



PUBLIC DISCLOSURE

September 26, 2013

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

4900 S Minnesota Avenue, 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, 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.

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

The Lending Test is rated: Satisfactory.

- A majority of the bank's loans by number (82 percent) and dollar (79 percent) volume are within its assessment areas (AA).
- The bank's quarterly average net loan-to-deposit ratio of 82 percent is reasonable and reflective of the bank's willingness to lend.
- Borrower distribution is reasonable for farms and businesses of different sizes and consumer borrowers of different incomes (including low- and moderate-income borrowers).
- Geographic distribution of loans is reasonable.

The Community Development Test is rated: Satisfactory

- The bank displays a satisfactory responsiveness to community development needs within its AAs given the availability for such opportunities.
- Qualified community investment and lending volume is satisfactory at 29 percent of tier one capital.
- The bank provides an adequate level of community development services. Bank employees provide expertise to seven community development organizations during the evaluation period. The bank maintains three branches in underserved or distressed non-metropolitan middle-income geographies.

Scope of Examination

Midwest Bank, N.A. (MWB) is evaluated under the Intermediate Small Bank examination procedures, which include a Lending Test and a Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The Community Development Test evaluates the bank's responsiveness to community development needs in the bank's AAs through community development loans, qualified investments, and services.

To evaluate the bank's lending performance, examiners selected a sample of loans originated and purchased from January 1, 2011 through June 30, 2013. The evaluation includes commercial, agricultural, and consumer loans which were identified as primary products within the evaluation period, and are representative of the bank's lending strategy since the last CRA examination. Examiners sampled 20 loans from each primary product in each AA. We also considered community development loans, investments, and services from March 23, 2010 to June 30, 2013.

Loans, investments, and services from 2011 were compared to 2000 census information. Loans, investments, and services from 2012 and 2013 were compared to 2010 census information.

Description of Institution

MWB is a \$574 million financial institution headquartered in Pierce, Nebraska. The bank serves eight communities with branches located in Plainview, Creighton, Pilger, 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 within its assessment area. Eight of these machines take deposits, while five dispense cash only.

MWB's business focus is community banking. The bank offers a typical array of community banking products and services to commercial, agricultural and individual customers.

As of June 30, 2013, net loans represented 67 percent of total assets. By dollar volume, the loan portfolio is comprised of agricultural loans (58 percent), commercial loans (31 percent), residential real estate loans (6 percent), and consumer loans (5 percent). Tier one capital totaled \$56 million.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment areas. MWB received a "Satisfactory" rating at its prior CRA examination dated March 22, 2010.

Description of Assessment Areas

MWB has four Nebraska AAs. The Pierce AA consists of Pierce, Madison, and Stanton counties, along with the north one-half of Antelope County, and the southwest quarter of Knox County. This AA includes the bank's branches in Pierce, Plainview, Norfolk, Pilger, and Creighton. The York AA consists of York County and includes the bank's York branch. The Deshler AA consists of Thayer and Nuckolls Counties with the bank's Deshler branch located Thayer County. The Lincoln AA consists of Lancaster County in the Lincoln metropolitan statistical area (MSA) and includes the bank's Lincoln branch. The total population for the AAs is 364,795.

All of the bank's AAs comply with regulatory requirements and do not arbitrarily exclude any low- or moderate- income census tracts.

Economic conditions in the AAs are generally good. Major industries in Nebraska include agriculture, manufacturing, government employment, health services, telecommunications, information technology, and insurance. As of June 2013 the state unemployment rate (4 percent) and the national unemployment rate (7.6 percent) exceeded that of most counties in the AAs. The 2012 estimated MSA median family income (MFI) for the Lincoln MSA and non-metropolitan areas of Nebraska were \$70,500 and \$57,000, respectively.

Competition from other financial institutions is strong in the bank's AAs. Based on June 30, 2012 Federal Deposit Insurance Corporation (FDIC) deposit market share data, there are 41 financial institutions serving the bank's non-MSA AAs and 25 institutions serving the MSA AA. Cornerstone Bank owns the largest share of the non-MSA deposit market with 16 percent. Elkhorn Valley Bank & Trust ranks second with 14 percent, followed closely by MWB at 13 percent. Union Bank and Trust Company leads the deposit market share in the MSA AA with 25 percent, followed by Wells Fargo Bank at 19 percent and U.S. Bank at 13 percent. Comparatively, MWB measures in with less than 1 percent of the total market share in the Lincoln MSA. In addition, 2 banks in the Lincoln MSA AA and 2 banks serving the non-MSA AAs reflect loan-to-deposit ratios 100 percent or greater.

