



PUBLIC DISCLOSURE

December 2, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Midwest Bank, National Association
Charter Number 23797

114 W. Main Street
Pierce, NE 6876

Office of the Comptroller of the Currency

4900 S. Minnesota Avenue, Suite 300
Sioux Falls, SD 57108

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.

Table of Contents

Overall CRA Rating.....2
Description of Institution.....3
Scope of the Evaluation.....4
Discriminatory or Other Illegal Credit Practices Review.....5
State Rating.....6
 State of Nebraska.....6
Appendix A: Scope of Examination.....A-1
Appendix B: Summary of MMSA and State Ratings.....B-1
Appendix C: Definitions and Common Abbreviations.....C-1
Appendix D: Tables of Performance Data.....D-1

Overall CRA Rating

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

The lending test is rated: Outstanding.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on performance in the State of Nebraska.
- The distribution of loans to borrowers of different sizes and incomes was given more weight than the distribution of loans to geographies of different income levels because the bank has more opportunities to lend to low- and moderate-income (LMI) borrowers and small businesses and farms than to LMI geographies.
- The distribution of loans to borrowers of different sizes and income levels within the assessment areas (AAs) is excellent.
- The distribution of loans to borrowers in geographies of different income levels within the AAs is reasonable.
- The Community Development (CD) Test rating is based on performance in the State of Nebraska.
- The combination of CD loans, investments, donations, and services represents adequate responsiveness to AA needs and opportunities.

In addition to the activities considered at the AA level, we considered the following activities at the bank-wide level:

- Midwest Bank, N.A. (MWB or bank) uses flexible lending practices in a safe and sound manner to address the credit needs of small farms, businesses, and LMI individuals. MWB offers Farm Service Agency, Farmer Mac, and Small Business Administration loans. MWB also offers loans from: Veteran Administration, Nebraska Investment Finance Authority's first-time homebuyer and beginning farmer/rancher programs, United States Department of Agriculture Rural Development, and Federal Home Loan Bank of Kansas down payment assistance program.
- MWB offers a full line of deposit products such as checking accounts, savings accounts, certificates of deposit, health savings accounts, and individual retirement accounts. Retail banking services targeted to LMI individuals, but available to all customers, include free checking accounts and basic savings accounts with low minimum balances and fees.
- Average loan-to-deposit (LTD) ratio of 87.5 percent is reasonable.
- A majority of loans were originated inside MWB's designated AAs.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, MWB's LTD ratio is reasonable.

MWB's average LTD ratio for the 9 quarters from December 31, 2016 to December 31, 2018 is 87.5 percent. The ratio ranged from an average quarterly low of 82.2 percent to a quarterly high of 92.3 percent. This analysis is performed at the bank level rather than the AA level.

MWB's average LTD ratio compares favorably to the average LTD ratio of five similarly-situated banks operating in the bank's AAs. The average LTD ratio for the 9 quarters from December 31, 2016 to December 31, 2018 is 91.2 percent. The ratio ranged from an average quarterly low of 61.0 percent to an average quarterly high of 107.1 percent.

Lending in Assessment Area

Management originated or purchased a majority of the bank's loans inside its AAs.

The bank originated and purchased 77.5 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.

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		
	#	%	#	%		\$(000)s	%	\$(000)s	%	
Agricultural Loans	16	80.0	4	20.0	20	541	73.0	200	27.0	741
Commercial Loans	12	60.0	8	40.0	20	3,039	88.1	411	11.9	3,450
Consumer Loans	34	85.0	6	15.0	40	400	89.5	47	10.5	447
Total	62	77.5	18	22.5	80	3,981	85.8	658	14.2	4,639

Description of Institution

MWB is an intrastate financial institution headquartered in Pierce, Nebraska. As of December 31, 2018, MWB had \$760 million in total assets and tier-one capital of \$70 million. Midwest Banc Holding Company, a one-bank holding company also headquartered in Pierce, Nebraska, wholly owns MWB. As of December 31, 2018, the holding company had total assets of \$101 million not considering consolidated bank assets.

