30	75%	10	25%	40	\$274	65%	\$151	35%	\$425
Home Loans	16	80%	4	20%	20	\$474	69%	\$208	31%	\$682
Total	70	<b>70%</b>	30	30%	100	\$4,212	<b>63%</b>	\$2,478	37%	\$6,690

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, MWB has reasonable penetration of lending to borrowers of different incomes and businesses and farms of different sizes. All sampled loans were located within the bank's AAs and originated during the evaluation period. We placed significantly more weight on the conclusions in the Nebraska Non-MSA AA as a significant majority of the bank's deposits, lending, and branches are located in this AA. MWB also has a larger market share of total deposits in the Nebraska Non-MSA AA.

MWB also participates in programs that benefit small farms, including the Nebraska Investment Financing Authority Beginning Farmers/Rancher program and United States Department of Agriculture (USDA) Farm Service Agency programs.

#### Nebraska Non-MSA AA

The borrower distribution of loans in the Non-MSA AA is reasonable. The borrower distribution of loans reflects poor penetration to small farms but reflects excellent penetration to low- and moderate-income individuals. The bank's farm lending performance is more reasonable when compared to the Ag Census and 2015 summary of peer bank lending to small businesses and farms.

#### *Farm Loans*

The distribution of loans to farms reflects poor penetration to farms of different sizes. We expanded our sample from 20 farm loans to 60 farm loans originated inside the AA during the evaluation period. The bank originated 75 percent of its loans by number to

small farms. The 2010 census reported 98 percent of the AA’s farms are small farms with annual gross revenues less than \$1 million. We put more weight on the bank’s lending performance by number of loans rather than by dollar amount because larger farm operations are able to financially support larger loans. The table below shows the borrower distribution of farm loans in the AA.

<b>Borrower Distribution of Loans to Farms in Nebraska Non-MSA AA</b>				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98%	1%	1%	100%
% of Bank Loans in AA by #	75%	23%	2%	100%
% of Bank Loans in AA by \$	64%	36%	0%	100%

Source: 2010 U.S. Census data; Loan Sample

To provide additional context, we compared the bank’s farm lending performance to the Ag Census. The bank’s lending is more reasonable when compared to the Ag Census, especially lending to farms with gross revenues between \$100,000 and \$499,999. By number, the bank performed better than the Ag Census for farms with gross revenues between \$100,000 and \$499,999 with 39 percent of the loans sampled originated to farms of this size. Per the Ag Census, 27 percent of farms in the AA are of the same size. The Ag Census data also shows a majority of AA farms (53 percent) have revenues less than \$100,000. Thirteen percent to AA farms have gross revenues less than \$1,000. There may be less lending opportunities for smaller farms as some of those farms are likely hobby farms with no ongoing lending needs.

<b>Borrower Distribution of Loans to Farms in Nebraska Non-MSA AA</b>						
Farm Revenues	<\$100,000	\$100,000 - \$249,999	\$250,000 - \$499,999	≥\$500,000	Unavailable/ Unknown	Total
% of AA Farms	53%	16%	11%	20%	0.00%	100%
% of Bank Loans in AA by #	25%	21%	17%	35%	2%	100%
% of Bank Loans in AA by \$	5%	9%	30%	56%	0%	100%

Source: 2012 USDA Ag Census, Loan Sample

Examiners compared the bank’s lending to peer banks’ lending to small business and farm loans. The data shows 58 percent of peer banks’ loans to businesses and farms were made to small businesses or farms with gross revenues less than \$1 million. The bank’s performance exceeded this peer data with 75 percent by number and 64 percent by dollar to small farms.

### Consumer Loans

The bank’s consumer lending activity is excellent compared to the demographic data from the 2010 census information. Our sample included 60 consumer loans. The bank originated 57 percent of its loans to low- or moderate-income borrowers compared to 38 percent of total household in the AA are low- or moderate-income. The table below shows the borrower distribution of consumer loans in the AA.

Borrower Distribution of Consumer Loans in Nebraska Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22%	35%	16%	22%	20%	20%	42%	23%

Source: 2010 U.S. Census data; Loan Sample

### Lincoln MSA AA

The borrower distribution of lending in the Lincoln MSA AA is reasonable. The borrower distribution of farm loans reflects excellent penetration to farms of different sizes. The borrower distribution of consumer and home loans reflects reasonable and poor penetration to borrowers of different income levels, respectively.

#### *Farm Loans*

The bank’s agricultural lending activity is excellent compared to the demographic data from the 2010 census information. Our sample included all of the farm loans originated inside the Lincoln MSA AA during the evaluation period, a total of 13 farm loans. The bank originated 100 percent of its loans to small farms. The table below shows the borrower distribution of farm loans in the AA.