Activity in the Pierce AA was given more weight in the overall analysis as over 60% of the bank's deposits, loans and branch locations are in the Pierce AA.

We did not identify any unmet credit needs in any of MWB's AAs. We contacted three local government officials and all stated that local financial institutions satisfactorily meet financing needs in the AAs. Credit needs and community development 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 loan-to-deposit ratio is reasonable and MWB originates a majority of their loans inside the bank's AA. The bank's geographic distribution of loans is reasonable. Borrower distribution reflects reasonable dispersion among businesses and farms of different sizes and borrowers of different income levels.

Loan-to-Deposit Ratio

MWB's net loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area needs. The bank's quarterly net loan-to-deposit ratio averaged 82 percent over 14 quarters from March 31, 2010 to June 30, 2013. MWB's loan-to-deposit ratio totaled 80 percent as of June 30, 2013.

The bank's average net loan-to-deposit ratio is equivalent to other community banks of similar asset size (total assets between \$172 million to \$1.2 billion) and loan mix (agricultural lenders without heavy commercial real estate concentrations) in the AAs. MWB ranks fourth of eight similarly-situated banks serving the AAs. The other seven banks had a combined quarterly average net loan-to-deposit ratio of 83 percent and ranged individually from 57 percent to 104 percent over the same 14-quarter time period.

Lending in Assessment Area

MWB originates a majority of its loans to borrowers located inside its AAs. We reviewed 160 agricultural loans, 120 consumer loans and 20 commercial loans originated from January 1, 2011 through June 30, 2013. Eighty-two percent by number, and 79 percent by dollar volume, were originated within the bank's AAs. Table 1 shows loans originated inside and outside the AAs by primary product.

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agricultural Loans	123	77%	37	23%	160	\$22,397,498	71%	\$9,012,495	29%	\$31,409,993
Consumer Loans	106	88%	14	12%	120	\$2,413,697	93%	\$173,641	7%	\$2,587,338
Commercial Loans	18	90%	2	10%	20	9,108,852	99%	\$100,250	1%	\$9,209,102
Total	247	82%	53	18%	300	\$33,920,047	79%	\$9,286,386	21%	\$43,206,433

Source: loan sample

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

Overall, MWB has a 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. MWB participates in programs that benefit small farm and small businesses including the Nebraska Investment Financing Authority Beginning Farmers/Rancher program, Small Business Administration lending, and United States Department of Agriculture Farm Service Agency programs.

Deshler AA - Consumer Loans

The bank's consumer lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 consumer loans from 2011. The bank originated 45 percent of its loans to low-income borrowers and 15 percent to moderate-income borrowers. Table 2 shows the distribution of consumer loans in the 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%	45%	21%	15%	23%	25%	32%	15%

Source: 2000 U.S. Census data; loan sample

The bank’s consumer lending activity is excellent compared to the demographic data from the 2010 census information. Our sample included 20 consumer loans from 2012-2013. The bank originated 45 percent of its loans to low-income borrowers and 35 percent to moderate-income borrowers. Table 3 shows the distribution of consumer loans in the AA.

Table 3 - Borrower Distribution of Consumer Loans in the Deshler AA in 2012-2013								
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	27%	45%	23%	35%	19%	20%	31%	0%

Source: 2010 U.S. Census data, loan sample

Deshler AA - Farm Loans

The bank’s agricultural lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 agricultural loans from 2011. The bank originated 65 percent of its loans to small farms. While the bank’s originations were lower than the 2000 census data, we found the bank meets the standards for reasonable performance activity. We analyzed loan files without revenue data using the loans size as a proxy. These loans were \$200 thousand or less and would be affordable for borrowers with revenues of one million dollars or less. Table 4 shows the distribution of farm loans in the AA.

Table 4 - Borrower Distribution of Loans to Farms in the Deshler AA in 2011				
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 #	65%	15%	20%	100%
% of Bank Loans in AA by \$	61%	27%	12%	100%

Source: 2000 U.S. Census data, loan sample

The bank’s agricultural lending activity is poor compared to the demographic data from the 2010 census information. Our sample included 20 agriculture loans from 2012-2013. The bank originated 75 percent of its loans to small farms. Table 5 shows the distribution of farm loans in the AA.