MWB operates ten full-service branches in Nebraska with one branch in each of the following towns: Creighton, Deshler, Lincoln, Plainview, Pierce, Pilger, Wisner, York, and two branches in Norfolk. Additionally, MWB manages eight deposit-taking and three cash-dispensing automated teller machines (ATMs) within their AAs. Deposit-taking ATMs are located at Pierce, Plainview, Creighton, York, Lincoln, and both Norfolk branch locations. There is an additional standalone deposit-taking ATM in York. Cash-dispensing only ATMs are located at Deshler and Pilger branch locations and an additional cash-dispensing ATM located at a manufacturing business near Deshler.

For the purposes of CRA, MWB operates with one rating area and two AAs. The rating area is the State of Nebraska. The two AAs are the rural Nebraska nonmetropolitan statistical AA (NE Non-MSA) and the Lincoln Metropolitan Statistical Area (Lincoln MSA).

Management's business focus is agricultural loans in the Non-MSA and commercial loans in the Lincoln MSA; however, the bank offers a full range of credit products within its AAs including consumer and home loans. As of December 31, 2018, net loans represent 72.7 percent of total assets. By dollar volume, the loan portfolio is comprised of the following loan types: 59.4 percent farmland and agricultural production loans, 30.8 percent commercial and commercial real estate loans, 7.2 percent 1-4 family residential home loans, and 2.5 percent consumer loans.

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 October 17, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 2017 through December 31, 2018. We did not evaluate 2016 because the prior examination included loan information for a portion of 2016 and we now only include loan activity from full calendar years. We reviewed consumer loans in both AAs, agricultural loans in the NE Non-MSA AA, and commercial loans in the Lincoln MSA AA. These were the bank's primary loan products when considering the number and dollar volume of loan originations during the evaluation period.

The evaluation period for the CD test is October 18, 2016 through December 31, 2018. We reviewed all CD loans, investments, donations, and services management submitted as part of our examination.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same 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.

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 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 Nebraska: Satisfactory.

The Lending Test is rated: Outstanding.

The CD Test is rated: Satisfactory.

The major factors that support this rating include:

- The distribution of loans to farms, businesses, and households of different income levels is excellent.
- The distribution of loans to geographies of different income levels is reasonable.
- CD loans, donations, investments, and services represent adequate responsiveness to AA needs and opportunities.
 - Management originated 15 CD loans totaling \$1.7 million to borrowers located in Nebraska during the evaluation period.
 - Management made five donations totaling \$15 thousand to four CD organizations in Nebraska during the evaluation period. Management received credit for three current period investments totaling \$2.1 million and one prior period investment with a \$140 thousand outstanding balance as of December 31, 2018.
 - Nine employees provided 124 service hours to seven CD organizations located in Nebraska during the evaluation period.

Description of Institution's Operations in Nebraska

Nebraska represents MWB's only area of operations. All of the bank's ten branches, eight deposit-taking ATMs, and three cash-dispensing ATMs are located in Nebraska. Nebraska operations are located in two bank-designated AAs: Nebraska Non-MSA AA and Lincoln MSA AA. Performance in the Non-MSA AA was rated more heavily because this area represents the largest portion of the bank's branches, loan volume during the evaluation period, and deposit volume as of June 30, 2018.

Management designated AAs are reasonable given the location of the bank's branches and deposit-taking ATMs. Both AAs comply with regulatory requirements and do not arbitrarily exclude any LMI census tracts (CTs).

Nebraska Non-MSA AA

The Nebraska Non-MSA AA includes all of the following counties: Cuming, Madison, Pierce, Stanton, Thayer, and York. It also includes portions of Antelope, Knox, and Nuckolls counties. The AA complies with regulatory requirements and does not arbitrarily exclude any LMI CTs. MWB operates nine full-service branches with at least one in each of the following locations: Creighton, Deshler, Norfolk (2), Pierce, Pilger, Plainview, Wisner, and York. The bank also operates seven deposit-taking and three cash-dispensing ATMs within the AA. Of the twenty-six CTs located within the AA, two are moderate-income, twenty-one are middle-income, and three are upper-income, based on 2018 American Community Survey (ACS) data. There are no low-income CTs.

As of June 30, 2018, MWB had \$506 million of deposits in the Nebraska Non-MSA AA, which represents 86.3 percent of total bank deposits. Competition in the Nebraska Non-MSA AA is significant. According to the June 30, 2018 FDIC Deposit Market Share Report, MWB ranked third out of 41 deposit taking institutions in the AA with a total market share of 11.7 percent. This is a significant amount of competition when considering the institutions operate a total of 97 branches in the AA, which has a population of 86, 206 per 2015 ACS data. Banks with market shares greater than MWB in the Nebraska Non-MSA AA include Cornerstone National Bank and Elkhorn Valley Bank & Trust.