Borrower Distribution of Loans to Farms in Lincoln MSA AA				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Farms	98%	1%	1%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: 2010 U.S. Census data; Loan Sample

#### *Consumer Loans*

The bank’s consumer lending activity is reasonable compared to the demographic data from the 2010 census information. Our sample included 20 consumer loans. The bank originated 40 percent of its loans to low- or moderate-income borrowers compared to the 41 percent of total household in the AA are low- or moderate-income. The table below shows the borrower distribution of consumer loans in the AA.

Borrower Distribution of Consumer Loans in Lincoln MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	24%	30%	17%	10%	18%	25%	41%	30%

Source: 2010 U.S. Census data; Loan Sample

\* We were not able to collect income information for one loan in our sample; therefore the income is unknown.

*Home Loans*

The bank’s home lending performance is poor compared to the demographic data from the 2010 census information. Our sample included 20 home loans. The bank originated 15 percent of its loans to low- or moderate-income borrowers compared to the 38 percent of total families in the AA are low- or moderate-income. The table below shows the borrower distribution of consumer loans in the AA.

<b>Borrower Distribution of Home Loans in Lincoln MSA AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	20%	0%	18%	15%	23%	35%	39%	50%

Source: 2010 U.S. Census data; Loan sample

**Geographic Distribution of Loans**

Overall, the geographic distribution of loans reflects reasonable dispersion. All sampled loans were located within the bank’s AAs and originated during the evaluation period. Examiners placed significantly more weight on the conclusions in the Nebraska Non-MSA AA as a significant majority of the bank’s deposits, lending, and branches are located in this AA. MWB also has a larger market share of total deposits in the Nebraska Non-MSA AA.

Nebraska Non-MSA AA

The geographic distribution of loans originated inside the Nebraska Non-MSA AA is reasonable. The geographic distribution of farm loans reflects reasonable dispersion to moderate-income CTs. The distribution of consumer loans reflects poor dispersion to moderate-income CTs; however, 43 percent of farm loans and 40 percent of home loans were originated in distressed and/or underserved nonmetropolitan middle-income CTs. The AA has no low-income CTs.

*Farm Loans*

The bank’s geographic distribution of farm loans reflects reasonable dispersion in comparison to demographic data from the 2010 census information. Our sample included 60 farm loans. The bank originated 3 percent of farm loans in moderate-income CTs, compared to the 7 percent of farms in the AA located in moderate-income CTs. Additionally, the bank originated 43 percent of farm loans (26 loans sampled) located in underserved and/or distressed nonmetropolitan middle income CTs. The table below shows the geographic distribution of farm loans in the AA.

Geographic Distribution of Loans to Farms in Nebraska Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	0%	0%	7%	3%	83%	92%	10%	10%

Source: 2010 U.S. Census data; Loan Sample

**Consumer Loans**

The bank’s geographic distribution of consumer loans is poor in comparison to demographic data from the 2010 census information. Our sample included 60 consumer loans. Geographic distribution for consumer loans is required to meet or exceed the comparator to be considered reasonable dispersion. The bank originated 3 percent of its consumer loans in the two moderate-income CTs in the AA compared to 7 percent of total households located in a moderate-income CT. However, the bank originated 40 percent of consumer loans (24 loans sampled) in underserved and/or distressed nonmetropolitan middle income CTs. The table below shows the geographic distribution of consumer loans in the AA.

Geographic Distribution of Consumer Loans in Nebraska Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0%	0%	7%	3%	81%	94%	12%	3%

Source: 2010 U.S. Census data; Loan Sample

**Lincoln MSA AA**

Overall, the geographic distribution of loans inside the Lincoln MSA AA reflects poor dispersion. The geographic distribution of farm, consumer, and home loans reflects poor dispersion to low- and moderate-income geographies. One contributing factor is that one branch in the AA is located in the southern portion of Lincoln but the low- and moderate-income CTs are in the northern portion of Lincoln. We did not expand the loan sample beyond 20 loans inside the AA as the lending performance of the Lincoln MSA AA would not change the bank’s overall CRA rating given the low volume of deposits and loans originated in comparison to the Non-MSA AA.

**Farm Loans**

The bank’s geographic distribution of farm loans is poor in comparison to demographic data from the 2010 census information. Our sample included all of the farm loans originated inside the Lincoln MSA AA during the evaluation period, which only totaled 13 farm loans. The bank did not originate any loans to farms located in low- or moderate-

income CTs, compared to the 10 percent of farms located in the low- or moderate-income CTs in the AA. The table below shows the geographic distribution of farm loans in the AA.