Table 5 - Borrower Distribution of Loans to Farms in the Deshler AA in 2012-2013				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Farms	99%	1%	< 1%	100%
% of Bank Loans in AA by #	75%	20%	5%	100%
% of Bank Loans in AA by \$	66%	34%	0%	100%

Source: 2010 U.S. Census data, loan sample

Pierce AA – Consumer Loans:

The bank's consumer lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 consumer loans from 2011. The bank originated 15 percent of its loans to low-income borrowers and 25 percent to moderate-income borrowers. Table 6 shows the distribution of consumer loans in the AA.

Table 6 - Borrower Distribution of Consumer Loans in the Pierce AA in 2011								
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%	15%	18%	25%	20%	25%	40%	35%

Source: 2000 U.S. Census data, loan sample

The bank's consumer lending activity is excellent compared to the demographic data from the 2010 census information. Our sample included 20 consumer loans from 2012-2013. The bank originated 35 percent of its loans to low-income borrowers and 20 percent to moderate-income borrowers. Table 7 shows the distribution of consumer loans in the AA.

Table 7 - Borrower Distribution of Consumer Loans in the Pierce AA in 2012-2013								
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%	35%	16%	20%	20%	10%	40%	35%

Source: 2010 U.S. Census data, loan sample

Pierce AA - Farm Loans

The bank's agricultural lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 agriculture loans from 2011. The bank originated 85 percent of its loans to loans to small farms. Table 8 shows the distribution of farm loans in the AA.

Table 8 - Borrower Distribution of Loans to Farms in the Pierce AA in 2011				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	100%	< 1%	< 1%	100%
% of Bank Loans in AA by #	85%	15%	0%	100%
% of Bank Loans in AA by \$	64%	36%	0%	100%

Source: 2000 U.S. Census data, loan sample

The bank’s agricultural lending activity is poor compared to the demographic data from the 2010 census information. Our sample included 20 agricultural loans from 2012-2013. The bank originated 75 percent of its loans to small farms. Table 9 shows the distribution of farm loans in the AA.

Table 9 - Borrower Distribution of Loans to Farms in the Pierce AA in 2012-2013				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1%	< 1%	100%
% of Bank Loans in AA by #	75%	25%	0%	100%
% of Bank Loans in AA by \$	67%	33%	0%	100%

Source: 2010 U.S. Census data, loan sample

York AA - Consumer Loans

The bank’s consumer lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 consumer loans from 2011. The bank originated 15 percent of its loans to low-income borrowers and 30 percent to moderate-income borrowers. Table 10 shows the distribution of consumer loans in the AA.

Table 10 - Borrower Distribution of Consumer Loans in the York AA in 2011								
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	18%	15%	17%	30%	22%	20%	43%	35%

Source: 2000 U.S. Census data, loan sample

The bank’s consumer lending activity is excellent compared to the demographic data from the 2010 census information. Our sample included 20 consumer loans from 2012-2013. The bank originated 20 percent of its loans to low-income borrowers and 40 percent to moderate-income borrowers. Table 11 shows the distribution of consumer loans in the AA.

Table 2 - Borrower Distribution of Consumer Loans in the York AA in 2012-2013								
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	19%	20%	16%	40%	20%	25%	45%	15%

Source: 2010 U.S. Census data, loan sample

York AA - Farm Loans

The bank's agricultural lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 agriculture loans from 2011. The bank originated 85 percent of its loans to small farms. Table 12 shows the distribution of farm loans in the AA.

Table 12 - Borrower Distribution of Loans to Farms in the York AA in 2011				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98%	< 1%	2%	100%
% of Bank Loans in AA by #	85%	15%	0%	100%
% of Bank Loans in AA by \$	70%	30%	0%	100%

Source: 2000 U.S. Census data, loan sample

The bank's agricultural lending activity is reasonable compared to the demographic data from the 2010 census information. Our sample included 20 agriculture loans from 2012. The bank originated 85 percent of its loans to small farms. Table 13 shows the distribution of farm loans in the AA.

Table 13 - Borrower Distribution of Loans to Farms in the York AA in 2012-2013				
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 #	85%	15%	0%	100%
% of Bank Loans in AA by \$	69%	31%	0%	100%

Source: 2010 U.S. Census data, loan sample

Lincoln MSA AA - Farm Loans

The bank's agricultural lending activity is reasonable compared to the demographic data from the 2000 census information. Our sample included 20 agriculture loans from 2011. The bank originated 95 percent of its loans to small farms. Table 14 shows the distribution of farm loans in the AA.