Management's primary business focus in the Nebraska Non-MSA AA is consumer and agriculture loans. Combined, the two products account for 74.0 percent of total originations by number and 63.4 percent by dollar during the evaluation period. The following chart provides a breakdown of loan originations in the Nebraska Non-MSA AA:

MWB Loan Originations in the Nebraska Non-MSA AA (1/1/17-12/31/18)				
	Number of Loans	Percentage of Loans by Number	Dollar Volume of Loans (\$000s)	Percentage of Loans by Dollar Volume
Agricultural	1,692	38.5	\$261,550	59.4
Commercial	964	20.2	\$124,590	28.3
Consumer	1,832	35.5	\$17,383	4.0
Home Mortgage	276	5.8	\$36,524	8.3
Total	4,764	100.0	\$440,047	100.0

We completed one community contact in the Nebraska Non-MSA AA as part of this examination. The contact was completed via telephone with the Executive Director of an organization that promotes economic development in the AA. The contact stated the local economy is strong and businesses are doing well and open to expansion given the opportunity. The contact also noted there is sufficient housing demand and low unemployment. The contact said credit needs in the AA are housing (both affordable and market rate), rehabilitation and revitalization projects, and funding for start-up businesses. The general perception towards local financial institutions remained positive, and they were unaware of any significant funding gaps created by them. We reviewed an additional eight community contacts in the AA. They confirmed similar comments, except they voiced concerns regarding the agriculture economy outlook given the recent adverse weather conditions throughout the 2019 operating season. The general perception toward local financial institutions is positive.

The following table provides information on the demographic composition of the NE Non-MSA AA:

Table A – Demographic Information of the Assessment Area						
Assessment Area: Nebraska Non MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.0	7.7	80.8	11.5	0.0
Population by Geography	86,206	0.0	7.5	79.6	12.8	0.0
Housing Units by Geography	39,394	0.0	7.7	79.9	12.4	0.0
Owner-Occupied Units by Geography	24,927	0.0	4.8	81.5	13.7	0.0
Occupied Rental Units by Geography	10,297	0.0	15.5	72.9	11.6	0.0
Vacant Units by Geography	4,170	0.0	6.2	87.5	6.2	0.0
Businesses by Geography	6,493	0.0	9.6	78.9	11.4	0.0
Farms by Geography	1,533	0.0	1.1	88.3	10.6	0.0
Family Distribution by Income Level	23,562	18.9	17.5	24.2	39.5	0.0
Household Distribution by Income Level	35,224	22.8	15.4	19.1	42.7	0.0
Median Family Income (Census) NE Non-MSA		\$61,382	Median Housing Value			\$103,380
Median Family Income (2017 FFIEC Updated)		\$62,600	Median Gross Rent			\$596
Median Family Income (2018 FFIEC Updated)		\$68,000	Families Below Poverty Level			8.6%
<i>Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Lincoln MSA AA

The Lincoln MSA AA includes all of Lancaster County, a part of the Lincoln MSA #30700. MWB operates one full-service branch in Lincoln and one deposit-taking ATM at the branch location. The AA complies with regulatory requirements and does not arbitrarily exclude any LMI CTs. Although the MSA includes Seward County, management reasonably excludes the county from its AA because the AA would be too large to serve and the only branch in the AA is not in Seward County. Of the 74 CTs located within the Lincoln MSA AA, five are low-income, 21 are moderate-income, 21 are middle-income, 22 are upper-income, and five have not been assigned an income classification based on 2015 ACS data.

As of June 30, 2018, MWB had \$80 million in deposits inside the Lincoln MSA AA, which represents 13.7 percent of total deposits. Competition in the Lincoln MSA AA is significant. According to the June 30, 2018 FDIC Deposit Market Share Report, MWB ranked sixteenth out of 26 deposit taking institutions in the AA with a total market share of 1.1 percent. This is a significant amount of competition when considering the institutions operate a total of 130 branches in the AA, which has a population of 298,080 per the 2015 ACS data. Union Bank, Wells Fargo, and U.S. Bank NA have a combined 53.8 percent of the market share within the AA.