<b>Geographic Distribution of Loans to Farms in Lincoln MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	2%	0%	8%	0%	22%	8%	68%	92%

Source: 2010 U.S. Census data; Loan Sample

### Consumer Loans

The bank’s geographic distribution of consumer loans is poor in comparison to demographic data from the 2010 census information. Our sample included 20 consumer loans. The bank originated 15 percent of its consumer loans to borrowers located in low- or moderate-income CTs compared to the 32 percent of households in the AA located in low- or moderate-income CTs. The table below shows the geographic distribution of consumer loans in the AA.

<b>Geographic Distribution of Consumer Loans in Lincoln MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	12%	5%	20%	10%	38%	50%	30%	35%

Source: 2010 U.S. Census data; Loan Sample

### Home Loans

The bank’s geographic distribution of home loans is poor in comparison to demographic data from the 2010 census information. Our sample included 20 home loans. The bank originated 10 percent of its home loans to borrowers located in moderate-income CTs and to no borrowers located in low-income CTs, compared to 14 percent and 5 percent of owner occupied housing located in moderate- and low-income CTs, respectively. The table below shows the geographic distribution of home loans in the AA.

<b>Table 3E - Geographic Distribution of Residential Real Estate Loans in Lincoln MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	5%	0%	14%	10%	41%	25%	40%	65%

Source: 2010 U.S. Census data; Loan Sample

## **Responses to Complaints**

Neither the bank nor the Office of the Comptroller of the Currency (OCC) has received any CRA-related complaints since the last CRA examination.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test is satisfactory. MWB demonstrated adequate responsiveness to the CD needs in each AA, given the availability of such opportunities.

The bank made 34 investments, donations, and loans totaling \$8.7 million or 12 percent of the bank's tier one capital plus the allowance for loan and lease losses within their AA. Eleven bank officers and employees provided qualified services to fifteen CD organizations. MWB provides increased access to financial services by maintaining three branches in underserved non-metropolitan middle-income CTs. The following highlights the bank's qualified CD loans, investments, and services:

### **Number and Amount of Community Development Loans**

- One loan totaling \$208 thousand to reconstruct a business destroyed in the Pilger tornado.
- One loan totaling \$500 thousand to assist the city following the Pilger tornado.
- Five loans totaling \$353 thousand to a housing development corporation to purchase, rehabilitate, and sell homes to low- and moderate-income individuals.
- One loan totaling \$574 thousand to a small business to purchase a rental complex in a moderate-income CT.
- One loan totaling \$249 thousand to a small business to purchase rental units. Two units are located in low-income CTs and one is in a middle-income CT.

### **Number and Amount of Qualified Investments**

- Three investments totaling \$1.75 million for bonds funding new construction and improvements to existing facilities and operation of schools serving distressed and/or underserved non-metropolitan middle-income CTs or moderate-income CTs.
- Three investments totaling \$2 million for bonds funding additions and improvements to hospitals serving underserved and/or distressed non-metropolitan middle-income CTs and an area with a declared disaster.

- Two investments totaling \$3.15 million for bonds funding improvements and additions to infrastructure and facilities providing essential public services, power grids, roads, and gas lines to underserved and/or distressed non-metropolitan middle-income CTs or moderate-income CTs in the bank's AA.
- The bank donated \$40 thousand to 17 CD qualified organizations.

### **Extent to Which the Bank Provides Community Development Services**

- Five bank employees serve on boards, and in other capacities, for four affordable housing organizations. These organizations provide a wide range of affordable housing services to low- and moderate-income individuals including; home ownership education, home purchase/maintenance/rehabilitation, and down payment assistance.
- Six bank employees serve on boards, and in other capacities, for eight area economic development organizations. These organizations provide education, low interest loans, disaster relief, and other technical assistance to new and small business owners in organizations serving underserved, distressed, or designated disaster nonmetropolitan middle-income geographies.

### **Responsiveness to Community Development Needs**

MWB's CD activities demonstrate adequate responsiveness to the community credit and economic development needs of the AA through CD loans, qualifying investments, and CD services considering the bank's capacity and the need and availability of opportunities in the AAs. The bank's branches in Creighton, Wisner, and Deshler are all located in underserved and/or distressed non-metropolitan middle-income CTs. Cumming County (Wisner Branch) and Stanton County (Pilger branch) are under FEMA disaster declaration 4183DR issued on July 24, 2014. The CTs in York County were designated underserved non-metropolitan middle-income CTs until 2014. York County was named a disaster area in FEMA 4179DR on July 17, 2014. Thayer, Nuckolls, York, and Lancaster Counties were all named part of FEMA 4225 DR disaster on June 25, 2015.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography of the bank, or in any AA of an affiliate whose loans have been considered as part of the bank's lending performance.

Examiners found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.