Table 14 - Borrower Distribution of Loans to Farms in the Lincoln AA in 2011				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	< 1%	1%	100%
% of Bank Loans in AA by #	95%	5%	0	100%*
% of Bank Loans in AA by \$	89%	11%	0	100%*

Source: 2000 U.S. Census data, loan sample

The bank's agricultural lending activity is poor compared to the demographic data from the 2010 census information. Our sample included 20 agricultural loans from 2012-2013. The bank originated 65 percent of its loans to small farms. Table 15 shows the distribution of farm loans in the AA.

Table 15 - Borrower Distribution of Loans to Farms in the Lincoln AA in 2012-2013				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1 %	< 1%	100%
% of Bank Loans in AA by #	65%	35%	0	100%
% of Bank Loans in AA by \$	69%	31%	0	100%

Source: 2010 U.S. Census data, loan sample

Lincoln MSA AA - Business Loans

The bank's commercial lending activity is poor compared to the demographic data from the 2010 census information. Our sample included 20 business loans from 2012-2013. The bank originated 50 percent of its loans to small businesses. Table 16 shows the distribution of farm loans in the AA.

Table 16 - Borrower Distribution of Loans to Businesses in the Lincoln AA in 2012-2013				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Business	72%	4%	24%	100%
% of Bank Loans in AA by #	50%	50%	0	100%
% of Bank Loans in AA by \$	12%	88%	0	100%

Source: 2010 U.S. Census data, loan sample

The quantity and volume of business loans did not qualify as a primary product in 2011.

Geographic Distribution of Loans

Overall, MWB has a reasonable dispersion of lending to borrowers in different geographies. All sampled loans were located within the bank's AAs and originated during the evaluation period. The York AA did not contain low- or moderate-income census tracts during the evaluation period.

Deshler AA - 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 from 2012-2013. The bank originated 25 percent of its loans to families located in moderate-income census tracts. One of the moderate-income census tracts in Nuckolls County is supported by four other financial institutions and this may account for a lack of consumer loan originated by the bank. Table 17 shows the distribution of consumer loans in the AA.

Table 17- Geographic Distribution of Consumer Loans in the Deshler AA in 2012-2013								
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%	48%	25%	52%	75%	0%	0

Source: 2010 U.S. Census data, loan sample

We did not review a loan sample for 2011. The 2000 census information did not include any low- or moderate-income census tracts within the AA.

Deshler AA - Farm Loans

The bank’s geographic distribution of agricultural loans is poor in comparison to the demographic data from the 2010 census information. Our sample included 20 loans from 2012-2013. The bank originated 10 percent of farm loans in moderate-income census tracts. Six financial institutions are located in Nuckolls County that support 186 farms. This may account for a lack of loan originations from this area. Table 18 shows the distribution of farm loans in the AA.

Table 18 - Geographic Distribution of Farm Loans in the Deshler AA in 2012-2013								
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%	43%	10%	57%	90%	0%	0%

Source: 2010 U.S. Census data, loan sample

We did not review a loan sample for 2011. The 2000 census information did not include any low- or moderate-income census tracts within the AA.

Pierce AA - Consumer Loans

The bank’s geographic distribution of consumer loans is reasonable in comparison to demographic data from the 2000 census information. Our sample included 20 consumer loans from 2011. The bank originated 10 percent of its consumer loans in moderate-income census tracts. Table 19 shows the distribution of consumer loans in the AA.

Table 19 - Geographic Distribution of Consumer Loans in the Pierce AA in 2011								
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%	11%	10%	68%	80%	21%	10%

Source: 2000 U.S. Census data, loan sample

The bank’s geographic distribution of consumer loans is reasonable in comparison to demographic data from the 2010 census information. Our expanded sample included 60 consumer loans from 2012-2013. The bank originated 5 percent of its consumer loans in the one moderate-income census tract in the AA. Table 20 shows the distribution of consumer loans in the AA.

Table 20- Geographic Distribution Consumer Loans in the Pierce AA in 2012-2013								
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%	5%	79%	80%	14%	15%

Source: 2010 U.S. Census data, loan sample

Pierce AA - Farm Loans

The bank’s geographic distribution of agricultural loans is reasonable in comparison to demographic data from the 2000 census information. Our sample included 20 farm loans from 2011. The bank originated 10 percent of its consumer loans in moderate-income census tracts. Table 21 shows the distribution of farm loans in the AA.