Management's primary business focus in the Lincoln MSA is consumer and commercial loans. Combined, the two products account for 54 percent of total originations by number and 52 percent by dollar during the evaluation period. The following chart provides a breakdown of loan originations in the Lincoln MSA AA:

MWB Loan Originations in the Lincoln MSA AA (1/1/17-12/31/18)				
	Number of Loans	Percentage of Loans by Number	Dollar Volume of Loans (\$000s)	Percentage of Loans by Dollar Volume
Agricultural	54	14.3	\$10,452	13.0
Commercial	135	35.7	\$50,456	62.8
Consumer	120	31.8	\$2,065	2.5
Home Mortgage	69	18.2	\$17,424	21.7
Total	378	100.0	\$80,397	100.0

The following table provides information on the demographic composition of the Lincoln MSA AA:

Table A – Demographic Information of the Assessment Area						
Assessment Area: Lincoln MSA Lancaster						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	6.8	28.4	28.4	29.7	6.8
Population by Geography	298,080	5.6	26.3	34.0	30.9	3.2
Housing Units by Geography	123,773	7.3	28.2	34.0	29.7	0.8
Owner-Occupied Units by Geography	69,852	1.6	19.5	38.5	40.2	0.2
Occupied Rental Units by Geography	47,815	15.0	39.6	28.8	15.0	1.6
Vacant Units by Geography	6,106	13.0	38.5	23.9	23.6	1.1
Businesses by Geography	18,325	3.8	29.7	30.1	34.3	2.1
Farms by Geography	740	1.6	11.9	22.8	63.5	0.1
Family Distribution by Income Level	70,549	21.3	17.1	21.2	40.5	0.0
Household Distribution by Income Level	117,667	23.7	16.8	17.3	42.1	0.0
Median Family Income MSA – 30700 Lincoln, NE MSA		\$70,200	Median Housing Value			\$152,644
Median Family Income (2017 FFIEC Updated)		\$72,000	Median Gross Rent			\$726
Median Family Income (2018 FFIEC Updated)		\$78,600	Families Below Poverty Level			9.3%
<i>Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (* The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Nebraska

Management designated AAs located in the same MSA are combined, analyzed, and presented as one AA for purposes of this evaluation. Similarly, bank delineated Non-MSA AAs within the same state are combined, analyzed, and presented as one AA for purposes of this evaluation.

We completed a full-scope review of the Nebraska Non-MSA AA and a limited-scope review of the Lincoln MSA AA. We placed more weight on the NE Non-MSA AA, because the bank operates nine branches or 90% of branch locations within the AA, obtains 86.3 percent of bank deposits as of June 30, 2018, and originates 82.6 percent of loans by dollar and 91.4 percent of loans by number within the AA. Refer to Appendix A, Scope of Examination, for a list of full-and limited-scope AAs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEBRASKA

LENDING TEST

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

Based on full- and limited-scope reviews, the bank's lending performance in the state of Nebraska is excellent. The distribution of loans to borrowers of different sizes and incomes was given more weight than the distribution of loans to geographies of different income levels because the bank has more opportunities to lend to low- and moderate-income (LMI) borrowers and small businesses and farms than to LMI geographies.

Distribution of Loans by Income Level of the Geography

The bank exhibits a reasonable geographic distribution of loans in the state.

We did not analyze the distribution of farm loans by income level of the geography in the NE Non-MSA. There are only two moderate-income CTs in the AA and they are located within Norfolk city limits where a farm cannot be located. There are no low-income CTs in the Non-MSA AA.

Consumer Loans

Refer to Table U in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to geographies of different income levels in the NE Non-MSA AA is reasonable. MWB originated 8.7 percent of consumer loans by number to moderate-income CTs. 2015 ACS data indicates 7.0 percent of AA households are located in moderate-income CTs.

Lending Gap Analysis

We performed a lending gap analysis and did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Farms

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

The distribution of agriculture loans to farms of different sizes in the NE Non-MSA AA is excellent. MWB originated 75.0 percent of agriculture loans by number to small farms. Small farms are farms with gross annual revenues of \$1 million or less. 2018 Dunn and Bradstreet data indicates 97.9 percent of AA farms are small. Aggregate CRA data indicates 62.5 percent of farm loans were originated to small farms. MWB did not collect income information for 25.0 percent of loans given the small size of the

loan and the positive rating of the borrower. Instead, management relied on sale proceeds deposited into the borrower's deposit accounts. Deposit history for the five borrowers with unknown income show less than \$1 million in revenues and the borrowers are likely small farms. None of the bank loans were originated to large farms.

Consumer Loans

Refer to Table V in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to households of different income levels in the NE Non-MSA AA is excellent. MWB originated 39.1 percent of consumer loans by number to low-income borrowers. 2015 ACS data indicates 22.8 percent of AA households are low-income. MWB originated 26.1 percent of consumer loans by number to moderate-income borrowers. 2015 ACS data indicates 15.4 percent of AA households are moderate-income.

Responses to Complaints

Management and the OCC did not receive complaints related to MWB's CRA performance during the evaluation period.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Lincoln MSA AA is weaker than the bank's overall performance under the Lending Test in the full scope area. The state and overall ratings did not change as a result of the Lincoln MSA AA's performance because the Non-MSA AA performance has significant weight given the majority of deposit and lending activity occurs in the Non-MSA AA.

The bank exhibits excellent borrower distribution to small businesses and LMI households in the Lincoln MSA AA; however, the bank exhibits poor geographic distribution to LMI CTs in the Lincoln MSA AA. See below for the results of the geographic distribution analysis in the Lincoln MSA AA.

Distribution of Loans by Income Level of the Geography

Small Loans to Businesses

Refer to Table Q in 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 for the Lincoln MSA AA.

The distribution of commercial loans to geographies of different income levels in the Lincoln MSA AA is poor. MWB originated 5.0 percent of loans to businesses located in a low-income CTs. 2015 ACS data indicates 3.8 percent of AA businesses are located in low-income CTs. Aggregate CRA data indicates 3.4 percent of small loans to businesses in the AA were originated to businesses located in a low-income CT. MWB originated 15.0 percent of loans to businesses located in a moderate-income CT. 2015 ACS data indicates 29.7 percent of AA businesses are located in moderate-income CTs. Aggregate CRA data indicates 29.5 percent of small loans to businesses in the AA were originated to businesses located in a moderate-income CT.

Consumer Loans

Refer to Table U in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to geographies of different income levels in the Lincoln MSA AA is poor. MWB originated no consumer loans to households located in low-income CTs. 2015 ACS data indicates 7.0 percent of AA households are located in low-income CTs. MWB originated 20.0 percent of consumer loans by number to households located in moderate-income borrowers. 2015 ACS data indicates 27.7 percent of AA households are moderate-income.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Nebraska is rated Satisfactory.

Based on full-scope and limited-scope reviews, the bank exhibits adequate responsiveness to CD 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 CD Loans

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
NE Non-MSA	15	100.0	1,683	100.0
Lincoln MSA	--	--	--	--

The Lending Activity tables, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans.

MWB made an adequate level of CD loans in the NE Non-MSA AA during the evaluation period. Management originated 15 loans totaling \$1.7 million during the evaluation period. This represents 2.8 percent of allocated tier one capital as of December 31, 2018. Capital was allocated based on the bank's portion of deposits in the NE Non-MSA AA. Nine loans totaling \$905 thousand supported affordable housing, four loans totaling \$351 thousand supported economic development, and two loans totaling \$427 thousand supported the revitalization and stabilization of a disaster recovery area.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
NE Non-MSA	1	140	8	2,107	9	100.0	\$2,232	100.0	--	--
Lincoln MSA	--	--	--	--	--	--	--	--	--	--

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. This table includes all CD investments, including prior period investments that remain outstanding as of the end of the evaluation period.

MWB made an adequate level of CD investments in the NE Non-MSA AA during the evaluation period. CD investments and donations total \$2.2 million and represent 3.7 percent of allocated tier one capital as of December 31, 2018. Capital was allocated based on the bank's portion of deposits in the NE Non-MSA AA.

Management purchased three CD investments totaling \$2.1 million. The investments support the revitalization or stabilization of underserved and distressed middle-income geographies. Management received credit for one CD investment purchased in a prior evaluation period. The book value for the investment as of December 31, 2018 is \$140 thousand. The investment supports the revitalization or stabilization of underserved and distressed middle-income geographies.

MWB made five donations totaling \$15 thousand to four CD-qualified organizations in the NE Non-MSA AA during the evaluation period. Three donations totaling \$12.5 thousand supported organizations who revitalize or stabilize underserved and distressed middle-income geographies, one donation totaling \$2.5 thousand supported an economic development organization, and one donation totaling \$200 supported an affordable housing organization.