Table 21 - Geographic Distribution of Loans to Farms in the Pierce AA in 2011								
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%	11%	10%	82%	90%	7%	0%

Source: 2000 U.S. Census data, loan sample

The bank’s geographic distribution of agricultural loans is reasonable in comparison to demographic data from the 2010 census information. Our sample included 20 farm loans from 2012-2013. The bank did not originate any farm loans in moderate-income census tracts. This is considered reasonable as the number of moderate-income farms is 14 for the AA. Table 22 shows the distribution of farm loans in the AA.

Table 22 – Geographic Distribution of Loans to Farms in the Pierce AA in 2012-2013								
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%	1%	0%	94%	100%	5%	0%

Source: 2010 U.S. Census data, loan sample

Lincoln MSA AA – Farm Loans

The bank’s agricultural lending activity is poor compared to the demographic data from the 2000 census information. Our sample included 19 agricultural loans from 2011. MWB only originated 19 loans within the AA. The bank did not originate any loans to farms in moderate-income census tracts. Table 23 shows the distribution of farm loans in the AA.

Table 23 - Geographic Distribution of Loans to Farms in the Lincoln AA in 2011								
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	< 1%	0%	7%	0%	68%	84%	25%	16%

Source: 2000 U.S. Census data, loan sample

The bank’s agricultural lending activity is reasonable compared to the demographic data from the 2010 census information. Our sample included 20 agricultural loans from 2012-2013. The bank originated 5 percent of its loans to farms in moderate-income census tracts. Table 24 shows the distribution of farm loans in the AA.

Table 24 - Geographic Distribution of Loans to Farms in the Lincoln AA in 2012-2013								
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%	5%	23%	15%	67%	80%

Source: 2010 U.S. Census data, loan sample

Lincoln MSA AA – Business Loans

The bank’s geographic distribution of commercial loans is reasonable in comparison to demographic data from the 2010 census information. Our sample included 20 business loans from 2012-2013. The bank originated 10 percent of its business loans in low-income census tracts and 20 percent of its business loans in moderate-income census tracts. Table 25 shows the distribution of farm loans in the AA. Business loans were not a primary product in 2011.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	8%	10%	23%	20%	32%	40%	37%	30%

Source: 2010 U.S. Census data, loan sample

Responses to Complaints

Neither the bank, nor the OCC, has received any CRA-related complaints since the last CRA examination.

COMMUNITY DEVELOPMENT TEST

The results of the community development test are satisfactory. MWB displays adequate responsiveness in each of its AAs to community development needs given the availability for such opportunities. Loans, investments and services benefited distressed and underserved middle-income nonmetropolitan geographies. The bank made 24 investments and loans totaling \$15.1 million, or 29 percent of tier one capital. In total, five bank officers and employees provided qualified services to seven community development organizations serving the underserved and distressed geographies. MWB has also provides increased access to financial services by maintaining three branches in underserved non-metropolitan middle-income census tracts. The following highlights the bank’s qualified community development loans, investments, and services:

Number and Amount of Community Development Loans

- One loan totaling \$268 thousand to a new business to renovate an unused building into a day care in a moderate-income census tract.
- One loan totaling \$180 thousand to purchase an existing small business in a moderate-income area.
- One loan with an outstanding balance of \$9 thousand to a community to purchase public safety equipment for an underserved county.

Number and Amount of Qualified Investments

- Two investments totaling \$1.7 million for bonds funding new construction and improvements to existing facilities, and operation of schools serving underserved non-metropolitan middle-income census tracts.
- Four investments totaling \$3.6 million for bonds funding additions and improvements to hospitals serving underserved and distressed non-metropolitan middle-income census tracts.
- Thirteen investments totaling \$8.7 million for bonds funding improvements and additions to infrastructure and facilities providing essential public services, power grids, road, fire facilities, ambulance to underserved and distressed non-metropolitan middle-income census tracts.
- One investment totaling \$720 thousand for a bond to build a local nursing home. Over half of the facility's residents are low-income individuals.

Extent to Which the Bank Provides Community Development Services

- Three 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.
- Two bank employees serve on boards, and in other capacities, for three area economic development organizations. These organizations provide education and other technical assistance to new and small business owners in underserved nonmetropolitan middle-income geographies.

Responsiveness to Community Development Needs

MWB's CD activities demonstrate adequate responsiveness to needs and opportunities in the AAs. The bank's Creighton, York, and Deshler branches are all located in underserved and distressed non-metropolitan middle-income census tracts.

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 assessment area of an affiliate whose loans have been considered as part of the bank's lending performance.

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