Extent to Which the Bank Provides CD Services

CD service represents adequate responsiveness to CD needs and opportunities in the NE Non-MSA AA. Nine employees provided 124 service hours to seven qualified CD organizations during the evaluation period. The following are examples of some of the CD services provided to the NE Non-MSA AA during the evaluation period:

- Three employees serve as a director on the Board of Directors for affordable housing organizations.
- Three employees review small business loan applications as members of a loan review committee of an economic development organization.
- Two employees facilitate LMI borrowers eligible for down payment grant assistance for an affordable housing program.

* 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.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review the bank's performance under the CD Test in the Lincoln MSA AA is weaker than the bank's overall performance under the CD Test in the full scope area(s). CD performance reflected very poor responsiveness to needs in the Lincoln MSA AA with no CD activities submitted.

The state and overall ratings did not change as a result of the Lincoln MSA AA's performance because the Non-MSA AA performance has significant weight given the majority of deposit and lending activity occurs in the Non-MSA AA.

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:	01/01/2017 to 12/31/2018	
Bank Products Reviewed:	Small business, small farm, and consumer loans CD loans, qualified investments, CD 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
Nebraska		
Nebraska Non-MSA	Full-Scope	Includes all of Pierce county, 2 CTs from Knox county, 1 CT from Antelope county, all of Madison county, all of Stanton county, all of Cuming county, all of York county, 1 CT from Nuckolls county, and 2 CTs from Thayer county.
Lincoln MSA	Limited-Scope	Includes all of Lancaster county

Appendix B: Summary of MMSA and State Ratings

RATINGS: MIDWEST BANK, N.A.			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
MIDWEST BANK, N.A.	Outstanding	Satisfactory	Satisfactory
MMSA or State:			
NEBRASKA	Outstanding	Satisfactory	Satisfactory

(*) The Lending Test and CD 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 (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 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.

STATE OF NEBRASKA

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-18	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$(000)s	% of Total	Overall Market	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	
Lincoln MSA	60	20,395	100.0	4,775	3.8	5.0	3.4	29.7	15.0	26.1	30.1	33.3	29.2	34.3	46.7	40.0	2.1	0.0	1.4	
Total	60	20,395	100.0	4,775	3.8		3.4	29.7		26.1	30.1		29.2	34.3		40.0	2.1		1.4	

Source: 2018 D&B data; 1/1/2017 - 12/31/2018 bank data; 2017 CRA 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													2017-18	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$(000)s	% of Total	Overall Market	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	% Businesses	% Bank Loans			
Lincoln MSA	60	20,395	100.0	4,775	79.9	66.7	51.5	6.9	30.0	13.2	3.3			
Total	60	20,395	100.0	4,775	79.9	66.7	51.5	6.9	30.0	13.2	3.3			

Source: 2018 D&B data; 1/1/2017 - 12/31/2018 bank data; 2017 CRA aggregate data. Due to rounding, totals may not equal 100.0.

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues												2017-18	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available			
	#	\$(000)s	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
Nebraska Non-MSA	20	705	100.0	1,445	97.9	75.0	62.5	1.2	0.0	0.9	25.0		
Total	20	705	100.0	1,445	97.9	75.0	62.5	1.2	0.0	0.9	25.0		

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

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-18	
--	--	--	--	--	--	--	--	--	--	--	--	--	----------------	--

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$(000)s	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Nebraska Non-MSA	23	221	27.7	0.0	0.0	7.9	8.7	79.0	87.0	13.1	4.3	0.0	0.0
Lincoln MSA	60	1,159	72.3	7.0	0.0	27.7	20.0	34.5	28.3	30.0	51.7	0.8	0.0
Total	40	1,380	100.0	5.4		23.1		44.8		26.1		0.6	

Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 bank data. Due to rounding, totals may not equal 100.0.

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017-18	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$(000)s	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Nebraska Non-MSA	23	221	27.7	22.8	39.1	15.4	26.1	19.1	13.0	42.7	21.8	0.0	0.0	
Lincoln MSA	60	1,159	72.3	23.7	26.7	16.8	15.0	17.3	21.6	42.1	30.0	0.0	6.7	
Total	83	1,380	100.0	23.5		16.5		17.7		42.3		0.0		

Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 bank data. Due to rounding, totals may not equal 100.0.